

- <b>BURGESS HEALTH CENTER</b> <b>ONAWA, IOWA</b> <b>POLICY AND PROCEDURE MANUAL</b>	<b>POLICY NUMBER:</b>  822.1005.8
<b>DEPARTMENT:</b> Patient Financial Services	<b>EFFECTIVE DATE:</b> 3-14-2014
<b>POLICY:</b> Financial Assistance Policy	<b>SUPERSEDES NUMBER:</b> 822.1005.7

I. PURPOSE

Burgess Health Center (BHC), as a not-for-profit entity, recognizes the importance of financial assistance in fulfilling its corporate mission and community interest. This policy and the Financial Assistance Programs outlined herein are intended to address the dual interests of providing access to care to those without the ability to pay and to offer a discount from billed charges for those who are able to pay a portion of the costs of their care. This policy sets forth the basic framework for the two Financial Assistance Programs that will apply to Burgess Health Center. Upon adoption by the BHC Board of Directors, acting in its capacity as the governing body for the hospital, this policy and the Financial Assistance Programs set forth herein will constitute the official financial assistance policy (within the meaning of Section 501(r) of the Internal Revenue Code) for BHC.

II. SCOPE

Level 1 policy affecting all departments.

III. RESPONSIBILITY

It is the responsibility of the Director of Business Office and Chief Financial Officer to ensure compliance with this policy.

IV. DEFINITIONS:

- A. Amounts Generally Billed (AGB) means the Usual and Customary Charges for Covered Services provided to individuals eligible under the Basic Financial Assistance Program, multiplied by the Hospital-Specific AGB Percentage applicable to such services.
- B. Billing and Collections Policy means the BHC policy entitled: "Patient Financial Services: Billing and Collection Policy," as the same may be amended from time to time.
- C. Emergent Services means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain, psychiatric disturbances and/or symptoms of substance abuse) such that the absence of immediate medical attention could reasonably be expected to result in:
1. Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman and her unborn child) in serious jeopardy, or
  2. Serious impairment to bodily functions, or
  3. Serious dysfunction of any bodily organ or part.
- D. Emergency Services means the services necessary and appropriate to treat an Emergent Condition.
- E. FAP-Eligible Individual means an individual eligible for financial assistance under this Policy and one or both of the Financial Assistance Programs hereunder without regard to whether the individual has applied for financial assistance.
- F. Hospital means the facility owned and operated by BHC at which the BHC Board of Directors has governing body authority over the operations of such hospital.
- G. Hospital-Specific AGB Percentage means, for the Hospital, a percentage derived by dividing (1) the sum of all claims for Medically Necessary services provided at the Hospital paid during the Relevant Period by Medicare fee-for-service and all private health insurers as primary payors, together with any associated portions of these claims paid by Medicare beneficiaries or insured individuals in the form of co-pays, co-insurance or deductibles, by (2) the Usual and Customary Charges for such Medically Necessary Services. The Hospital-Specific AGB Percentage shall be calculated for the initial Relevant Period no later than March 14, 2014. Thereafter, the Hospital-Specific AGB Percentage shall be calculated no later than January 15 of each year, commencing on January 15, 2015 for the most recently completed Relevant Period. Each Hospital-Specific AGB Percentage will be effective until the next annual calculation the Hospital-Specific AGB Percentage based on the most recent Relevant Period. The calculation of the Hospital-Specific AGB Percentage for the Hospital shall comply with the "look-back method" described in Treasury Regulation § 1-501(r)-5(b) (1) (B).
- H. PFS means Patient Financial Services, the operating unit of BHC responsible for billing and collecting self-pay accounts for hospital services.
- I. Relevant Period means the 12-month period ending on January 31, 2014, for financial assistance provided from March 14, 2014 until the Hospital Specific AGB Percentage is calculated based on claims paid during the 12-month period ending on November 30, 2014. Thereafter, the Relevant Period means each 12-month period

ending on November 30.

