

MADISON PARISH HOSPITAL & MADISON PARISH HOSPITAL RURAL HEALTH CLINIC CHARITY CARE/FINANCIAL ASSISTANCE POLICY

I. POLICY

Madison Parish Hospital and Madison Parish Hospital Rural Health Clinic (MPH & RHC) is committed to providing charity care/financial assistance to persons 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. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, MPH & RHC strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. MPH & RHC will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance – discounted (partial charity) care
- 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/clinic will widely publicize the policy within the community served by the hospital/clinic
- Limits the amount that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed by the hospital for commercially insured or Medicare patients.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with MPH & RHC's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow MPH & RHC to provide the appropriate level of assistance to the greatest number of persons in need, the Fiscal Administrator/Board of Directors establishes the following guidelines for the provision of patient charity care.

II. DEFINITIONS

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

Charity Care: Healthcare services that have been or will be provided are never expected to result in cash inflows. Charity care results from a providers' policy to provide healthcare services free or at a discount to individuals who meet the 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 on their income tax return, they may 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 from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

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

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 deductions from revenue are applied.

Emergency Medical Conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd)

Medically Necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

III. PROCEDURES

A. Services Eligible Under This Policy: For purposes of this policy, "charity" or "financial assistance" refers to healthcare services provided by MPH & RHC without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity/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. Medically necessary services, evaluated on a case-by-case basis at MPH & RHC's discretion.

B. Eligibility for Charity: Eligibility for charity 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 a determination of financial need in accordance with this Policy. The granting of charity/financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

C. Method by Which Patients May Apply for Charity Care/Financial Assistance:

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - a. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
 - b. Include the use of external publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring)
 - c. Include reasonable efforts by MPH & RHC to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
 - d. Take into account the patient's available assets, and all other financial resources available to the patient; and
 - e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
2. It is preferred but not required that a request for charity/financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of service if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity/financial assistance becomes known.
3. MPH & RHC's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity/financial assistance. Requests for charity/financial assistance shall be processed promptly and MPH & RHC shall notify the patient or applicant 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 charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care/financial assistance. In the event there is no evidence to support a patient's eligibility for charity care/financial assistance, MPH & RHC could use outside agencies in determining estimate 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, the patient will receive the discount available for 100% federal poverty level (FPL). Presumptive eligibility may be 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 Women, Infants and Children program (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 with no known estate.

E. 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 FPL in effect at the time of the determination. Once a patient has been determined by MPH & RHC to be eligible for financial assistance, the patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts MPH & RHC will charge patients qualifying for financial assistance is as follows:

Family of 1	Family of 2	Family of 3	Family of 4	Family of 5	Family of 6	Family of 7	Family of 8	Each additional person	Poverty Level	Patient Payment Responsibility
\$12,490	\$16,910	\$21,330	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430	\$4,420	100%	Nominal Fee \$20.00
\$15,613	\$21,138	\$26,663	\$32,188	\$37,713	\$43,238	\$48,763	\$54,288	\$4,420	125%	20%
\$18,735	\$25,365	\$31,995	\$38,625	\$45,255	\$51,885	\$58,515	\$65,145	\$4,420	150%	40%
\$21,858	\$29,593	\$37,328	\$45,063	\$52,798	\$60,268	\$68,268	\$76,003	\$4,420	175%	60%
\$24,980	\$33,820	\$42,660	\$51,500	\$60,340	\$69,180	\$75,020	\$86,860	\$4,420	200%	80%
\$24,981	\$33,821	\$42,661	\$51,501	\$60,341	\$69,181	\$75,021	\$86,861	\$4,420	>200%	100%

F. Communication of the Charity Program to Patients and Within the Community: Notification about charity care/financial assistance from MPH & RHC, which shall include a contact number, shall be disseminated by MPH & RHC by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in the emergency room, reception area, admissions/registration office, clinic and hospital business offices, patient financial services offices that are located on the facility

campus, and other public places as MPH & RHC may elect. MPH & RHC also shall publish and widely publicize a summary of this charity care/financial assistance policy on the facility's website, in brochures (if applicable), and other places within the community served by the hospital and clinic as MPH & RHC may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by MPH & RHC. Referral of patients for charity/financial assistance may be made by any member of the MPH & RHC staff or medical staff, including physicians, nurses, financial counselors, social workers and case managers. A request for charity may be made by the patient or a family member, close friend, or associate for the patient, subject to applicable privacy laws.

G. **Relationship to Collection Policies:** MPH & RHC management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for governmental program or for charity from MPH & RHC, and a patient's good faith effort to comply with his or her payment agreements with MPH & RHC. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, MPH & RHC may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. MPH & RHC will not impose extraordinary collection actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that MPH & RHC has or has attempted to offer the patient the opportunity to apply for charity care/financial assistance pursuant to this policy and that the patient has not complied with the hospital's application requirements;
3. Documentation that the patient does not qualify for financial assistance on a presumptive basis;
4. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

H. **Regulatory Requirements:** In implementing this Policy, MPH & RHC management and facilities shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.