

SOUTHERN COOS HOSPITAL AND HEALTH CENTER

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DEPARTMENT:	Patient Financial Services	EFFECTIVE:	07-01-2018
		REVISED:	03-23-2022

Purpose

The purpose of this policy is to ensure a fair, consistent and objective method for review and completion of requests for Financial Assistance for medically necessary care provided to our patients in need.

Policy

Southern Coos Health District (SCHD) is committed to providing Financial Assistance to people who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. SCHD provides financial assistance for people with demonstrated financial need by waiving all or part of the charges for services provided by SCHD. Financial Assistance determinations are based on submission of a completed Financial Assistance Application (with the exception of OHP/Medicaid recipient's as listed below). SCHD will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for Financial Assistance or for government assistance. SCHD reserves the right to grant additional Financial Assistance based on extenuating circumstances and/or based on its own determination on a case by case basis.

- The Financial Assistance Policy (FAP):
- Includes eligibility criteria for financial assistance
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describes the method by which patients may apply for financial assistance
- Describes how the hospital will publicize the policy within the community served by the hospital

Eligible individuals will not be charged more than "Amounts Generally Billed (AGB) for insured patients for emergency or other medically necessary care. See Appendix A

Financial Assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with SCHD's process for obtaining charity care or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay.

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In order to manage its resources responsibility and to allow SCHD to provide the appropriate level of assistance to the greatest number of persons in need, the hospital establishes the following guidelines for the provision of financial assistance.

Definitions

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

Charity Care and Financial Assistance: Healthcare services that have been or will be provided for free or at a discount to individuals who meet established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent for purposes on their income tax return, they will be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family 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 for estates, trusts, educational assistance, alimony, child support.
- Determined on a before-tax-basis
- Non-cash benefits (such as food stamps and housing subsidies) **are excluded**;
- Capital gains or losses **are excluded**;
- If a person lives with a family, includes the income of all family members if listed as a dependent on tax return (Non-relatives, such as housemates, are **not included**)

Amounts Generally Billed (AGB): The Amounts Generally Billed (AGB) is defined as the maximum amount a patient who qualifies under the financial assistance policy for a charity or other discount which is equal to the average amounts historically allowed as a percentage of billed charges for Medicare-fee-for service and private health insurers for a 12-month look back period calculated in accordance with IRS 501(r).

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

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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

Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before any deductions are applied

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd) **medically necessary:**

- a) Necessary to prevent, diagnose or treat an illness, injury, condition or disease, or the symptoms of an illness, injury, condition or disease; and
- b) Meeting accepted standards of medicine

Application period: The time period that begins with the date of the first billing statement and ends 240 days thereafter

Guarantor: The patient or other individual who is financially responsible for the patient's payment obligations

Procedures

- A. **Services Eligible under This Policy.** The following healthcare services provided by SCHD and/or an SCHD provider are eligible for financial assistance:
 - 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; and
 - 4. Other medically necessary services
- 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 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 does not consider age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

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- Financial Assistance will be extended to qualified recipients without a completed financial assistance application for visits where Medicaid/OHP and Out of area Medicaid insurance denies payment, pays the standard benefit or SCH is not contracted with.
- If unable to determine the income due to self-employment, seasonal work, etc. the previous year's tax return may be used for eligibility.
- Income verification from sources other than the applicant are used when necessary to establish criteria, i.g., food stamp award letter or Medicaid or Senior & Disabled services case worker, and letters from individuals outside the household. etc.
- Financial Assistance covers current accounts with a balance due and eligibility is effective for twelve (12) months from date of approval for Oregon applicants all others will be for three (3) months. The applicant is responsible to inform SCHD of any material change to income, family size, and/or liabilities which may affect eligibility for services received subsequent to SCHD initial approval and before expiration of the twelve (12) month approval period. Material changes could raise or lower the eligibility level, or disqualify the applicant for additional assistance.

c. **Method by Which Patients May Apply for Financial Assistance**

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and will
 - a. Include an application process, in which the patient or patient's guarantor are required to provide personal, financial and other information and documentation within the application period.
 - b. Include reasonable efforts by SCHD to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs.
2. To be considered complete, a submitted application for Financial Assistance must include the following:
 - a. Complete and signed Financial Assistance application ("FAP application"),
 - b. Copies of previous year's Federal Tax Return (Form 1040 or equivalent), including all schedules,
 - c. Verification of current family income, if applicable: examples include the last 3 months pay stubs, W2's, pension and retirement benefits,

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Social Security benefits, unemployment compensation, Workers Compensation, Veteran's benefits, etc

- d. Last three (3) months checking, and savings account statements **if proof of income is not provided.**
- e. Copy of food stamp or OHP award letter, if applicable
- f. Verification of Social Security or unemployment award letter, if awarded

If an individual or his/her family has no source of income, a letter of hardship and/or a letter of support is required.

Other documentation may be requested by SCHD to verify information on the Financial Assistance application.

- 3. For services that are not identified as an Emergency medical condition, it is preferred, but not required that a request for Financial Assistance and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point before, during, or after receiving care.
- 4. If an individual submits an FAP application during the application period that is incomplete, the hospital will provide the individual written notice that describes the additional information and/or documentation required under the FAP to complete the FAP application.

If the FAP application is subsequently completed during the application period, the individual will be considered to have submitted a complete FAP application during the application period.

