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**Owner:** Sarah Hartwig: System Director  
*Patient Access*  
**Policy Area:** Revenue Cycle  
**References:**  
**Applicability:** Regional Health

## Regional Health Financial Assistance Policy

Policy Number: CS-8211-02

### POLICY STATEMENT

Regional Health is a not for profit organization that is committed to providing compassionate, high quality, affordable healthcare services to the communities we serve. As part of this mission, Regional Health recognizes our obligation to provide medical care to all persons in need, regardless of their ability to pay. The Regional Health Financial Assistance Program provides assistance to patients with a self-pay balance resulting from Episodic Care. This policy provides information as to the covered services. Financial assistance may consist of full or partial write off.

This policy sets forth the standards and guidelines by which Regional Health determines eligibility for the Financial Assistance Program. Persons who reside within the Regional Health defined service area that have healthcare needs and are ineligible for a government program, or otherwise unable to pay for **emergent or other medically necessary care**, may be eligible for assistance. Elective services which are **not** medically necessary are **not** eligible for the Financial Assistance Program.

### Attachments to the policy:

- A - List of Exclusions
- B - Definitions
- C - Family Medicine Residency
- D - Charitable and 501 c3 Referrals

Please refer to [regionalhealth.com](http://regionalhealth.com) for the following information:

- List of Providers
- Financial Assistance Program Application
- Income and Debt Reduction Matrix
- Financial Assistance Program Plain language summary

### GUIDELINES

Financial Assistance Program Notification for Hospital Services:

- I. Patient Access Process

- A. Financial Assistance Program brochures explaining the policy, a copy of the policy and Financial Assistance applications will be available at each point of entry.
- B. Signs alerting patients to the availability of Financial Assistance will be prominently displayed.
- C. A plain language summary describing the Financial Assistance program will accompany one billing statement for hospital services sent to the patient.
- D. The Financial Assistance policy, plain language summary and Financial Assistance application will be provided free upon request and are also available on the hospital website, [www.regionalhealth.com](http://www.regionalhealth.com).

## II. Application process

- A. Patients and/or financially responsible family members may complete the Financial Assistance application prior to a service or after the service has been provided.
  - i. Applications and all of the requested supporting documentation should be mailed to PO Box 3450, Rapid City, SD 57709, or the application may be dropped off at any of the Regional Health care sites.
- B. Reasonable effort will be taken in determining whether an individual is eligible for the Financial Assistance program.
  - i. Payment source and patient's ability to pay will be evaluated upon admission/registration with consideration to EMTALA (Emergency Medical Treatment and Labor Act) obligations.
  - ii. Government Assistance: In determining whether an individual qualifies for Financial Assistance, other county or governmental assistance programs should be considered first.
    - 1. Regional health provides and contracts with third party patient advocates (fund finders) to help individuals determine eligibility for governmental or other assistance as appropriate.
  - iii. Patients will be required to apply for and exhaust payment sources for which they are or may be eligible, including coverage through any Third Party Payer, Medicare, Medicaid or similar Federal or state health insurance program, before qualifying for the Charity Care Program. Patient Financial Services staff will assist patients or financially responsible parties to make payment arrangements if no assistance is available, (i.e. federal, state, local, or private) or they are ineligible for Regional Health's Charity Care program.
- C. Reasonable effort will be made to notify a patient of the Financial Assistance Program, including a notification that the application period ends 120 days from the date the facility issues the first billing statement to the patient. During this notification period, Regional Health will:
  - i. Distribute a plain language summary and offer a Financial Assistance application prior to discharge.
  - ii. Distribute a plain language summary with one billing statement. Provide patients with at least one written notice describing the extraordinary collection actions that could be initiated if the patient fails to complete the Financial Assistance application or pay the amount due by a specified deadline, which is at least 30 days after the written notice is provided, but not prior to the end of the 120 day notification period. The extraordinary collection actions that may be taken are described in Regional Health's collection policy, CS-8211-19. A free copy of this policy can be obtained by accessing Regional Health's website at [www.regionalhealth.com](http://www.regionalhealth.com) or by contacting Patient Financial Services.
- D. In addition to the notification period, reasonable effort will also include an application period of an

additional 120 days, during which a patient may still complete a Financial Assistance application. The combined notification and application period is a total of 240 days from the date of the first billing statement. During the application period, Regional Health may pursue extraordinary collection actions, however, if Regional Health receives a FAP application during the application period, extraordinary collection actions will be suspended until it is determined whether the patient is eligible for the Financial Assistance program. In the event an incomplete Financial Assistance application is turned in during this period, the patient will be provided with information to aid in completing the application and/or the documentation required to complete the Financial Assistance application review, including a plain language summary of the Financial Assistance Policy. The patient will be provided with written notice advising extraordinary collection actions will resume if the application remains incomplete by the specified completion deadline, which is at least 30 days after the written notice is given.

