



<b>SUBJECT:</b> FINANCIAL ASSISTANCE POLICY	<b>DATE:</b> 10/11/2018
<b>DEPARTMENT:</b> BUSINESS OFFICE	<b>UPDATED:</b> 02/16/2023

### **POLICY:**

Ely-Bloomenson Community Hospital (EBCH) is committed to providing financial assistance to low-income individuals who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay. EBCH Financial Assistance Program provides a full or partial discount on bills for medically necessary care. EBCH strives to ensure that the financial capacity of people needing care does not prevent them from seeking or receiving care.

### **PURPOSE:**

To provide low-income individuals with financial assistance based upon current Federal Poverty Guidelines.

### **DEFINITIONS:**

- **Attorney General Agreement (AGA):** A contract executed between EBCH and the Minnesota Attorney General's Office relative to billing and collection practices and uninsured patient discounts.
- **Amounts Generally Billed (AGB):** The average amount collected by EBCH for providing emergency and other appropriate hospital-based medical services to individuals who have insurance covering that service.
- **Assets:** Any owned/leased/rented property, cars, trucks, all recreational vehicles, checking accounts, savings accounts, IRA's & retirement accounts, trust funds, all other assets that could be converted into cash within one year.
- **Charity Care:** One component of the Financial Assistance program (FAP) for rendering free or discounted care to persons who incur financial hardship in order to fully pay for their medical care.
- **Extraordinary Collection Actions (ECA):** Especially aggressive efforts to encourage individuals to pay a liability as defined in IRS Reg. 1.501(r)-6(b). In general, extraordinary collection actions include selling a debt to another party; reporting adverse information about an individual to a consumer credit reporting agency or credit bureau; and actions that require a legal or judicial process (including liens, foreclosures, civil actions, and garnishments).
- **Family:** A household that resides in a defined residence and who are related by birth, marriage or adoption and operates together as a unit. The family unit may include those that are defined as dependents on the Federal Tax return.
- **Income:** Salaries, wages, self-employed income, social security income, supplemental security income, disability income, public assistance, child support, alimony, foster care,

unemployment income, worker's compensation income, interest earnings, dividends, rents, royalties, income from trusts, and income from other sources.

- **Medically Necessary:** Services that are reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member. Screening services may be excluded from the category of medically necessary services.
- **Patient Liability:** Any account balance remaining after all insurance payments and contractual adjustments have been applied. This includes patient accounts with no insurance coverage.
- **Plain Language Summary (PLS):** A document containing a clear, simple explanation of the financial assistance program and information about eligibility and the application process.
- **Presumptive Financial Assistance Eligibility:** The process of reclassifying financial information based on information from publicly available data.
- **Underinsured:** The guarantor/patient has some level of insurance or third-party assistance but still has expenses that exceed financial abilities.
- **Uninsured:** The guarantor/patient has no level of insurance or third-party to assist with meeting payment obligations.

## **PROCEDURES:**

### **Uninsured Discount**

1. Ely-Bloomenson Community Hospital offers discounts to patients who are uninsured and who require medically necessary health care services.
2. Ely-Bloomenson Community Hospital will make a reasonable effort to determine whether the patient is eligible for an uninsured discount for medically necessary services before any collection efforts are initiated.
3. The Uninsured Discount will be applied to all self-pay accounts based on 100% of gross charges for services received upon initial billing and will appear on the patient's statement.
4. Ely-Bloomenson Community Hospital will not bill an uninsured patient for medically necessary services in an amount greater than what the provider would be reimbursed for that service or treatment from its most favored insurer.
5. If insurance is later added to the account and payment is received, the Uninsured Discount will be reversed.

### **Patient Financial Assistance – General Guidelines**

1. This policy will apply to all patients regardless of race, creed, sex, age, or payer. Reasonable measures will be taken to ensure that any language or hearing barriers are addressed.
2. Financial assistance will be offered to those patients unable to pay all or a portion of their bill.

3. Patient Financial Assistance will be applied to all applicable accounts based on 100% of gross charges for services received upon initial billing and will appear on the patient's statement.
4. Eligibility will be determined on an individual basis and evaluated on an assessment of the patient's and/or family's need, financial resources, and obligations.
5. Financial assistance applies to all types of medically necessary services only. Cosmetic services will not be eligible for financial assistance.
6. Trauma/emergency care will be provided to all patients regardless of their ability to pay. Stabilization of the patient will occur prior to any determination of payment arrangements.
7. Financial assistance is available for all patients.
8. Based on Ely-Bloomenson Community Hospital's overall financial resources, program availability may vary.
9. Patients must request financial assistance and complete application process within 30 days or normal account collection activity will resume.

