



SUBJECT: FINANCIAL ASSISTANCE POLICY	DATE: 10/11/2018
DEPARTMENT: BUSINESS OFFICE	UPDATED: 06/04/2020

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.
6. The patient has the option of applying for Financial Assistance. If the FAP discount is greater than the Uninsured Discount, the Uninsured Discount will be reversed and the FAP discount will be applied to the account.

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. In general, financial assistance is intended for residents of Ely-Bloomenson Community Hospital primary or secondary market service area. An exception will be made for any patient presenting with an urgent, emergent or life-threatening medical condition.
8. Ely-Bloomenson Community Hospital service area is defined by the zip codes that make up Ely, Babbitt, Winton, Embarrass, Tower, Soudan, Isabella. The zip codes are:

55731	55706	55796	55790	55782
55607	55732			

9. Eligibility limits may be adjusted at any time based on Ely-Bloomenson Community Hospital’s overall financial resources.
10. Patients must request financial assistance within the time frames identified in this policy. Lack of timeliness or cooperation on the patient’s part will result in normal account collection activity. In some instances, presumptive financial assistance eligibility may be applied as outlined in the Presumptive Financial Assistance Eligibility section of this policy.
11. Eligibility assessment may include the use of external publicly available data sources that provide information on a patient’s or guarantor’s ability to pay.
12. 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. 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 . 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 financial counselors 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. Efforts should be taken to determine a patient's eligibility for financial assistance at or before the time of admission or service; however, application and determination may be made after services are provided and must be considered prior to any Extraordinary Collection Actions.
3. 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.) See Attachment B.
4. 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 a financial counselor to complete the form.
5. Applications may be mailed, faxed, or delivered in person.
6. Ely-Bloomenson Community Hospital will accept applications for up to 240 days after the first post-discharge billing statement is sent.
7. Ely-Bloomenson Community Hospital may require the applicant to apply for Medical Assistance through the State Department of Health and Human Services.
8. 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.
9. Upon receipt of the financial assistance application, the financial counselor will review the application and the following documents:
 - a. Copy of written denial letter from Medical Assistance, if required.
 - c. Income information and verifications, such as copies of your paycheck stubs or a written statement from your employer showing year to date earnings.
 - d. Copy of last year's tax return.
 - e. Copies of the most recent statement(s) showing balance in each bank account(s).
 - f. Copies of the most recent statement(s) showing value of each investment listed.
10. An interview with the applicant (or representative) to clarify application information will be scheduled as soon as practical and at a mutually convenient time if required.

11. If the applicant submits an incomplete application within 240 days of sending the first post-discharge billing statement, Ely-Bloomenson Community Hospital will send them a notice of 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. Every effort will be made to determine the applicant’s eligibility for the FAP at the earliest possible time.
2. Applications will be processed in an accurate, timely and consistent manner. Decisions will generally be communicated in writing 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.
3. 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.
4. The applicant’s income and assets are compared to current Federal Poverty Guidelines (see attachment A).
5. Approval levels are as follows:

Discount	Approver
\$0 - \$9,999	CFO/Controller/Business Office Team Leader
\$10,000 and over	CFO

6. 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.
7. If a valid address is not provided with the application, financial assistance may be denied.
8. 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 Business Office Team Leader 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 Controller may approve financial assistance if enough evidence exists to support that determination.
9. Non-payment of a previous patient account balance will not affect future eligibility.

10. 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 \$5.00, 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 services provided up to one year before the application was approved.
3. If the applicant indicates that they qualify for FAP, the discount may apply to a service provided within 180 days following the application approval.
4. 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 as outlined in Attachment B.

Presumptive Financial Assistance Eligibility

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 less than a 100% discount, Ely-Bloomenson Community Hospital will notify the individual regarding the basis for the presumptive eligibility determination and information about how they may complete an application to determine if they are eligible for a larger discount under the FAP.
5. Individuals will 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:
 - 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 financial counselor and/or collection specialist will attempt to contact

next of kin for six months after the patient has passed to determine if an estate will be filed.

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. In the event that a patient fails or refuses to fulfill their financial obligation, Ely-Bloomenson Community Hospital may engage in extraordinary collection actions, including:
 - a. Referral of unpaid balances to external collection agencies;
 - b. Actions that require a legal or judicial process such as a lien on property or garnishment of wages
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 Charity Care.
4. Ely-Bloomenson Community Hospital will refrain from any ECA's for at least 120 days after sending the first post-discharge billing statement and allowing at least 240 days to apply for financial assistance.
5. The Billing and Collections Policy is available to the public on our website at www.ebch.org and paper copies of the policy are available upon request and without charge by mail, in the Emergency room and in all admissions areas.