- J. Medicaid means all State and Federal Programs.
- K. Covered Services means those inpatient and outpatient services provided by BHC Hospital which are Medically Necessary in accordance with the standards of BHC's Medicare fiscal intermediary.
- L. Medically Necessary means those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be Medically Necessary taking into account the most appropriate level of care. Depending on a patient's medical condition, the most appropriate setting for the provision of care may be a home, a physician's office, an outpatient facility, or a long-term care, rehabilitation or hospital bed. In order to be Medically Necessary, a service must:
  1. Be required to treat an illness or injury;
  2. Be consistent with the diagnosis and treatment of the Patient's conditions;
  3. Be in accordance with the standard of good medical practice;
  4. Not be for the convenience of the Patient or the Patient's physician; and
  5. Be that level of care most appropriate for the Patient as determined by the Patient's medical condition and not the Patient's financial or family situation.

Emergent Services are deemed to be Medically Necessary.
- M. Financially Indigent patients include those patients who are uninsured or underinsured, whose annual income is equal to or less than the HUD Guidelines, as published each year, and who have no ability to pay for their medical care.
- N. Medically Indigent patients include those patients who are capable of paying for their living expenses, but who's medical hospital bills, after payment by third party payers, would require use or liquidation of income and/or assets critical to living or earning a living.
- O. Usual and Customary Charges means the rates for Covered Services as set forth in the chargemaster for that Hospital at the time the Covered Services are rendered.

#### V. POLICY:

- A. Overview. BHC is dedicated to providing quality healthcare to all patients regardless of age, sex, sexual orientation, race, religion, disability, veteran status, national origin and/or ability to pay. Patients eligible for financial assistance consideration will include both Financially Indigent and Medically Indigent applicants who have inadequate resources to pay for services provided. This policy establishes two programs, the Basic Financial Assistance Program and the Enhanced Financial Assistance Program. Under the Basic Financial Assistance Program, Patients having annual household incomes of \$125,000 or less may, depending upon their assets and liabilities, qualify for discounted pricing for Covered Services. Under the Enhanced Financial Assistance Program, Patients' having household incomes at or below HUD Guidelines and insufficient assets may, depending upon their assets and liabilities, qualify for Enhanced Financial Assistance in the form of free Emergent Services and other services required to be provided by BHC under EMTALA, subject (in most circumstances) to application for Medicaid and Healthcare Marketplace, and for discounted pricing for other Covered Services. This policy and the Financial Assistance Programs set forth under this policy are intended to comply with Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder, and shall be interpreted and applied in accordance with such regulations.
- B. Reservation of Right to Seek Reimbursement of Charges from Third Parties. In the event that any first or third party payor is liable for any portion of an uninsured patient's bill, BHC will seek full reimbursement of all charges incurred by the patient at the Hospital's Usual and Customary Charges from such first or third party payors, despite any financial assistance granted pursuant to this policy.
- C. Methods for Applying for Financial Assistance. Patients may apply for Financial Assistance under either the Basic or Enhanced Financial Assistance Programs by any of the following means;
  1. Advising PFS personnel at or prior to the time of registration that they are Uninsured.
    - a. PFS personnel will offer patients a form for the Basic Financial Assistance Program if patients state that their annual household income is under \$125,000.
    - b. PFS will provide information about the Enhanced Financial Assistance Program.
    - c. PFS will assist the patient in applying for Medicaid and Healthcare Market Place.
  2. Downloading the applications form from the Hospital website and mailing it to PFS at the address on the application form.
  3. Requesting an application form from the PFS Department and mailing it to PFS at the address on the application form.
  4. Any of the methods specified in the Billing and Collections Policy.
- D. Basic Financial Assistance Program
  1. Eligibility Criteria and Determinations. Except as otherwise provided herein, Patients will ordinarily qualify for the Basic Financial Assistance Program if they have annual household incomes of less than \$125,000. However, BHC reserves the right to deny participation in the Basic Financial Assistance Program to Patients who have annual household incomes of less than \$125,000 if, in the judgment of

PFS, such patients have sufficient net assets to pay for Covered Services at Usual and Customary Charges and or default on prior FA payment arrangement.

2. Amounts Payable Under Basic Financial Assistance Program. Participants in the Basic Financial Assistance Program will be charged for Covered Services at AGB. If the Covered Services are Emergent Services or services that the Hospital is otherwise required to provide under EMTALA, then the Hospital will provide such Covered Services.
3. Determination and Publication of the Hospital-Specific AGB Percentage. Immediately upon each annual determination of the Hospital-Specific AGB Percentage, BHC shall prepare a description of the manner in which the Hospital-Specific AGB Percentage were determined using the form attached to this Policy as Appendix A and shall cause such calculations to be posted on the BHC website, and the applicable calculation to be posted on each Hospital's specific website.

