

PERRY COUNTY MEMORIAL HOSPITAL

POLICIES AND PROCEDURES

DEPARTMENT:	Business Office					
SUBJECT:	Financial Assistance Policy "FAP"					
EFFECTIVE:	January 1, 2016					
APPROVED BY/DATE:						
Supersedes:	Same					
	Policy Subject				Effective Date of Previous Policy	
Reviewed & approved without revisions:	By/Date	By/Date	By/Date	By/Date	By/Date	By/Date
	KV	MJH	MJH	MJH	MJH	MJH
	12/23/2015	01/15/2020	05/01/2021	03/18/2023	02/19/2024	03/14/2025

HOSPITAL'S MISSION:

The mission of Perry County Memorial Hospital is to provide high quality healthcare and exemplary customer service in the most caring, compassionate, and effective manner. We are dedicated to improving the health and quality of life for the communities we serve while reducing the burden of illness, injury and disability.

STATEMENT OF PURPOSE:

This policy is intended to establish guidelines for a structured procedure so as not to exclude anyone from seeking medical services on the grounds that such a person may not have adequate resources to pay for those services rendered at the Hospital. It is intended to address those that do not have 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 set forth the basic framework for the Hospital and all entities that are owned, leased or operated by the Hospital. Upon adoption by the Board of Directors, this policy represents the official financial assistance policy, herein called the FAP, and follows the guidelines set forth in the Internal Revenue Code Section 501(r). The Hospital also reserves the right to attempt by the use of all legal means to recover payment for those medical services received at the Hospital.

Requirements for Charitable Hospitals are defined in Section 501 (r) of the Internal Revenue Code. Some of the key areas that need to be identified are:

- A statement of the hospital's mission
- A clearly defined financial assistance policy (FAP) statement
- Eligibility criteria
- A widely publicized policy within the community the hospital serves
- Payment requirements (emergency and urgent care services may not be delayed regardless of ability to pay)
- Limitation on charges or amounts generally billed (AGB) must be determined using one of two methods described in IRC 501 (r)
- Billing and Collections Policy
- Reasonable effort to collect prior to extraordinary collection actions (ECA)
- Providers delivering emergent and medically necessary services
- Sources used to make FAP determinations

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DEFINITIONS:

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.

Assets Liquid assets that can be converted to cash to meet financial obligations.

Billing and Collections Policy means the Hospital Policy entitled: "Patient Financial Services: Billing and Collection Policy for Self-Pay Accounts," is the same and may be amended from time to time.

Emergency Services Condition means a medical condition of a patient that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to place the patient's health in serious jeopardy, result in serious impairment to bodily functions of the patient or result in serious dysfunction of any bodily organ or part.

Extraordinary Collection Actions (ECA) Actions taken by the Hospital against an individual related to obtaining payment of a bill for care that require a legal process, selling an individual's debt to another party, or reporting adverse information to consumer credit reporting agencies. The ECA is also "the act of deferring or denying, or requiring a payment before providing medically necessary care because of an unpaid bill".

FAP-Eligible Individual means an individual eligible for financial assistance under this Policy.

Federal Poverty Guidelines A measure of income level issued annually by the Department of Health and Human Services. Federal poverty levels are used to determine eligibility for this Financial Assistance programs.

Hospital Facility and Hospital Owned Entities The Hospital and Hospital owned or partially owned entities and are disregarded as separate from the Hospital for federal tax purposes are required to follow the 501r requirements with respect to care provided.

Limitation on Charges refers to limiting the amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance to not more than the amounts generally billed to individuals who have insurance covering the same care. In addition for billing and collection, the hospital may not engage in ECAs before reasonable efforts have been made to determine whether the individual is eligible for financial assistance.

Medically Necessary Services means those inpatient and outpatient services required to identify and treat an illness or injury.

PFS means Patient Financial Services, the operating unit of the Hospital responsible for billing and collecting self-pay accounts for hospital services.

