TITLE:	**Financial Assistance Policy**				
DEPARTMENT:	Revenue Cycle	DOCUMENT CATEGORY:		Policy	
OWNER:	Heather Hutchison	PAGE: OF	1 5	REVIEW FREQ:	1 year(s)
ORIGINATION DATE:	7/1993	LAST REVISION DATE:		4/2026	

PURPOSE:

Harrison Memorial Hospital (HMH), a 501(c)3 tax exempt organization, 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 emergent and medically necessary care based on their individual financial situation. This policy is intended to comply with Section 501(r) of the Internal Revenue Code and the related regulations, consistent with our mission to deliver compassionate, high quality, affordable health care services. HMH shall strive to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care at their community hospital.

Although financial assistance care is important, it is only one component of the community benefit that hospitals provide. Other components of community benefit include, but are not limited to:

- Unpaid public health, wellness, and educational programs
- Unpaid cost of Medicaid and other public programs
- Provision of essential healthcare services such as emergency rooms and specialty provider clinics
- Unpaid senior citizen education, outreach, and “meals on wheels” programs
- Cash and in-kind donations on behalf of the poor and needy to community agencies
- Unreimbursed cost of training health professionals and clinical and community health research

Patients are expected to cooperate with procedures for obtaining financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so for their overall personal health, and for the protection of their individual assets. This policy describes the eligibility criteria for financial assistance whether free or discounted and the method for applying.

DEFINITIONS:

For the purpose of this policy, the terms below are defined as follows:

Amounts Generally Billed (AGB): The usual and customary charges for Covered Services (as defined below) provided to individuals eligible under the Financial Assistance Program, multiplied by the Hospital-Specific AGB Percentage (as defined below) applicable to such services.

Hospital-Specific AGB Percentage means for each Hospital, a percentage derived by dividing (1) the sum of all payments received for medically necessary services provided at such Hospital during the relevant period by Medicare fee-for-service, by (2) the usual and customary gross charges for such medically necessary services. The Hospital-Specific AGB Percentages shall be calculated for the initial relevant period no later than September 30, 2016. Thereafter, the Hospital-Specific AGB Percentage Page 2 of 8 Not Part of Medical Record Non Chart #4844 shall be calculated no later than September 30 of each year. Each Hospital-Specific AGB Percentage will be effective until the next annual calculation of the HospitalSpecific AGB Percentage based on the most recent relevant period. The calculation of each Hospital's AGB percentage will comply with the "look-back method" described in Treasury Regulation § 1-501(a)(1)(B). The current year's Hospital-Specific AGB Percentage and written information describing how it is calculated may be obtained in writing and free of charge by calling 859-235-3700.

***Financial Assistance*:** Free or discounted services provided to eligible Financial Assistance Policy (FAP) individuals who meet the established criteria.

Household: You, your spouse and your tax dependents as defined by Internal Revenue Service rules.

***Household Income*:** Household 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; and
- If a person lives with a family and is a tax dependent, include their income.

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

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.

POLICY:

In order to manage its resources responsibly and to allow HMH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient financial assistance.

Uninsured patients will be referred to the Financial Counselor who will aid in determining eligibility for Medicaid or other state and federal programs. For those who do not qualify for any such programs, the Financial Assistance process will begin.

A. Exclusions: The FAP does not apply to charges for services provided by contracted providers. Including but not limited to Radiologists, Pathologists, Anesthesiologists, and Hospitalists.

PROCEDURES:

A. Services Eligible Under this Policy:
1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting;
4. Medically necessary services, evaluated on a case-by-case basis at HMH's discretion; and

B. Eligibility for Financial Assistance. Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care 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.

C. Determination of Financial Need.
1. The annual gross income of the patient is considered and compared to the household size. Eligibility is based upon 300%, then follows a sliding scale of the federal poverty guidelines as annually published by the federal government. An individual assessment of financial assistance will be determined using the following.

a. Complete an application. Applications will be valid for 6 months from the date of approval and will be applied to dates of service 6 months prior and patient balances generated within the past 6 months.
b. Applicants who do not have a change to household size or income after 6 months can complete an income verification form and provide last 3 months of bank statements to extend assistance for another 6-month period. Full financial assistance applications will be required every 12 months.
c. Include the use of external available data sources that provide information on a patient's or a patient's guarantor's ability to pay.
d. Take into account the patient's available assets, and all other financial resources available to the patient, not to exceed the annual Medicaid resource limit.
e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

2. HMH'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 and HMH shall notify the patient or applicant in writing within 30 days of receipt of a completed application.
3. Applications and documents not returned within 30 days will be abandoned.