E. Enhanced Financial Assistance Program

1. Eligibility Criteria and Determinations. Except as otherwise provided herein, Patients will ordinarily qualify for the Enhanced Financial Assistance Program if he or she meets each of the following requirements:

- a. Has an annual household income equal to or less than the HUD guidelines or Medicaid guidelines;
- b. If requested by BHC, applies for Medicaid and Healthcare Marketplace;
- c. Is denied Medicaid coverage.

Patients in Iowa or elsewhere who are required to apply for Medicaid and the Healthcare Marketplace, but does not cooperate fully with the Medicaid and Healthcare Marketplace application and eligibility determination process may not be eligible for participation in the Enhanced Financial Assistance Program. BHC reserves the right to deny participation in the Enhanced Financial Assistance Program to Patients who have annual household incomes equal to the HUD Guidelines, if, in the judgment of PFS, such patients have sufficient net assets to pay for Covered Services at Usual and Customary Charges or at AGB and/or default on prior FA payment arrangements.

2. Amounts Payable Under Enhances Financial Assistance Program. Patients who qualify for the Enhanced Financial Assistance Program will not be charged for Emergent Services or other services that the Hospital is otherwise required to provide under EMTALA, and their entire bill for such services will be written off. For all other Covered Services, Patients who qualify for the Enhanced Financial Assistance Program will be charged AGB.

F. Write-Offs and Adjustments.

1. A patient qualifies for Medicaid after service has been provided by BHC (100% write-off). This includes any bills for services that predate coverage.
2. A patient qualifies for Medicaid but funding is not available to pay for services or Medicaid denies coverage for particular Covered Services (100% write-off)
3. A patient is approved for participation in the Enhanced Financial Assistance Program (100% write-off of Emergent/EMTALA-mandated services, and adjustment of bills to AGB for all other Covered Services provided for episode coinciding with successful application for participation in Enhanced Financial Assistance Program).
4. A patient is approved for participation in the Basic Financial Assistance Program (adjustment of bills to AGB for Covered Services provided for episode coinciding with successful application for participation in Basic Financial Assistance Program).

Upon approval, write-offs and adjustments will be processed promptly in accordance with procedures, state statutes and regulations.

- G. Signature Authority for Write-Offs. Basic and Enhanced Financial Assistance Program write-offs will be granted subject to the following approval limits:

\$0 – \$1,000	Financial Counselor
\$1,001 – \$5,000	Director of Reimbursement Services
Over - \$5,000	Chief Financial Officer

- H. Collection of Balances owed by Patients; Patient Financial Services Billing and Collections Policy. Accounts for hospital services for patients who are able, but unwilling, to pay are considered uncollectible bad debts and will be referred to outside agencies for collection. The unpaid discounted balances of patients who qualify for the Basic Financial Assistance Program are considered uncollectible bad debts and such patients will be referred to outside agencies for collection and other actions in accordance with the Billing and Collections Policy. No prior bad debt accounts will qualify for financial assistance. The Billing and Collections Policy will be posted to the BHC website. In addition, a free copy of the Billing and Collections Policy can be obtained by any member of the public upon request to the Registration office at BHC or to PFS at the address and phone number listed at the end of the Policy.