Plain Language Summary is a written statement that notifies an individual that the Hospital offers financial assistance under a FAP and provides the information in a clear, concise and easy to understand description.

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This policy refers to medical services rendered to patients who claim they are not able to pay all or any of the costs when healthcare services are rendered. Although designated as charity, when the Hospital believes that a patient who claims charity has assets usable for payment of services given, the Hospital policy is to make every reasonable attempt to collect payment for medical services rendered.

It is the policy of the Hospital that no patients seeking medical service that can be provided by the Hospital will be denied access to those services solely because of the inability to pay for those services. The Hospital will provide without discrimination, care for emergency services and medically necessary services to individuals regardless of whether they are eligible based on the Hospital's Financial Assistance Policy (FAP). Debt collection activities in the emergency department or in other areas of the hospital facility where such activities could interfere with the provisions of emergency or medically necessary care are prohibited.

The Hospital may make available services without charge or at a reduced charge, based on the ability to pay as determined by the Hospital. The amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance will not be more than the amounts generally billed (AGB) to individuals who have insurance covering the same care.

The Hospital reserves the right to investigate and inquire as to the available assets, income and other factors which would assist the Hospital in making the determination of the ability to pay.

All patients have the opportunity to apply for financial assistance prior to the Hospital engaging in any extraordinary collection activities (ECA). The Hospital will not engage in ECAs against an individual to obtain payment for care before making reasonable efforts to determine whether the individual is FAP-eligible for the care.

In the event the patient dies, the Hospital reserves the right to pursue all possible claims against the decedent's estate or against any other person or entity having a legal obligation to pay for the decedent's medical services to recover all or as much as possible amounts owing to the Hospital by the decedent for Hospital services rendered which were unpaid at the time of the decedent's death.

This policy is posted on the Hospital's website and is available at various locations throughout the Hospital including the Emergency Department and the Registration areas. In addition, each Hospital's billing statement includes a notice regarding the availability of financial assistance. The patients and the Hospital community are also notified via signage located throughout the Hospital.

A plain-language summary of the FAP is available upon request and is offered as part of the intake process in both the Emergency Department and Registration areas.

POLICY INSTRUCTIONS:

The following are instruction statements regarding how the policy is executed.

Alternative sources of payment

All commercial, federal and state health and medical payment sources including automobile and homeowner's policies available to the patient will be billed prior to receiving financial assistance under the Hospital's FAP.

Eligibility Criteria and Determination

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In determining the adequacy or inadequacy of income, the most current federal poverty income guidelines for the low end and **200%** of the guidelines for the high end will be used as a scale based on the Gross income of the patient and the patient's household, the patient's household size, and other medical/financial obligations. In addition, determination will include the availability of all other assets (i.e. savings accounts, HRA's, etc.)

Limitation of Charges/Amounts Generally Billed

The Hospital limits the amounts charged for emergency and medically necessary services provided to individuals eligible for assistance under this Policy to not more than the amounts generally billed to individuals who have insurance coverage for such care. The AGB is derived by dividing (1) the sum of all claims for Medically Necessary services provided at the Hospital and paid during the relevant period by Medicare fee-for-service and all private health insurers as primary payers, 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 charges set forth in the Hospital chargemaster at the time the services are rendered. The Hospital-Specific AGB Percentage shall be calculated annually for a twelve (12) month period from January 1 to December 31 and allows 120 days for such calculation to be made and updated in the FAP. The calculation of the Hospital-Specific AGB Percentage shall comply with the "look-back method" described in the IRS Regulation 501(r)-5(b) (1) (B).

Methods for Applying for Financial Assistance

Patients may apply for financial assistance by completing the FAP application prior to, at the time of or after services are rendered. Applications may be accessed by PFS, Patient Access, from the Hospital web-site or requesting an application by phone at (812) 547-7011.

