



*Closer Care. Better by Far.*

## **Financial Assistance Policy**

### **POLICY:**

Scotland Memorial Hospital shall provide appropriate levels of care, commensurate with the facility's resources and the community needs. Scotland Memorial Hospital is committed to assisting patients obtain coverage from various programs as well as providing financial assistance (FA) to every person in need of medically necessary hospital treatment. Scotland Memorial Hospital will always provide emergency medically necessary care regardless of the patient's ability to pay. Similarly, patients who are able to pay have an obligation to pay and providers have a duty to seek payment from these individuals.

### **OBJECTIVES:**

- To model Scotland Memorial Hospital's core values of Caring at all times.
- To ensure the patient exhausts other appropriate coverage opportunities prior to qualifying for financial assistance.
- To provide financial assistance based on the patient's ability to pay.
- To ensure compliance with any required Federal or State regulation related to financial assistance.
- To establish a process that minimizes the burden on the patient and is cost efficient to administer.

### **DEFINITIONS:**

The terms used within this policy are to be interpreted as follows:

- Amount Generally Billed (AGB): The average amount billed to insurance companies and Medicare for billable services provided to patients.
- Bad Debt: Accounts that have been categorized as uncollectible because the patient has been unable to resolve the outstanding medical debt.
- Balance Allowed (by Insurance or Medicare): The total amount of a claim that is determined to be payable by the insurance company and the subscriber after applying contractual adjustment amounts.
- Elective: Services that, in the opinion of a physician, are not needed or can be safely postponed.
- Emergency Care: Immediate care which is necessary in the opinion of a physician to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any organs or body parts.
- Household Financial Income: Includes income from all members of the household as defined by federal tax guidelines. As measured against annual Federal Poverty Guidelines includes, but is not limited to the following:
  - Annual household pre-tax job earnings
  - Unemployment Compensation

- Workers' Compensation
- Social Security and Supplemental Security Income
- Veteran's payments
- Pension or Retirement income
- Other applicable income to include, but not limited to: rent, alimony, child support, and any other miscellaneous source

- Medically Necessary: Hospital services provided to a patient in order to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
- Other Coverage Options: Options that would yield a third party payment on account(s) including, but not limited to: Workers' Compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plans, Victim's Assistance, etc., or third-party liability resulting from automobile and/or other accidents.

### **Financial Assistance Guidelines**

#### *Eligibility Scale*

- Full charity care shall be provided to uninsured patients earning whose Household Financial Income is 200 percent or less of the Federal Poverty Guideline (FPG).
- For financially needy patients whose Household Financial Income is between 201 percent and 400 percent of the FPG, discounts shall be provided to limit such patient's payment obligation to the amount of the patient account balance after subtracting the percentage discount applicable to the patient's FPG household income provided in the following table:

<b>Discount</b>	<b>Current Year Federal Poverty Guidelines for Family Size</b>
100%	Family income is less than or equal to <b>200%</b> of FPG
75%	Family income is <b>201%</b> to <b>300%</b> of FPG
50%	Family income is <b>301%</b> to <b>400%</b> of FPG

#### *Documentation Requirements*

Documentation of household size and income is required. Acceptable documents may include:

- Federal Income Tax Returns, most recent
- W-2 form, most recent
- 1099 form, most recent
- Payroll check stubs, 3 consecutive months prior to the date of the application
- Food Stamp approval letter
- Bank Statements, 3 consecutive months prior to the date of the application

If the patient does not or cannot present the information outlined above, the facility may use other evidence to demonstrate eligibility.

If additional information is required from the patient to complete the application, the facility will notify the individual in writing of the information that is missing and provide a reasonable time period for it to be provided.

### *Presumptive Eligibility*

Patients who qualify and are receiving benefits from the following programs may be presumed eligible for 100 percent financial assistance:

- **Food stamps.** The U.S. Department of Agriculture Food and Nutrition Service Food Stamp Program.
- **State Relief Programs.** Some State programs that do not cover medical needs are available to individuals deemed to be living in poverty. Scotland Memorial Hospital may accept a patient's participation in specific programs as qualification for financial assistance when medical insurance benefits are not available.
- **Local Programs.** Some local agencies offer a financial assistance program designed to provide emergency short-term assistance to persons lacking the resources to meet their basic needs for food, shelter, fuel, utilities, clothing, medical, dental, hospital care and burial. Scotland Memorial Hospital may accept patient's that receive these benefits as qualification for financial assistance when hospital charges are not covered by these programs.
- **Homelessness.** Homeless persons would also qualify for assistance.
- **Deceased Patients.** Unpaid balances of patients who are deceased with no estate or surviving responsible party would also qualify for assistance.
- **Demographic Analytics.** Patient demographics may be compared with a third party database using public information to identify poverty conditions (e.g. PARO score) to determine eligibility for the Financial Assistance Program.