#### **Presumptive Financial Assistance - General Guidelines**

1. In some instances, presumptive financial assistance eligibility may be applied as outlined in the Presumptive Financial Assistance Eligibility section of this policy.
2. Eligibility assessment include the use of external publicly available data sources that provide information on a patient's or guarantor's ability to pay.
3. Eligibility assessment may include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

#### **Patient Financial Assistance – Communication**

1. Reasonable efforts will be made to ensure that patients are aware of all financial assistance opportunities available to them including Federal, State, County, City and other private programs. Patients may be given assistance regarding application for any assistance program available to them.
2. The "Notice of Financial Aid" shall be posted in all major patient registration areas and on EBCH web page at [www.ebch.org](http://www.ebch.org). In addition, the Notice is available to patients in printed form as a Plain Language Summary.
3. Ely-Bloomenson Community Hospital's billing statements will include notification that financial assistance is available under the FAP, the phone number and website the patient can use to obtain information about the FAP, and the application process.
4. Ely-Bloomenson Community Hospital will have the Plain Language Summary (PLS), Financial Assistance Policy (FAP), Billing and Collection Policy and Financial Assistance Program Application available on its website at [www.ebch.org](http://www.ebch.org). Paper copies of these documents are available upon request and without charge by mail, in the Emergency room and in all admissions areas.
5. Ely-Bloomenson Community Hospital Finance Team will actively communicate the availability of the financial assistance program.
6. Training and information regarding financial assistance will be provided to all members of the staff that interact with patients. At a minimum, these individuals shall be prepared to refer the patient to the hospital financial counselors, EBCH collection specialist, or direct the patient to information regarding the widely publicized resources available.

### **Patient Financial Assistance – Application**

1. All Patient Financial Assistance (FAP) applications will be treated with respect and their financial information will be kept confidential.
2. Financial assistance application forms shall be written in an easy to understand manner and will include a list of required financial documents that must be submitted with the application (pay stubs, tax forms, etc.)
3. The application will include contact information including a phone number that the applicant can call for assistance. The applicant may request and receive assistance from the Finance Team to complete the form.
4. Applications may be mailed, emailed, faxed, or delivered in person.
5. Ely-Bloomenson Community Hospital may require the applicant to apply for Medical Assistance through the State Department of Health and Human Services.
6. The applicant must provide the information needed to complete a financial assistance application unless the applicant qualifies for an exemption as outlined under Presumptive Financial Assistance Eligibility.
7. Upon receipt of the financial assistance application, the Finance Team will review the application and may request the following documents:
  - a. Copy of written denial letter from Medical Assistance
  - b. Income information and verifications, such as copies of your paycheck stubs or a written statement from your employer showing year to date earnings.
  - c. Copy of the most recent tax return.
  - d. Copies of the most recent statement(s) showing balance in each bank account(s).
  - e. Copies of the most recent statement(s) showing value of each investment listed.
8. Communication with the applicant (or representative) to clarify application information will be completed as soon as possible.
9. If the applicant submits an incomplete application, Ely-Bloomenson Community Hospital will communicate what information is missing from the application and give a reasonable amount of time to complete the application before initiating any Extraordinary Collection Actions. If an individual submits a complete financial assistance application, Ely-Bloomenson Community Hospital will cease all collection efforts until a FAP eligibility determination is made.

### **Patient Financial Assistance – Eligibility Determination**

1. Applications will be processed in an accurate, timely and consistent manner. Decisions will generally be communicated to the applicant within 30 days of receipt of the completed application and financial documents. Collection activity will be put on hold during this assessment period.
2. Eligibility for FAP is based on the value of the applicant's income and assets (primary residence excluded). The business office will complete the FAP eligibility calculations using income information, assets information, and will calculate: Earned income including monthly gross wages, salary, and self-employment income. Unearned income including dividends, interest and income from any other source such as unemployment or workers compensation, Number of dependents in the household. Information to determine the applicant's financial status, including assets and liabilities.
3. The applicant's income and assets are compared to current Federal Poverty Guidelines (see attachment A).