- 5. SCHD's respect for human dignity and responsibility for 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 SCHD shall notify the patient or application in writing within 30 days of receipt of a completed application.
- d. **Presumptive Financial Assistance Eligibility.** There are instances when a patient may appear eligible for financial assistance discounts, but there is no Financial Assistance application on file due to lack of supporting documentation. Often there is adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with Financial Assistance. In the event there is no evidence to support a patient's eligibility for Financial Assistance, SCHD may use outside agencies in determining estimated

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income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, a 100% write-off of the account balance will be granted. Presumptive eligibility is determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Woman, Infants and Children's programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased and it is determined that no known estate exists.

f. **Eligibility Criteria and Amounts Charged to Patients.** Services eligible under this policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect when the medically necessary services were provided. Once a patient has been determined by SCHD to be eligible for Financial Assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts SCHD will charge patients qualifying for Financial Assistance are as follows:

1. Patients whose family income is at or below 200% of the FPL are eligible to receive full financial assistance (100% discount).
2. Patients whose family income is above 200% but not more than 400% of the FPL are eligible to receive services discounted on a sliding fee schedule. Services will be discounted to an amount no greater than the Amount Generally Billed by SCHD.
3. Financial Assistance may also include assistance to patients who have incurred high medical costs as defined as yearly healthcare costs greater than 10% of household income.

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4. See Appendix A for the calculation of the Amount Generally Billed (AGB) and the FPL Chart.

- F. **Communication of the Financial Assistance Policy to Patients and Within the Community.** Notification about Financial Assistance available from SCHD shall be disseminated by SCHD by various means, which will include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, admitting and registration departments, hospital business offices, and patient financial services offices that are located on SCHD campuses, and other public places as SCHD may elect.

SCHD will publish the FAP, FAP Application Form, and the Plain Language Summary of the FAP on the SCHD website. SCHD will make available and without charge, copies of the FAP, FAP Application Form, and the Plain Language Summary of the FAP in public locations in the hospital as well as by mail. SCHD will widely publicize the FAP, FAP Application Form and Plain Language Summary of the FAP within the community served by the hospital as SCHD may elect.

The FAP, FAP Application Form, and the Plain Language Summary of the FAP shall be provided in the primary languages spoken by the population served by SCHD.

A copy of the Plain Language Summary of the FAP is included in either the intake or discharge packets provided to patients. Information regarding the FAP and how to obtain copies of the FAP materials is included on each billing statement.

Referral of patients for Financial Assistance may be made to any member of the SCHD staff or medical staff, including physicians, nurses, financial counselors, social workers and case managers. 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.

A copy of this policy may be requested by mail, free of charge, or by calling Patient Financial Services at (541) 347-2426, in person at 900 11th St SE, Bandon, OR 97411, or through our website www.southerncoos.org

- G. **Relationship to Patient Billing and Collection Policies.** SCHD management shall maintain policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment) that take into account the extent to which the patients qualifies for Financial Assistance, a patient's good faith effort to apply for a governmental program or for Financial

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Assistance from SCHD, and a patient's good faith to resolve their discounted hospital bills.

SCHD will publish the Patient Billing and Collection Policy on the SCHD website. SCHD will make available and without charge, copies of the Patient Billing and Collection Policy in public locations in the hospital. A copy may be requested by mail, free of charge, by calling Patient Financial Services at (541) 347-2426, in person at 900 11TH St SE, Bandon, Or 97411, or through our website www.southerncoos.org.

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

Employed Providers of SCHD participate in the Financial Assistance program as follows:

- Southern Coos Hospital & Health Center Emergency Room Physicians, Hospitalist Physicians & Nurse Practitioners, CRNA, Radiologist, Pain Management Physician.
- Southern Coos Hospital & Health Center Primary Care Clinic Physicians & Nurse Practitioners.

Exclusion of Services Provided by Outside Contracted Agencies. This policy does not apply to services provided by outside agencies contracted by SCHD, including but not limited to those provided by, Bay Eye Clinic Physicians, DME providers, Dr Crane's pro charges for Hospital services and other outside agencies that may be contracted by SCHD in the future.

Patients should contact the non-participating physicians directly regarding Financial Assistance.

Appendix A: Amounts Generally Billed Calculation

The method used to calculate the AGB is a historical lookback method based on actual paid claims for Medicare fee-for-service and private health insurers. The AGB is the sum of all amounts of claims that have been allowed by health insurers divided by the sum of the associated gross charge for those claims. The AGB rate will be updated annually at the beginning of the fiscal year and implemented within 120 days of any AGB rate change.

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After the patient's account(s) is reduced by the Financial Assistance adjustment based on policy, the patient is responsible for the remainder of his/her outstanding patient account which shall be no more than amounts generally billed (AGB) to individuals who have Medicare fee-for-service and private health insurers for emergency or other medically necessary care. The lookback method is used to determine AGB.

AGB % = Sum of Claims Allowed \$ / Sum of Gross Charges \$ for those claims

Allowed amount = Total charges less Contractual Adjustments.

If no contractual adjustment is posted then the total charges equals the allowed amount.

Denial adjustments are excluded from the calculation as denials do not impact allowed amount.

On an annual basis the AGB is calculated for the hospital.

- Look Back Method is used. A twelve (12) month period is used
- Includes Medicare Fee for Service and Commercial payers
- Excludes Payers: Medicaid, Uninsured, and Workers' Compensation

Hospital: Southern Coos Hospital

Amounts Generally Billed: 75% Minimum

Discount Based on AGB: 25%

Effective: July 1 2021

Below are the FAP Discount Percentages and the latest published Federal Poverty Level (FPL) Guideline:

Annual Income is:	FAP Discount %
Below 200% of FPL	100% or FREE
201% to 300% of FPL	75%
301% to 350% of FPL	50%
351% to 4000% of FPL	25%

Source: Federal Register Effective: January 2021