

Buchanan County Health Center

Policy Title: Financial Assistance		Policy Number: FIN02209
Department: Finance	Effective Date: 04-01-1999	
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Scope: This policy applies to all individuals who receive health services from or at Buchanan County Health Center (BCHC) and incur a financial obligation to BCHC. NOTE: The information contained and referenced in this Policy applies solely to healthcare services provided at and billed by BCHC. Any healthcare services provided and billed by a non-BCHC provider or organization are not applicable to this Policy.

Purpose: The purpose of this policy is to outline the financial assistance process and payment plan options available at BCHC.

Policy: BCHC is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. BCHC strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. BCHC will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written policy:

- 1) Includes eligibility criteria for financial assistance – free and discounted care
- 2) Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- 3) Describes the method by which patients may apply for financial assistance
- 4) Describes how the hospital will widely publicize the policy within the community served by the hospital
- 5) Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with BCHC's procedures for obtaining other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. In order to manage its resources responsibly and to allow BCHC to provide the appropriate level of assistance to the greatest number of persons in need, BCHC has established these guidelines for the provision of patient financial assistance.

Definitions:

Document Title: Financial Assistance	Page 1 of 8
Policy Number: FIN02209	

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
- Noncash benefits (such as food stamps and housing subsidies) do not count
- Determined on a before-tax basis
- Excludes capital gains or losses
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count)

Financial Assistance: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Gross charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Guarantor: The person(s) that are financially/legal responsible for the patient. When patient is used throughout the policy, it refers to either the patient or their guarantor.

Medically necessary: As defined by the Centers for Medicare/Medicaid Services (CMS), services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Procedure:

1) **Services Eligible Under This Policy.** The following healthcare services are eligible for financial assistance:

- a) Emergency medical services provided in an emergency room setting;
- b) Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- c) Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
- d) Medically necessary services, evaluated on a case-by-case basis at BCHC's discretion.

2) **Eligibility for Financial Assistance.**

Document Title: Financial Assistance	Page 2 of 8
Policy Number: FIN02209	

- a) Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government healthcare benefit program, and who are unable to pay for their care based upon a determination of financial need in accordance with this policy. The granting of financial assistance shall be based on an individualized determination of financial need and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
- b) Financial assistance eligibility determinations shall be effective for one (1) year following the date of initial approval, unless hospital personnel have reason to believe the patient no longer meets eligibility criteria. BCHC does not use prior financial assistance eligibility determinations to presumptively determine eligibility.
 - i) BCHC reserves the right to review utilization of BCHC services by patients who receive financial assistance. Patients that are determined to be utilizing BCHC services inappropriately may be required to receive additional service utilization counseling to continue financial assistance eligibility.

3) Method by Which Patients May Apply for Financial Assistance.

- a) Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and may:
 - i) Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need. Such documentation may include, but is not limited to: income tax returns, w2s, paystubs, and bank statements.
 - ii) Include the use of external, publicly available, data sources that provide information on a patient's or a patient's guarantor's ability to pay
 - iii) Take into account the patient's available assets and all other financial resources available to the patient
 - iv) Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history
- b) It is preferred, but not required, that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, to qualify for financial assistance an individual application must be received within 240 days from the date of the first statement post-discharge.
- c) BCHC's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly. BCHC shall notify the patient or applicant in writing within 30 days of receipt of a completed application.
- d) Patients and families wishing to apply may submit an application and supporting documentation to the Business Office. The financial assistance application may be found on BCHC's website (www.BCHealth.org). Alternatively, printed copies of the hospital's Financial Assistance Policy or its Plain Language Summary may be obtained at no extra costs by visiting or calling the Business Office or hospital registration. Patients may contact the Business Office for a copy of the application and to discuss any questions. The Business Office is located at 1600 1st Street E, Independence, IA 50644, and can be reached at (319) 332-0999.

