

**POLICY & PROCEDURE – DRAFT 09.21.2016**

	Effective Date: <b>September 2015</b>	General Policy Manual	Policy #: <b>2.10</b>
	Original – 1/91 Revision	Page 1 of 4	Title: <b>Financial Assistance Policy                  (Community Care Program)</b>

**I. PURPOSE:**

The purpose of this policy is to assist those individuals who are unable to pay for services provided and fulfill Stoughton Hospital’s charitable mission by providing emergency and other medically necessary health care services to all individuals without regard to their ability to pay. This policy outlines the circumstances under which Stoughton Hospital will provide discounted care to patients with financial hardships.

**II. POLICY & SCOPE:**

Stoughton Hospital recognizes that certain individuals are unable to pay entirely, or in part, for services provided by the institution. Stoughton Hospital shall provide financial assistance to eligible patients the process for which is outlined through this Financial Assistance Policy (FAP). Stoughton Hospital is a charitable organization which is tax-exempt under Internal Revenue Code (IRC) 501(c)(3). Schedule B, attached, describes what services and provider practices are covered under this policy.

**III. PHILOSOPHY:**

Stoughton Hospital’s community care program is not an entitlement program and is not considered a substitute for personal responsibility. Patients are expected to cooperate with Stoughton Hospital’s procedures for obtaining insurance available or other forms of payment, and to contribute to the cost of their care based upon their individual ability to pay. The community care program is charity care offered to patients who are financially unable to pay full charges, as determined by Stoughton Hospital. The community care program will be administered without regard to race, creed, color, sex, national origin, sexual orientation, disability, age or source of income.

**IV. DEFINITIONS:**

Hospital: A facility that is required by a state to be licensed, registered or similarly recognized as a hospital. Multiple buildings operated by a Hospital under a single state license are considered to be a single Hospital. For purposes of this policy, Stoughton Hospital Home Health, Stoughton Hospital OrthoTeam Clinic, Stoughton Hospital Oregon Rehabilitation and Sports Medicine Clinic and Urgent Care and Stoughton Hospital Stoughton Rehabilitation and Sports Medicine Clinic are included under this policy.

Application Period: Defined as the time provided to patients by the hospital to complete the Financial Assistance application. It begins on the first day care is provided and ends on the 240<sup>th</sup> day after the hospital provides the individual with the first post-discharge billing statement for the care provided.

Family Size: Family size is defined by the Internal Revenue Service and is equal to the number of individuals for whom the taxpayer is allowed a deduction on their federal tax return. If IRS tax documentation is not available, family size will be determined by the number of family members documented and verified on the financial assistance application.

Federal Poverty Level (FPL): The set minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. It is determined by the Department of Health and Human Services and is adjusted for inflation and reported annually in the form of poverty guidelines.

Financial Assistance: Defined as free or discounted healthcare service provided to person who cannot afford to pay all or a portion of their financial liability for service and who meet Stoughton Hospital's financial assistance policy criteria.

Amounts Generally Billed to Individuals Who Have Insurance (AGB)/Limitation of Charges: Stoughton Hospital limits the amount charged for emergency and medically necessary care provided to patients who are eligible for financial assistance under this policy to not more than gross charges for care multiplied by the AGB percentage. The AGB percentage is determined using the look-back method. Under this method, all claims paid by Medicare fee-for-service over the last 12 months are used. For these claims, the sum of all allowable reimbursement amounts is divided by the sum of the associated gross charges. The AGB percentage is calculated, at a minimum annually, with implementation not more than 120 days after the end of the 12 month period utilized.

AGB Discount = 39%

Patient Liability: The amount a patient is personally responsible for paying after all available discounts, including uninsured discount, financial assistance discount and discount due to limitation on charges to patients per 501(r) regulations.

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.

Uninsured discount: The discount off gross charges provided to any patient who indicates upon registration that they do not have any governmental or third party payer who will be responsible for paying for their care. The current uninsured discount is 39%.

## V. PROCEDURE

A. Eligible Services: For purposes of this policy, all emergency and medically necessary services provided by the Hospital are eligible.