4. Approval levels are as follows:

Discount	Approver
\$0 - \$9,999	Finance Team
\$10,000 and over	CFO

5. If Ely-Bloomenson Community Hospital has reason to believe that any information included in the application is inaccurate or incomplete, the application will be considered incomplete until all application requirements are fulfilled.
6. If a valid contact information is not provided with the application, financial assistance may be denied.
7. On occasion, extenuating circumstances may exist which could cause Ely-Bloomenson Community Hospital to grant financial assistance to a patient who may otherwise not meet the quantitative criteria. In such cases, the Finance Team will document why the assistance was granted and supporting documentation will be maintained. If an individual would qualify for financial assistance but they are unable or unwilling to complete the required application, the Finance Team may approve financial assistance if enough evidence exists to support that determination.
8. Non-payment of a previous patient account balance will not affect future eligibility.
9. If an applicant is denied eligibility under the FAP, the applicant may appeal Ely-Bloomenson Community Hospital's decision within 30 days. The appeal process will include an appropriate non-financial representative as well as a financial professional. The appeal process will be documented as a formal Patient Grievance.

**Patient Financial Assistance – Discount Application**

1. FAP discount applies toward the remaining balance only. If an individual has made partial payment, and the individual is subsequently determined to qualify for financial assistance under this policy, any payment in excess of their newly calculated remaining liability shall be refunded within 30 days of the FAP eligibility determination. If the refundable amount is less than \$10.00, Ely-Bloomenson Community Hospital may not issue a refund. Ely-Bloomenson Community Hospital may contact the individual to ask if the individual agrees to transfer the refund amount to another patient liability.
2. The FAP eligible discount may be applied to all services provided before the application was approved, and up to one year after approval.
3. If an application was previously approved and the patient is receiving ongoing hospital services, eligibility may be extended (for a period of one year) if the applicant provides documentation to prove that their financial circumstances have not changed. Evidence of financial status may be required.

**Presumptive Financial Assistance**

1. In some instances, a patient may appear eligible for FAP, but has not submitted an application and/or documentation on income and assets. In the event there isn't evidence to support a patient's eligibility, Ely-Bloomenson Community Hospital may use outside agencies or vendors to determine eligibility and potential financial assistance.
2. Circumstances under which Ely-Bloomenson Community Hospital may utilize third-party information to make presumptive determinations may include incomplete or missing

information on a financial assistance application or prior to placement with a collection agency.

3. Individuals who meet presumptive eligibility criteria (including out of state Medical Assistance) may be granted financial assistance without completing an application.
4. If the presumptive assessment determines that the patient is eligible for financial assistance, Ely-Bloomenson Community Hospital will notify the individual regarding the basis for the presumptive eligibility determination.
5. Individuals may be granted presumptive eligibility for FAP on the basis of individual life circumstances. Examples are homelessness or deceased patients with no known estate. Documentation in the patient's account will support this determination.
6. The following uncollectible accounts will be classified as Financial Assistance:
  - a. Accounts that are returned from the collection agency that would have qualified for Financial Assistance
  - b. Deceased with no assets, based on the reasoning that the decedent has no ability to pay. The finance team will attempt to contact next of kin to determine if funds may be available.

### **FAP Relationship to Self-Pay Collections Policy**

1. Ely-Bloomenson Community Hospital has developed policies (Billing & Collection Policy) and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for financial assistance and the patient's good faith effort to comply with his or her payment agreements.
2. The Billing and Collections Policy is available to the public on our website at [www.ebch.org](http://www.ebch.org) and paper copies of the policy are available upon request, without charge, by mail.
3. Prior to initiating ECA's, Ely-Bloomenson Community Hospital will follow all applicable regulations and make reasonable efforts to determine whether an individual who has an unpaid account is eligible for Financial Assistance.
4. Ely-Bloomenson Community Hospital will refrain from any ECA's for at least 120 days after sending the first billing statement.
5. In the event that a patient fails or refuses to fulfill their financial obligation, Ely-Bloomenson Community Hospital may engage in extraordinary collection actions.