D. Determination of Assistance. Services eligible under this Policy will be made available to the patient, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination, as follows:

1. Patients whose family income is at or below 500% of the Federal Poverty Level are eligible to receive free care or discounted care as follows: under 300% = 100% write-off; 300-350% = 75% write-off; 350-400% = 50% write-off; 400-500% = 25% write-off.

2. A patient's bill will have the gross charges adjusted with the appropriate discount to reflect the net charges due and payable.

E. Patient Responsibilities.

1. Complete and return Financial Assistance application or Income Verification Form and provide required documentation within 30 days of receipt.
    a. Last 3 months of checking and savings bank account statements
    b. Last 2 months of pay stubs
    c. Most recent tax return, showing dependents
    d. Benefit award letters for Social Security, Disability, Workers' Compensation and Veteran's Administration benefits
    e. Proof of amount for child support
    f. Proof of amount for alimony
    g. Investment or Retirement Account statements
    h. Provide additional documentation as requested
2. Patients are required to notify the Financial Counselor as soon as possible with any changed to their financial situation.
3. Harrison Memorial Hospital will offer interest-free payment plans for balances not covered by financial assistance. A monthly minimum payment of $50.00 will be required to participate in a payment plan.
4. Failure to pay balances not covered by assistance or minimum monthly payments may result in collection actions and reporting to credit agencies.

F. Communication of the Financial Assistance Policy to Patients and the Public. Notification about Financial Assistance available from HMH, which shall include a contact number, shall be disseminated by HMH by various means, which may include, but are not limited to, the publication of notices in patient bills, HMH website and by posting notices in emergency rooms, specialty physician clinics, admitting and

registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places as HMH may elect. Such information shall be provided in the primary languages spoken by the population serviced by HMH. Referral of patients for Financial Assistance may be made by any member of the HMH 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. Patients may phone the Financial Counselor to request Financial Assistance. Applications will be mailed to the patient free of charge.

G. Automatic Approval Criteria. Homeless & Incarcerated Individuals. To ensure equitable access to medically necessary care and to streamline processing for patients who are unable to provide conventional financial documentation, the hospital will grant automatic financial assistance approval to the following patient groups:

a. Homeless Patients: Patients identified as meeting the hospital's definition of homelessness – meaning they lack a fixed, regular, or adequate nighttime residence, including living in shelters, transitional housing, or places not meant for habitation – shall be automatically deemed eligible for 100% write-off under the FAP policy.
   i. Documentation Requirements may include:
      - Self-attestation of homelessness (verbal or written)
      - Verification by a case manager, social worker, shelter representative, law enforcement, or outreach program
      - Observation or confirmation by hospital staff training in social determinants of health screening
      - No additional income or asset documentation will be required

b. Incarcerated Patients: Patients who are incarcerated in local, county, state, or federal detention facilities at the time services are provided shall be automatically approved for 100% write-off under the FAP policy, when:
   i. The correction facility does not assume financial responsibility through a contract or statutory obligation; and
   ii. The patient otherwise lacks independent financial means or access to verification during detainment.
      - Acceptable Verification includes:
        a. Jail or correctional facility documentation
        b. Law enforcement confirmation
        c. Hospital security or case management verification
      - The hospital will not require income documentation from the patient while incarcerated.

H. Catastrophic Provision. This provision is intended to provide additional financial relief to patients who experience significant financial burden due to high medical expenses relative to income.

a. Patient qualifies when out-of-pocket liability or self-pay balance exceeds 25% of annual household income.
b. Patients will be evaluated for catastrophic financial assistance prior to the initiation of extraordinary collection actions. The hospital may proactively identify patients based on account balance and financial counseling.
c. Patients are required to provide and complete all patient responsibilities of the FAP policy.
d. If approved, patient responsibility will be capped at 15% of the annual household income. The remaining balance will be written off as charity care.
e. Catastrophic Financial Assistance is intended for exceptional circumstances and will be applied on a case-by-case basis when standard Financial Assistance criteria do not adequately address patient financial hardship.

I. **Regulatory Requirements.** In implementing this policy, HMH management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

J. **Discount for the Uninsured and Underinsured:** All uninsured patients receiving emergency or medically necessary care are given a discount from gross charges that limits payment responsibility to the AGB by each hospital. Insured patients receiving emergency or medically necessary care that is not allowed by the patient's insurance policy may also be given a discount from gross charges that limits payment responsibility to the AGB by each hospital.

RELATED DOCUMENTS:

- Financial Assistance Application Instructions
- Application for Financial Assistance
- Income Verification Form
- Plain Language Summary
- List of Providers Covered by Financial Assistance Policy