- 4) **Presumptive Financial Assistance Eligibility.** There are instances when a patient may appear eligible for financial assistance discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient's eligibility for financial assistance, BCHC could use outside agencies in determining estimate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined based on individual life circumstances that may include:
- a) State-funded prescription programs
 - b) Homeless or received care from a homeless clinic
 - c) Participation in Women, Infants and Children programs (WIC)
 - d) Food stamp eligibility
 - e) Subsidized school lunch program eligibility
 - f) Eligibility for other state or local assistance programs that are unfunded
 - g) Low income/subsidized housing is provided as a valid address
 - h) Patient is deceased with no known estate
- 5) **Eligibility Criteria and Amounts Charged to Patients.** Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. BCHC will provide an itemized statement to the patient showing the charges and the discount amount applied to the patient's account. The discount will be applied once the patient has submitted a complete application for financial assistance.

The basis for the amounts BCHC will charge patients qualifying for financial assistance is as follows:

FPIG Amount	Financial Assistance Limits*
0-100%	100%
101-140%	90%
141-160%	80%
161-180%	75%
181-200%	65%
201-240%	50%
241-260%	40%
261-280%	30%
281-300%	20%

*Guideline only – discretion of CFO who can alter

- 6) **Communication of the Financial Assistance Program to Patients and Within the Community.** Notification about financial assistance available from BCHC will be disseminated to patients and within the community through various means. Copies of the financial assistance policy, financial assistance application and Plain

Language Summary will be available without charge by mail, on BCHC's website, and in person at the hospital. BCHC will also post signs and/or display brochures that provide basic information about the financial assistance policy in public locations as BCHC may elect. BCHC will notify and inform members of the community it serves about the financial assistance policy in a manner reasonably calculated to reach those members most likely to require financial assistance from BCHC. Referral of patients for financial assistance may be made by any member of the BCHC staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

- 7) **Relationship to Collection Policies.** BCHC shall develop procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from BCHC, and a patient's good faith effort to comply with his or her payment agreements with BCHC. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, BCHC may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. BCHC will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under this Policy. Reasonable efforts shall include:
- a) Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital
 - b) Documentation that BCHC has or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with the hospital's application requirements
 - c) Documentation that the patient does not qualify for financial assistance on a presumptive basis
 - d) Documentation that the patient has been offered a payment plan but has not honored the terms of that plan

8) **Account Payments**

- a) Patients or their responsible parties are expected to pay their full liability for services rendered, including any applicable discounts, within thirty (30) days of receipt of their first bill.
 - i) The following are acceptable forms for payment:
 - (1) Cash, Visa or MasterCard debit card, check, money order, or credit card
 - (2) Completed BCHC Financial Assistance Program Application
 - (3) BCHC Instalment Payment Plan
 - ii) Employee patient accounts will be handled in accordance with this Policy and in a manner consistent with that of any other BCHC patient. All employee payment arrangements must follow minimum payment requirements and timeframes as outlined in this Policy. BCHC also offers their employees the convenience of payroll deduction.

Document Title: Financial Assistance	Page 5 of 8
Policy Number: FIN02209	

- iii) Prompt payment discounts are available only for current accounts and will not apply to any payments made pursuant to an approved BCHC Installment Payment Plan. BCHC may grant up to a 15% prompt payment discount, which represents the cost to BCHC for collection of outstanding accounts, to eligible patients on eligible services if outstanding balance of the patient account is paid in full within 30 days of the first statement date. Prompt payment discounts may not be combined with financial assistance discounts.
- b) Installment Payment Plans. For patients who do not otherwise qualify for the BCHC Financial Assistance Program and cannot reasonably make payment in full within 30 days of the statement date, BCHC will accommodate the following payment arrangements.

- i) Short-Term Installment Plans.

- (1) The patient must meet the minimum monthly payment and minimum balance requirements set forth in the table below.

Minimum Balance*	Payment in Full within days	Minimum Monthly Payment
\$0-\$250	90	\$25
\$251-\$500	180	\$50
\$501-\$750	270	\$75
\$751-\$1000	365	\$100
\$1000>	365	10% of outstanding balance

*The minimum balance means the aggregate outstanding balance for all BCHC accounts for such guarantor.