### **Amounts Generally Billed (AGB)**

1. An individual who is determined to be eligible for financial assistance under this policy shall not be required to pay more for emergency medical care and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care.
2. This AGB limit shall be used by Ely-Bloomenson Community Hospital to determine the maximum amount that an individual may be liable to pay after such individual is determined to be eligible for financial assistance under this policy.
3. Ely-Bloomenson Community Hospital will consider all balances due from the patient, including any in ECA.
4. Ely-Bloomenson Community Hospital shall calculate a new AGB limit at least annually.
5. Attachment B contains information about the currently applicable AGB limit and how it was calculated.

### **Patient Financial Assistance – Participating Providers and Exclusions**

1. This policy relates only to services billed by Ely-Bloomenson Community Hospital (see Attachment C for Non- Participating Providers)
2. Ely-Bloomenson Community Hospital will not share FAP eligibility information.
3. Only medically necessary services are covered under the FAP.

### **Recording of Patient Financial Assistance**

1. Patient Financial Assistance must be recorded and valued in accordance with the Healthcare Audit Guide.
2. Documentation of financial assistance must be maintained for a minimum of seven (7) years.

### **Accountability**

1. Ely-Bloomenson Community Hospital Board of Directors will approve the Financial Assistance Policy and any changes to the policy.
2. Management will prepare and submit an annual report regarding the financial assistance policy and program to the Board of Directors.

### **ATTACHMENTS:**

Attachment A – Federal Poverty Guidelines (current year)  
Attachment B – Amounts Generally Billed  
Attachment C – Non-Inclusive list of Non-Covered Providers

**REFERENCE:**

Federal Poverty Guidelines – Updated each year in February and published in the Federal Register.  
<http://aspe.hhs.gov/poverty-guidelines>

Federal Register, Vol. 79, No. 250, December 31, 2014. Additional Requirements for Charitable Hospitals; Community Health Needs Assessments for Charitable Hospitals; Requirements of a Section 4959 Excise Tax Return and Time for Filing the Return.

**COORDINATION:**

CEO, CFO, COO, Finance Team

**APPROVED:** Brooke Mac  
**CFO:** Revenue Management Patient Access Team leader **DATE:** 3/8/2023  
**CEO:** Patti Barlow **DATE:** 3/1/23  
**CHAIRMAN/B.O.D:** Timothy Riley **DATE:** 2/29/23



# FEDERAL POVERTY GUIDELINES FOR 2023

INCOME MUST BE LESS THAN:		125% or LESS of FPG	135% or LESS of FPG	150% or LESS of FPG	180% or LESS of FPG
HOUSEHOLD SIZE	2023 FEDERAL POVERTY GUIDELINES (FPG)	100% SERVICE DISCOUNT	75% SERVICE DISCOUNT	50% SERVICE DISCOUNT	25% SERVICE DISCOUNT
1	\$14,580	18,225	19,683	21,870	26,244
2	\$19,720	24,650	26,622	29,580	35,496
3	\$24,860	31,075	33,561	37,290	44,748
4	\$30,000	37,500	40,500	45,000	54,000
5	\$35,140	43,925	47,439	52,710	63,252
6	\$40,280	50,350	54,378	60,420	72,504
7	\$50,560	56,775	61,317	68,130	81,756

For family units of more than 7 members,  
add \$5,140 for each additional member.

For Business Office Use Only			
DATE RECEIVED	RECEIVED BY	REVIEWED DATE	REVIEWED BY
DISCOUNT AMOUNT	EFFECTIVE DATE	END DATE	

## ATTACHMENT B

### **Hospital Amounts Generally Billed Calculation and Information**

Hospital will consider all balances owed by a patient, including those that have been referred to ECA, and medically necessary care. An individual who is determined to be eligible for financial assistance under this policy shall not be required to pay more than the amounts generally billed to individuals who have insurance covering such care.

Hospital calculates a single AGB limit to apply to all uninsured individuals who qualify for financial assistance. The AGB limit currently in effect is 81.10% (18.9% discount), which matches the discount given to the largest commercial payer.

Hospital's most recent calculation of the AGB limit was for the period that began 10/1/2021 and ended 10/31/2022. This AGB limit was calculated by the Finance Team.

ATTACHMENT C

**LIST OF NON-PARTICIPATING PROVIDERS**

1. ESSENTIA HEALTH
2. ALL AMBULANCE SERVICES
3. ALL LIFE FLIGHT SERVICES
4. BOUNDARY WATERS CARE CENTER
5. RADIOLOGIST INTERPRETATION FEES
6. PHYSICIAN PROFESSIONAL FEES FOR PODIATRY AND UROLOGY

