



Title:	<b>EBCH Financial Assistance Policy</b>
Department/Committee:	<b>Business Office</b>
Effective Date:	<b>03/05/2025</b>
Document Type:	<b>Policy</b>

**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 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.

**Uninsured Discount:** The reduction in the amount billed to patients who do not have health insurance.

## **SCOPE:**

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.

## **POLICY STATEMENT:**

This policy describes how EBCH will seek to work with qualified low-income individuals in assistance to resolve or alleviate medical debt expenses.

## **Policy:**

### Uninsured Discount

EBCH offers discounts to patients or guarantors who are uninsured and who require medically necessary health care services.



EBCH will not charge a patient or guarantor for any uninsured treatment in an amount greater than the amount which the hospital would be reimbursed for that service or treatment from its most favored insurer. See Attachment A for details on how this rate is calculated annually.

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 or guarantor's statement.

EBCH will make a reasonable effort to determine whether the patient or guarantor is eligible for an uninsured discount for medically necessary services before any collection efforts are initiated.

If insurance is later added to the account and payment received, the Uninsured Discount will be reversed.

The patient or guarantor has the option of applying for financial assistance.

#### Patient Financial Assistance – General Guidelines

This policy will apply to all patients regardless of race, creed, sex, age, or payer. Reasonable measures will be taken to ensure that any accommodation that is needed is addressed.

Financial assistance will be offered to those guarantors unable to pay all or a portion of their bill.

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.

The financial assistance discount rate minimum is determined by the calculated AGB. Please see Attachment B to see how this is calculated.

Eligibility will be determined on an individual basis and evaluated on an assessment of the guarantors and/or family's need, financial resources, and obligations.

Financial assistance applies to all types of medically necessary services only. Cosmetic services will not be eligible for financial assistance.

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.

Financial assistance is available for all individuals who qualify.

Based on EBCH's overall financial resources, program availability may vary.

Guarantors must request financial assistance and complete the application process within 30 days or normal account collection activity will resume.



## Presumptive Financial Assistance - General Guidelines

In some instances, presumptive financial assistance eligibility may be applied as outlined in the Presumptive Financial Assistance Eligibility section of this policy.

Eligibility assessment includes the use of external publicly available data sources that provide information on a patient's or guarantor's ability to pay.

Eligibility assessment may include a review of the patient's or guarantor's outstanding accounts receivable for prior services rendered and the patient's or guarantor's payment history.

## Patient Financial Assistance – Communication

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 and guarantors can request assistance regarding the completion of applications for any assistance program available to them.

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 or guarantors in printed form as a Plain Language Summary.

EBCH'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.

EBCH 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.

EBCH will actively communicate the availability of the financial assistance program.

Training and information regarding financial assistance will be provided to all members of the staff that interact with patients or guarantors. At a minimum, these individuals shall be prepared to refer the patient to the appropriate hospital financial contact or direct the patient to information regarding the widely publicized resources available.

## Patient Financial Assistance – Application

All Financial Assistance Program (FAP) applications will be treated with respect and their financial information will be kept confidential.



FAP 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.)

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.

Applications may be mailed, emailed, faxed, or delivered in person.

EBCH may require the applicant to apply for Medical Assistance through the State Department of Health and Human Services.

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.

Upon receipt of the FAP application, EBCH will complete a review of the application and may request the following documents:

- Copy of written denial letter from Medical Assistance

- Income information and verifications, such as copies of your paycheck stubs or a written statement from your employer showing year to date earnings.

- Copy of the most recent tax return.

- Copies of the most recent statement(s) showing balance in each bank account(s).

- Copies of the most recent statement(s) showing value of each investment listed.

Communication with the applicant (or representative) to clarify application information will be started within 30 days of receipt.

If the applicant submits an incomplete application, EBCH 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 FAP application, EBCH will cease all collection efforts until a FAP eligibility determination is made.

#### Patient Financial Assistance – Eligibility Determination

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 on hold during this assessment period.

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 includes 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.

The applicant’s income and assets are compared to current Federal Poverty Guidelines (see Attachment C).

Approval levels are as follows:

<b>Discount</b>	<b>Approver</b>
\$0 - \$9,999	Finance Team
\$10,000 and over	CFO and or CEO

If EBCH 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.

If valid contact information is not provided with the application, financial assistance may be denied.

On occasion, extenuating circumstances may exist which could cause EBCH to grant financial assistance to a patient who may otherwise not meet the quantitative criteria. In such cases, EBCH will document why the assistance was granted and supporting documentation will be maintained. If an individual would be eligible for financial assistance but they are unable or unwilling to complete the required application, the CFO and or CEO may approve financial assistance if enough evidence exists to support that determination.