The following healthcare services are not considered medically necessary and are not eligible under this policy:

- Cosmetic treatment and/or procedures unrelated to severe congenital malformations or physical disfigurements caused by injury or illness determined to be not medically necessary.
- Lifeline, Home Health Trusted Hands, Supportive Care and Cardiac Phase III programs
- Any other service or procedure determined by a licensed physician to be not medically necessary

B. Eligibility:

Eligibility under the community care program: The applicant's ability to pay for all or a portion of the hospital's billed charges will be determined on a case-by-case basis for individuals who:

- Have limited or no health insurance;
- Cooperate with Stoughton Hospital's policies and procedures;
- Demonstrate financial need;
- Supply all required information to process the application; and
- Reimburses the Hospital for any monies paid directly to the patient by insurance.

Presumptive Eligibility – Patients who meet presumptive eligibility criteria under this Section may be granted financial assistance without completing the financial assistance application. Documentation supporting the patient's qualification for or participation in a program listed below, as appropriate, must be obtained and kept on file. Documentation may include a copy of a government issued card or other

documentation listing eligibility or qualification or print screen of a web page listing the patient's eligibility. Unless otherwise noted, the patient who is presumed eligible under these presumptive criteria will continue to remain eligible for six months following the date of initial approval, unless Hospital personnel have reason to believe the patient no longer meets the presumptive criteria.

Patients who qualify and are receiving benefits from the following programs may be presumed eligible for 100% financial assistance:

- The U.S. Department of Agriculture Food and Nutrition Service *Food Stamp Program*
- Medicaid program
- Women, Infants, and Children (WIC) nutrition assistance

Patients who are in the following situations may be presumed eligible for 100% financial assistance:

- Is Deceased with no known estate
- Has been approved by the court for bankruptcy
- Is Homeless or received care from a homeless clinic.

A determination of financial assistance without submitting another application will be effective for a period of up to 6 months from the date the application was approved for urgent or emergent services and will include all outstanding receivables including those at bad debt agencies.

Elective Schedule Services:

Arrangements for community care for scheduled services should be made in advance of receiving the services. The patient should contact the Hospital's Patient Financial Services Department to provide the necessary information.

#### C. Method for Applying for Financial Assistance

Application – In order to be eligible for financial assistance consideration, the patient or guarantor must furnish the Hospital with a completed financial assistance application and required supporting documentation. The application may be completed using information that is collected in writing, orally, or through a combination of both.

Patients can also submit an application verbally, either over the phone to a Patient Financial Services Representative or face to face with a Patient Financial Services Counselor. The Patient Financial Services Representative or Counselor will document the patient responses onto the application form and the patient will verify and attest to all the information. All supporting documentation must be supplied for the application to be considered complete.

A Patient Financial Services Department Representative will determine initial eligibility and the Director of Finance and/or Senior Vice President of Finance will give the final approval.

The following criteria will be applied consistently and equitably:

1. Medical insurance coverage.
2. Personal and/or family income.
3. Size of patient's family.
4. Review of the liabilities of the patient and/or family.
5. Financial resources of patient and/or family other than income.
6. A review of assets including cash, savings, stocks and other liquid assets, home and land, vehicles, personal property used in the production of income and other personal property of reasonable value.

Generally to be eligible for community care, all other funding sources must have been applied for and denied. These include, but are not limited to, all county, state or federal programs. Any account pending eligibility consideration by another pay source will be excluded from consideration.

Our Hospital takes the following factors into account in determining eligibility for catastrophic financial assistance:

- The amount owed by the patient in relation to his/her total means
- The medical status of the patient or of his/her family
- The employment potential of the patient in light of his/her medical condition and/or skills in the job market
- Whether the patient lives on a fixed income
- Existing liabilities such as a mortgage, school tuition, or automobile or college loan
- Level and type of assets

To be eligible under the community care plan, the applicant's combined family income is not to exceed the hospital's pre-established level based on Federal Property Level guidelines and the State of Wisconsin Uniform Fee System which is in existence at the time of application. (See attached guidelines)

A copy of the applicant's W2, tax return or other proof of income or assets will be requested by the hospital.