Amounts Generally Billed (AGB)

1. An individual who is determined to be eligible for charity care 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 charity care under this policy.
3. Ely-Bloomenson Community Hospital shall use the 12 month "look-back method" as described in Regulation 1.501(r)-5(b)(3).
4. Ely-Bloomenson Community Hospital shall calculate a new AGB limit at least annually.
5. Ely-Bloomenson Community Hospital shall implement the new AGB limit within 120 days of the end of the 12-month period used for the look-back method calculation.
6. Attachment C 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 D)
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 Patient Financial Assistance Policy and any substantive 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 – FAP Application Document Requirements
- Attachment C – Amounts Generally Billed
- Attachment D – Non-Inclusive List of Providers
- Attachment E – Non-Inclusive list of Non-Covered Providers

REFERENCE:

Federal Poverty Guidelines – Updated each year in February and published in the Federal Register.
<http://aspc.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, Controller, Business Office Team Leader

APPROVED:

CFO: _____ DATE: _____

CEO: _____ DATE: _____

CHAIRMAN/B.O.D: _____ DATE: _____

ATTACHMENT A

FEDERAL POVERTY GUIDELINES FOR 2021

INCOME MUST BE LESS THAN:		125% or LESS of FPG	135% or LESS of FPG	148% or LESS of FPG	160% or LESS of FPG
HOUSEHOLD SIZE	2020 FEDERAL POVERTY GUIDELINES (FPG)	100% SERVICE DISCOUNT	75% SERVICE DISCOUNT	50% SERVICE DISCOUNT	25% SERVICE DISCOUNT
1	12,880	16,100	17,338	19,062	20,608
2	17,420	21,775	23,517	25,782	27,872
3	21,960	27,450	29,646	32,501	35,136
4	26,500	33,125	35,775	39,220	42,400
5	31,040	38,800	41,904	45,939	49,664
6	35,580	44,475	48,033	52,658	56,928
7	40,120	50,150	54,162	59,378	64,192

For family units of more than 7 members,
add \$4,540 for each additional member.

ATTACHMENT B

FAP APPLICATION DOCUMENT REQUIREMENTS

1. Copy of written denial letter from Medical Assistance, if required.
2. Income information and verifications, such as copies of your paycheck stubs or a written statement from your employer showing year to date earnings.
3. Copy of last year's tax return.
4. Copies of the most recent statement(s) showing balance in each bank account(s).
5. Copies of the most recent statement(s) showing value of each investment listed.

ATTACHMENT C

Hospital Amounts Generally Billed Calculation and Information

Hospital uses the 12 month “look-back method” as defined in Reg. 1.501(r)-5(b)(3) to calculate the amount generally billed (“AGB”) to individuals who have insurance covering medically necessary care. An individual who is determined to be eligible for charity care 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 individuals who qualify for charity care. The AGB limit currently in effect is 73.5%.

The AGB limit was calculated using the following formula.

$$\frac{\text{Total Allowed Claims and Other Payments}}{\text{Gross Charges}}$$

In the AGB calculation, “Total Allowed Claims” are those claims that have been submitted by Hospital and were allowed by Medicare fee-for-service and all private health insurers over a specified 12-month period. The calculation is not based on the date the service was provided to the individual or on the date the claim was paid. Hospital uses all claims for medical care in this calculation, rather than just those allowed for emergency and other appropriate hospital-based medical services.

“Other payments” are co-payments, co-insurance, deductibles, and any other payments made in relation to a claim included in Total Allowed Claims.

“Gross charges” are the total charges of the services for those claims included in Total Allowed Claims.

Hospital’s most recent calculation of the AGB limit was for the period that began 10/1/2016 and ended 9/30/2017. This AGB limit was calculated by Controller, Accounting/Finance and reviewed and approved by VP/CFO, Administration.

ATTACHMENT D

LIST OF PARTICIPATING PROVIDERS

1. Ely-Bloomenson Community Hospital: All Medically necessary services
2. Ely-Bloomenson Community Hospital: Home Care
3. Ely-Bloomenson Community Hospital: Ortho Clinic
4. Ely-Bloomenson Community Hospital: Provider Based General Surgery Clinic
5. Ely-Bloomenson Community Hospital: Emergency Services
6. Ely-Bloomenson Community Hospital: Emergency Room Physicians
7. Ely-Bloomenson Community Hospital: Anesthesia Services
8. Ely-Bloomenson Community Hospital: Urology Services
9. Ely-Bloomenson Community Hospital: Podiatry Services
10. Ely-Bloomenson Community Hospital: Pain Management Services

ATTACHMENT E

LIST OF NON-PARTICIPATING PROVIDERS

1. ELY AREA AMBULANCE
2. BOUNDARY WATERS CARE CENTER
3. ESSENTIA HEALTH
4. RADIOLOGIST FEES