- (2) There is no interest charged on short-term installment plans.
- (3) All short-term installment plans must be paid off in 12 months.
- ii) Intermediate-Term Installment Plans. For patients who cannot reasonably make payment in full within 12 months of the first billing date, BCHC may accept the following Intermediate-Term Payment Plans:
 - (1) The patient minimum balance for all outstanding BCHC accounts must exceed \$1,001 but less than \$2,000.
 - (2) The minimum monthly payment must exceed \$25, but in any case, will not exceed 10% of the patient's gross monthly income.
 - (3) There is no interest charged on intermediate-term installment plans.
 - (4) All intermediate-term installment plans must be paid off in 24 months.
- iii) Long-Term Installment Plans. For patients who cannot reasonably make payment in full within 24 months of the first billing date, BCHC may accept the following Long-Term Payment Plans:
 - (1) The patient minimum balance for all outstanding BCHC accounts must exceed \$2,001.
 - (2) The minimum monthly payment must exceed \$25, but in any case, will not exceed 10% of the patient's gross monthly income.
 - (3) There is no interest charged on long-term installment plans.
 - (4) All long-term installment plans must be paid off in 36 months.
- iv) Alternative Installment Plans. Requests for alternative installment payment terms must be referred to the Chief Financial Officer (CFO) for review and approval.

- c) Settlements. BCHC may employ discretionary discounting of account balance to obtain payment of outstanding balances on aged accounts and bad debt accounts.
 - i) All requests for settlement of account(s) must be directed to the CFO for review and approval.
 - ii) All requests for legal settlements must be directed to the CFO for review and approval.
 - d) Missed Payments. There is no interest penalty for a missed payment. However, failure to make agreed upon payments under an installment plan or settlement may result in the cancellation of the payment arrangement, demand issued for payment in full, and referral to a third-party collection agency for additional collection activities. Payment arrangements may be reinstated at the discretion of the CFO, and in all cases where a patient pays all plan arrears by a BCHC approved date.
- 9) **Other Considerations.** At the discretion of the CFO and in cases subject to review of the individual circumstances, the following patients may be eligible for financial assistance:
- a) Patients enrolled in a government health care program in which BCHC is not enrolled or is ineligible to enroll as a provider and therefore cannot obtain payment.
 - b) Patients who are deceased and have no estate.
 - c) Patients who are bankrupt.
 - d) A patient requiring emergency care that does not qualify for financial assistance, but whose patient responsibility incurred for medical care at BCHC, even after payment by third-party payers, significantly exceeds the patient's ability to pay.
 - e) A patient unable to pay due to a catastrophic financial situation.
- 10) **Regulatory Requirements.** In implementing this Policy, BCHC shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

Tag Number: None

References:

Financial Assistance Policy and Emergency Medical Care Policy – Section 501(r)(4). (2021, August 3). Retrieved from IRS: <https://www.irs.gov/charities-non-profits/financial-assistance-policy-and-emergency-medical-care-policy-section-501r4>

Principles and Practices Board Sample 501(c)(3) Hospital Charity Care and Financial Assistance Policy and Procedures. (2010, December). Retrieved from Healthcare Financial Management Association: <https://www.hfma.org>

Relevant Documents: Financial Assistance Application; Plain Language Summary

The electronic version of this document supersedes any printed version(s).

Document Title: Financial Assistance	Page 7 of 8
Policy Number: FIN02209	

Buchanan County Health Center

Reviewed by all departments affected:									
Administration	☐	Emergency Preparedness	☐	Lab	☐	Patient Advocate	☐	Rural Health Clinic (RHC)	☐
Business Office	☐	EMR	☐	Long Term Care	☐	Pharmacy	☐	SS / Case Management	☐
Cardiac Rehab	☐	Finance	☐	Maintenance	☐	Public Relations	☐	Specialty Clinic	☐
Compliance	☐	HIM	☐	Materials Mgt.	☐	Quality Management	☐	Staff Ed	☐
Credentialing	☐	Human Resources	☐	Medical Staff	☐	Radiology	☐	Surgery	☐
Emergency	☐	Independent Living	☐	Med Surg	☐	Registration	☐	Therapy (OT/PT/ST)	☐
Employee Health	☐	Infection Prevention	☐	Nursing	☐	Respiratory / EKG	☐	Wellness	☐
EVS	☐	Information Tech.	☐	Nutrition Service	☐	Revenue Cycle	☐		☐