Incomplete Applications – All incomplete applications will receive a letter of notification that will detail the information that is needed to satisfy the documentation requirements for eligibility. If the applicant sends in incomplete documentation a second time, the applicant will receive a letter and a phone call attempt to notify the patient that their application is not complete.

Notification of Acceptance or Denial: Applicants for community care will be notified by letter of acceptance or denial within a reasonable time when it has been determined whether they meet eligibility requirements and that they are ineligible for county, state or federal government programs

Patient Appeals Process:

1. A patient who is denied Community Care funding because their income level exceeds the guidelines shall be advised of the right to have the initial determination reviewed.
2. The review request can be in writing or taken verbally from the patient stating the reason for the request.
3. The review shall be conducted by a panel consisting of the Director of Finance and at least one other member of administration. The decision of the review panel shall be final.

If a Patient does not initially qualify for financial assistance, the Patient may reapply if there is a change in income, assets or family responsibilities.

#### D. Collection Activity

Stoughton Hospital will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this policy.

Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that Stoughton Hospital has offered 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;
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Extraordinary collection actions may include reporting to national credit bureaus. If our collection agency identifies a patient is meeting financial assistance eligibility criteria, the patient's account may be considered for financial assistance. Collection activity will be suspended on the accounts and the financial assistance application will be reviewed. If the entire account balance is adjusted, the account will be returned. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

E. Community Care Information Provided to the Public:

Notices will be appropriately posted and the Hospital will communicate the availability of community care to all patients and within the community. Copies of the Financial Assistance Policy 2.10 (Community Care), community care application and Plain Language Summary will be available by mail, on the Stoughton Hospital website, and in person at the Hospital Registration or Patient Financial Services departments. The Stoughton Hospital Patient Financial Services department is available by phone at (608) 873-2257 to answer questions about this policy or patients should go to the Patient Financial Services Office at the hospital to obtain this information in person.

Stoughton Hospital will develop a Plain Language Summary (PLS) of this policy which will be available by mail, on the Stoughton Hospital website and in person at the Hospital. The PLS will be offered as part of the patient admission and/or discharge process, will be included in the written notice that Extraordinary Collection Actions may be taken against him/her. This financial assistance policy, the Plain Language Summary, and all financial assistance forms must be available in English and in any other language in which limited English proficiency (LEP) populations constitute the less of 1,000 persons or more than 5% of the community service by the Hospital. These documents will be available in Spanish and Albanian. These translated documents will be available by mail, on the Stoughton Hospital website and in person at the Hospital.

These notices and documents may be provided electronically.

**VI. COORDINATION:**

**Owner:** Director of Finance

**Reviewed by:**  
CFO/Senior Vice President – Finance  
Administrative Council  
General Policy Review Committee  
Governing Board of Directors

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President/CEO

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Date

## Schedule A - Stoughton Hospital Community Care Income Guidelines

### 2016

Eligibility for Stoughton Hospital Community Care Fund is based on Federal Poverty Level using the following annual income guideline:

Family Size	FPL	100% Write off 150% FPL	80% Write off 160% FPL	60% Write off 170% FPL	40% Write off 180% FPL
1	11,880	17,820	19,008	20,196	21,384
2	16,020	24,030	25,632	27,234	28,836
3	20,160	30,240	32,256	34,272	36,288
4	24,300	36,450	38,880	41,310	43,740
5	28,440	42,660	45,504	48,348	51,192
6	32,580	48,870	52,128	55,386	58,644
7	36,730	55,095	58,768	62,441	66,114
8	40,890	61,335	65,424	69,513	73,602

For family units with more than 8 members, add \$4,060 for each additional member.

Schedule B – Schedule of Providers, Other Than Stoughton Hospital

(Updated 9.21.2016)

Provider Practice Name	Eligible for Financial Assistance under Policy 2.10	Not Eligible for Financial Assistance Under Policy 2.10
Associated Pathologists		X
Dean Health Systems Physicians		X
Beam Healthcare, S.C.	X	
Fort Medical Group	X	
Madison Radiologists		X
Meriter Physicians		X
Dr. Kenneth Robbins		X
Dr. Martha Rolli		X
Southern WI Emergency Associates, S.C. Physicians	X	
UW Physicians		X

This provider schedule is updated quarterly.