- I. Monitoring of Programs. The Director of Business Office will be responsible to monitor the appropriateness of the Basic Financial Assistance and the Enhanced Financial Assistance Programs, the charges, patient days, and allowances. PFS has the responsibility for monitoring and ensuring that a reasonable effort to determine whether an individual is FAP-eligible and for determining whether and when extraordinary collection actions may be taken in accordance with this policy and the Billings and Collections Policy.
- J. Publication of Policy.
1. Plain Language Summary. A Hospital-specific plain language summary (each, a “Plain Language Summary”) that notifies an individual that BHC offers financial assistance under the Basic and Enhanced Financial Assistance Programs will be prepared by PFS for the Hospital, and will be updated based upon any modifications to the information contained therein. The basic template of the Plain Language Summary is attached to this Policy as Appendix B. Each Plain Language Summary will provide the following information in language that is clear, concise and easy to understand:
    - a. A brief description of the eligibility requirements and assistance offered under the Basic and Enhanced Financial Assistance Programs;
    - b. The direct web site address and physical location of the Hospital where any individual can obtain copies of this Policy, the Billing and Collections Policy, and the application forms for the Basic and Enhanced Financial Assistance Programs; (need to do app form for Enhanced)
    - c. Instructions on how any individual can obtain free copies of this policy, the Billing and Collections Policy, and the application forms for the Basic and Enhanced Financial Assistance Programs by mail;
    - d. The contact information, including the telephone numbers(s) and physical location (including a room number, if applicable), of Hospital staff who can provide an individual with information concerning the Basic and Enhanced Financial Assistance Programs and the application process for these programs, as well as of the nonprofit organizations or government agencies, if any, that the Hospital has identified as available sources of assistance with the Basic and Enhanced Financial Assistance Program applications;
    - e. A statement of the availability of translations of this Policy, the Billing and Collections Policy, and the application forms for the Basic and Enhanced Financial Assistance Programs and the Plain Language Summary in other languages, if applicable; and
    - f. A statement that no FAP-Eligible Individual will be charged more for Emergent Services or other Medically Necessary care than AGB.
  2. Dissemination of Plain Language Summary. The Plain Language Summary will be available in English. The website for BHC shall post the Plain Language Summary conspicuously in English on the website, or have a conspicuous link to another webpage having the summaries. Each billing statement for self-pay accounts shall include colorful inserts in English advising of the Basic and Enhanced Financial Assistance Programs and containing a Plain Language Summary, and PFS representatives shall include information concerning the programs in follow-up collection calls to self-pay accounts. The Hospital shall also distribute copies of the Plain Language Summary to community groups serving populations likely to include individuals who would be eligible for the Enhanced Financial Assistance Program.
  3. Advertising and Posters. The availability of the Basic and Enhanced Financial Assistance Programs shall be publicized widely within the communities served. The Hospital admitting area shall have posters in English prominently displayed that advise of the existence of the programs and how a free copy of the Policy and application forms for the Basic and Enhanced Financial Assistance Programs may be obtained upon request and by mail. Posters will include telephone number for staff who can provide information about Basic and Enhanced Financial Assistance Programs and the application process for these programs application process, as well as of any nonprofit organizations or government agencies the hospital has identified as capable sources of assistance with FAP programs. All admission staff shall advise individuals who may be FAP-Eligible Individuals of the existence of the programs at the time of registration and shall deliver the Hospital-Specific Plain Language Summary of the programs to such persons.
  4. Notification of Potential FAP-Eligible Individual Patients. Patients who are potentially FAP-Eligible Individuals will be given the Plain Language Summary and application forms for the Basic and Enhanced Financial Assistance Programs prior to discharge from the Hospital. Patients will subsequently be notified as set forth in the Billing and Collections Policy.
- K. No Abuse in Determination of Eligibility. No determination that an individual is not eligible for the Basic or Enhanced Financial Assistance Program shall be based on information that any BHC employee has reason to believe is unreliable or incorrect or was obtained from the individual under duress or through the use of coercive practices, which include delaying or denying emergency medical care to an individual until the individual has provided the requested information.

VI. Procedure/Interventions: N/A

VII. Procedural Documentation: N/A

VIII. Additional Information

- A. Template form for Explanation of the Hospital-Specific AGB Percentage
- B. Template form for Hospital-Specific Plain Language Summary
- C. Applications for Basic and Enhanced Financial Assistance
- D. Contact Information for Patient Financial Services:
  - 1. By phone: 712-423-2311
  - 2. By mail: Burgess Health Center  
Patient Financial Services Department  
1600 Diamond St.  
Onawa, Iowa 51040

IX. Appendix:

- A. Template Form for Disclosure of Calculation of Hospital-Specific Amounts Generally Billed Percentage
- B. Template Form for Plain Language Summary
- C. HUD Guidelines

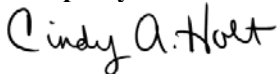
X. AUTHORITY

This policy is issued by the Business Office Department and recommended for approval by:



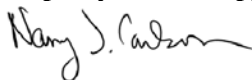
Gerri Lyons  
Director of Business Office

**This policy has been reviewed by:**



Cindy Holt  
HR/Admin Assistant

**This policy has been approved by:**



Nancy Carlson  
Vice President of Finance