- E. If the patient does not return the Financial Assistance application during the notification period or by the deadline specified in the written notice, extraordinary collection actions may resume.
- F. ***Applications will not be accepted for services exceeding 240 days from the date of the 1st statement.***

### III. Qualification Criteria and Processing Guidelines:

- A. Financial Assistance determination process (Charity Care):
  - i. Regional Health will adhere to an established methodology to determine eligibility for the Financial Assistance Program. The methodology shall consider whether health care services meet Emergent definitions or other medically necessity criteria, as well as income, net assets, family size and resources, available to pay for care.
  - ii. Information from the applicant's financial application (See Form #20-8261- 0022-0506, Financial Assistance Application on RCRH's internet site) and supporting documentation will be applied to the income matrix, as available on the Regional Health website, to determine the amount of qualified financial assistance to be granted.
    - 1. Verification may include the applicant's most current federal tax return and/or three (3) months current pay stub, as well as the applicant's net worth and/or assets.
  - iii. Financial assistance debt reduction write-offs will be based on an income matrix, as available on the Regional Health website, utilizing the current Federal Poverty Level (FPL) income guidelines. The income matrix shall be updated annually as the FPL guidelines are released. A patient's liquid assets will be taken into account for eligibility and treated as income when determining eligibility.
  - iv. In compliance with the Internal Revenue Code 501(r) the amount charged for emergency or other medically necessary care that is provided to individuals eligible for assistance under the Financial Assistance Program, will be determined utilizing the prospective Medicare method, with the amount generally billed (AGB) being equal to the sum of the expected payments from Medicare and the Medicare beneficiary. This calculation will be figured for each type of service. Information regarding how the AGB is calculated may be obtained by contacting Patient Financial Services.
  - v. Eligible patients will not be charged more than the AGB for the covered services.
- B. Notification of Financial Assistance Eligibility and Coverage Period for patients determined to be eligible for FAP :

- i. The patient will be provided with notification showing the amount due, if any, an explanation of how the facility determined the amount the patient owes as a FAP eligible individual and an explanation of the method used to determine the amount generally billed (AGB) for the care provided.
    - ii. The facility will refund the patient any personal payment made in excess of the amount owed as a FAP eligible individual.
    - iii. The facility will take reasonable measures to reverse any extraordinary collection activities.
    - iv. Eligibility is determined and approved for each episode of care.
  - C. Patients/Guarantors who experience sudden loss of income may qualify for the Financial Assistance Program based upon three (3) months' pay stubs and/or documentation from sources such as Social Services, The Midland Group, etc. confirming the claim of Loss of Income.
  - D. Circumstances that may disqualify a patient for Financial Assistance are:
    - i. Fraud (providing false information on the Financial Assistance Application)
    - ii. Patient or legal representative/guarantor unresponsive to requests for information.
    - iii. Refusal to fully complete the Financial Assistance Application
    - iv. Refusal to provide the required documentation of income and assets
    - v. Sufficient income
    - vi. Withholding insurance payment and/or insurance settlement funds
    - vii. Failure to complete screening applications for Medicaid and County Poor Relief
    - viii. Failure to participate and cooperate with fund finders.
  - E. Presumptive Charity: Patients/Guarantors maybe approved for Financial Assistance by use of an oral application, without completion of a written application or without their knowledge. Presumptive Charity is used when RH personnel believe with a high degree of certainty the patient/guarantor does not have the ability to pay for the services provided. Presumptive Charity can occur in the following manner:
    - i. Patients with a history of bad debts closed and returned as inability to pay by our 3<sup>rd</sup> party collection agencies.
    - ii. Patients whose socio-economic data clearly indicates an inability to pay.
      - A. Reside at a homeless shelter
      - B. Deceased and no estate is located
      - C. Health condition of patient, age of patient employment status, size of debt and marital status combined to present a high likelihood of inability to pay
      - D. Other circumstances which a reasonable person would conclude the debt for services will not be paid.
      - E. Experian Scoring tool
      - F. Prior FAP approval

IV. Other Financial Assistance Program considerations:

Approval for Financial Assistance and any care provided covered by the Financial Assistance Program

does not obligate Regional Health to provide continuing care unless as may be otherwise required by federal or state law or regulation.

**Factors Not Considered:**

The following factors will not be considered when making a recommendation for financial assistance and/or in granting of assistance: Bad Debt, as defined in attachment B, contractual allowances, perceived underpayments for operations, cases paid through a charitable contribution, community service or outreach programs, or employment status. In other words, these monetary sources have no bearing on the patient's eligibility.

**Equal Opportunity:**

When making decisions on financial assistance, Regional Health is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service or any other classifications protected by federal, state or local laws.

**Entities Not Covered Under the Financial Assistance Program Policy:**

Long Term Care, Assisted Living Center, HME/DME (exclusive of Respiratory therapy supplies), and any other service not typically provided by the traditional acute care hospital are not eligible for inclusion in the Financial Assistance Program.

**Hospice House:**

Patients seeking admission to the Hospice House as either a General Inpatient or Resident status may be eligible for Financial Assistance. The services provided by the Hospice House shall be considered non-emergent, therefore, may be excluded from Financial Assistance eligibility. The Director of the Hospice House and the Director of Revenue Cycle shall review all applications for assistance prior to admission into the Hospice House.

**Other considerations**

The Chief Financial Officer of Regional Health may approve Financial Assistance reductions for patients who do not meet the specific requirements set forth in this policy.

## RESOURCES

*(The Resources used during the creation of the policy)*

- A. Not Applicable

## REFERENCES

*(The References used during the creation of the policy)*

- A. Not Applicable

## REGULATIONS / STANDARDS

- A. Not Applicable

All revision dates:

01/2017, 11/2016, 09/2016

### Attachments:

[A: List of Exclusions](#)

B: Definitions  
C: Family Medicine Residency  
D: Charitable and 501 c3 Referrals

## Applicability

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Regional Health, Regional Health Custer Hospital, Regional Health Home Plus, Regional Health Lead Deadwood Hospital, Regional Health Long Term Care, Regional Health Medical Clinics, Regional Health Orthopedic & Specialty Hospital, Regional Health Rapid City Hospital, Regional Health Spearfish Hospital, Regional Health Sturgis Hospital, Same Day Surgery Center

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