Non-payment of a previous patient or guarantor account balance will not affect future eligibility.

If an applicant is denied eligibility under the FAP, the applicant may appeal EBCH’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**

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 more than 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, EBCH may not issue a refund. EBCH may contact the individual to ask if the individual agrees to transfer the refund amount to another liability.

The FAP eligible discount may be applied to all services provided before the application was approved, and up to one year after approval.

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

In some instances, a patient or guarantor 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 the individual's eligibility EBCH may use outside agencies or vendors to determine eligibility and potential financial assistance.

Circumstances under which EBCH 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.

Individuals who meet presumptive eligibility criteria (including out of state Medical Assistance) may be granted financial assistance without completing an application.

Individuals may be granted presumptive eligibility for FAP based on individual life circumstances. Examples are homelessness or deceased patients with no known estate. Documentation in the patient's or guarantor's account will support this determination.

The following uncollectible accounts will be classified as Financial Assistance:

- Accounts that are returned from the collection agency that would have qualified for Financial Assistance

- 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.

### Patient Financial Assistance – Participating Providers and Exclusions

This policy relates only to services billed by EBCH (see Attachment D for Non- Participating Providers)

EBCH will not share FAP eligibility information.

Only medically necessary services are covered under the FAP.

### Recording Patient Financial Assistance



Patient Financial Assistance must be recorded and valued in accordance with the Healthcare Audit Guide.

Documentation of financial assistance must be maintained for a minimum of seven (7) years.

#### Accountability

EBCH Board of Directors will approve the Financial Assistance Policy and any changes to the policy.

Management will prepare and submit an annual report regarding the financial assistance policy and program to the Board of Directors.

#### **REFERENCES:**

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.

#### **ASSOCIATED DOCUMENTS:**

Attorney General Agreement

EBCH Billing and Collections Policy

#### **ATTACHMENTS:**

Attachment A – Uninsured Discount Calculation

Attachment B – Hospital Amounts Generally Billed Calculation and Information

Attachment C – Federal Poverty Guidelines (current year)

Attachment D - Non-Inclusive list of Non-Covered Providers

APPROVAL





CEO: \_\_\_\_\_ Date: \_\_\_\_\_

CFO: \_\_\_\_\_ Date: \_\_\_\_\_

Board Chair: \_\_\_\_\_ Date: \_\_\_\_\_

ATTACHMENT A



Uninsured Discount Calculation: This discount is calculated using the allowed reimbursement from the most favored non-governmental third-party payer over the previous calendar year. The discount rate is then applied to the self-pay balance of uninsured patients, ensuring they are not charged more than what the most favored payer would pay for the same services. This is calculated annually.

#### ATTACHMENT B



## Hospital Amounts Generally Billed Calculation and Information

EBCH 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.

EBCH calculates a single AGB limit to apply to all uninsured individuals who qualify for financial assistance. The AGB limit is calculated using the lookback method for the last fiscal year. This is reviewed annually.

## ATTACHMENT C

**FEDERAL POVERTY GUIDELINES FOR 2025**

INCOME MUST BE LESS THAN:		200% or LESS of FPG	225% or LESS of FPG	250% or LESS of FPG	275% or LESS of FPG
HOUSEHOLD SIZE	<b>2025</b> FEDERAL POVERTY GUIDELINES (FPG)	<b>100%</b> SERVICE DISCOUNT	<b>75%</b> SERVICE DISCOUNT	<b>50%</b> SERVICE DISCOUNT	<b>30%</b> SERVICE DISCOUNT
1	\$15,650.00	\$31,300.00	\$35,212.50	\$39,125.00	\$43,037.50
2	\$21,150.00	\$42,300.00	\$47,587.50	\$52,875.00	\$58,162.50
3	\$26,650.00	\$53,300.00	\$59,962.50	\$66,625.00	\$73,287.50
4	\$32,150.00	\$64,300.00	\$72,337.50	\$80,375.00	\$88,412.50
5	\$37,650.00	\$75,300.00	\$84,712.50	\$94,125.00	\$103,537.50
6	\$43,150.00	\$86,300.00	\$97,087.50	\$107,875.00	\$118,662.50
7	\$48,650.00	\$97,300.00	\$109,462.50	\$121,625.00	\$133,787.50
8	\$54,150.00	\$108,300.00	\$121,837.50	\$135,375.00	\$148,912.50

For families/households with more than 8 persons, add \$5,500 for each additional person.



## 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