Notification Requirements

The availability of the FAP will be widely publicized within the communities serviced by the Hospital. The admitting areas and the Financial Counselor will have financial assistance packets available. The Hospital will make reasonable efforts to distribute a plain language summary (PLS) of the FAP and offer a FAP application form to individuals before discharged from the Hospital; or by including a PLS of the FAP with all billing statements during the 120-day notification period; having direct web access; and provide at least one written notification informing the patient of any ECAs the Hospital may take if the a FAP application is not received or payment has not been received.

Write-Offs and Adjustments

Emergency and medically necessary services will be written off, in whole or in part, if the patient's financial assistance application is approved. Any patient whose income is below 138% of the FPG, are encouraged to apply for Indiana HIP before receiving financial assistance.

After consideration of all the above factors, determination will be made as to the patient's eligibility for charitable allowance toward payment of emergency and medically necessary services received.

All determinations pertinent to this FAP are to be made by the **Financial Counselor, the Patient Account Representatives and approved by the Director of the Business office.**

BILLING AND COLLECTIONS POLICY:

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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 FAP 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. The Billing and Collections Policy will be posted to the Hospital Portal. In addition, a free copy of the Billing and Collections Policy can be obtained upon request to the Registration office, the Business Office or Financial Counselor.

PFS, along with Trubridge, 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.

Additional departmental Policies and Procedures regarding Financial Assistance, Private Pay Collection and Bad Debt can be found on the Hospital Portal under the Business Office.

REFERENCES:

Patient Protection and Affordable Care Act, Section 9007

Internal Revenue Code, Section 501(r)

APPENDIX:

- A. Plain Language Summary
- B. Listing of Providers Covered Under FAP

PERRY COUNTY MEMORIAL HOSPITAL

PLAIN LANGUAGE SUMMARY OF FINANCIAL ASSISTANCE POLICY

Overview

Perry County Memorial Hospital is committed to offering financial assistance to people who have health care needs and are not able to pay for care. You may be able to get financial assistance if you are not insured, underinsured, not eligible for a government program, or do not qualify for governmental assistance (for example Medicare or Medicaid). The Hospital strives to make sure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. This is a summary of the Hospital's Financial Assistance Policy (FAP).

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Availability of Financial Assistance

You may be able to get financial assistance if you do not have insurance, are underinsured, or if it would be a financial hardship to pay in full the expected out of pocket expenses for services at the Hospital.

Eligibility Requirements

Financial assistance is generally determined by a sliding scale of total household income based on the *Federal Poverty Level (FPL)*. If you and/or the responsible party's income combined are at or below 200% of the federal poverty guidelines, you may get discounted rates for the care given by the provider. No person eligible for financial assistance under the FAP will be charged more for emergency or other medically necessary care than amounts generally billed to individuals who have insurance covering such care. If you have sufficient insurance coverage or assets available to pay for your care, you may not be eligible for financial assistance.

Where to Find Information

There are many ways to find information about the FAP application process, or get copies of the FAP or FAP application form. To apply for financial assistance, you may:

- Download the information online at www.pchospital.org, keywords **financial assistance**.
- Request the information in writing by mail or by visiting PCMH at 8885 SR 237 Tell City IN 47586.
- Request the information by calling (812)547-7011

Availability of Translations

The Financial Assistance policy, application form, and the plain language summary are offered in English; however, the Hospital may provide assistance through use of qualified bilingual interpreter by request.

How to Apply

The application process involves filling out the financial assistance form and submitting the form along with the supporting documents to the Hospital for processing. You may also apply in person by visiting the Financial Counselor at the address listed below. Financial assistance applications are to be submitted to the Financial Counselor at the address listed below.

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Perry County Memorial Hospital

8885 SR 237

Tell City IN 47586

(812) 547-7011

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LISTING OF PROVIDERS COVERED UNDER FAP

Perry County Memorial Hospital has a contract with a third party to run its emergency room, Conard ER group. This ED group will provide emergent and medically necessary care subject to the FAP.