Patients who meet presumptive eligibility criteria may be granted financial assistance without completing the financial assistance application. Documentation supporting the patient's qualification for or participation in a program must be obtained and kept on file. Unless otherwise noted, an individual who is presumed eligible under these presumptive criteria will continue to remain eligible for the Eligibility period outlined below, unless facility personnel have reason to believe the patient no longer meets the presumptive criteria.

### *Eligibility Evaluation Process*

In order to determine the appropriate level of financial assistance to apply to a patient's account, the facility will perform one of the following:

- Utilize a scoring mechanism, with the assistance of a third-party vendor that provides a patient financial profile
- Require the patient to complete a Financial Assistance Application
  - Household income, as defined above, will be considered in determining whether a patient is eligible for financial assistance.
- Document the patient's qualification under Presumptive Eligibility criteria (outlined above) on a Financial Assistance Application.

### *Eligibility Period*

- An individual who is presumed eligible under these criteria will continue to remain eligible for six months following the date of the initial application, unless information is identified that the patient status has changed and would deem the patient to be ineligible.
- Upon initial approval, the facility will also include uninsured accounts as eligible for financial assistance if the first post discharge statement was mailed 240 days or less from the eligibility date.
- Patients will be refunded any amounts they paid that are in excess of the final liability determined to be appropriate after financial assistance discounts are applied.

### *Eligible Population*

- This policy is applicable to uninsured patients that receive Medically Necessary Care.

Patients with third party insurance coverage (including governmental payers) are not eligible for financial assistance for balances after insurance. However, patients can request discounts through the Hardship Settlement Policy.

### *Eligibility Notification*

After receiving the patient's request for financial assistance and any financial information or other documentation needed to determine eligibility for financial assistance, the patient will be notified of the patient's eligibility determination within a reasonable period of time.

### *Communication of Financial Assistance Policy*

Facility communicates the availability of financial assistance policy to all patients through means which include, but are not limited to:

- Facility's website [www.scotlandhealth.org](http://www.scotlandhealth.org)
- Billing statements
- Information posted at conspicuous locations throughout the facility
- Handout materials at Registration and during Financial Counselor patient interviews

Full copies of the Financial Assistance Policy and application are available at no cost to the patient by:

- Downloading a copy from the website listed above
- Requesting a copy to be mailed by calling 910-291-7171
- Mailing a request for a copy to Scotland Memorial Hospital, PO Box 1847, Laurinburg, NC 28353
- Picking up a copy from the Financial Counselor at Scotland Memorial Hospital, 500 Lauchwood Dr., Laurinburg, NC

Financial assistance policy and application are available in English, Spanish, and any other language that is considered the primary language of any population with limited English proficiency that constitute more than 5% or 1000 persons (which ever is less) of the population served by the hospital.

### *Participation by Clinicians who work in Scotland Memorial Hospital*

A listing of Clinicians who are included in this Financial Assistance Policy and those who are not included in this policy is available by contacting the Patient Accounting Department at 910-291-7171.

### **Patient Responsibilities Regarding Financial Assistance**

If applicable, prior to being considered for financial assistance, the patient/family must cooperate with Scotland Memorial Hospital to furnish information and documentation to apply for the Financial Assistance Program as well as other existing financial resources that may be available to pay for the patient's health care, such as Medicaid, Medicare, third-party liability, etc.

- A patient who qualifies for partial discounts must cooperate with Scotland Memorial Hospital to establish a reasonable payment plan that takes into account available income, the amount of the discounted bill(s), and any prior payments.
- Patients who qualify for partial discounts must make a good faith effort to honor the payment plans for their discounted healthcare bills. They are responsible for communicating to Scotland Memorial Hospital any change in their financial situation that may impact their ability to pay their discounted healthcare bills or to honor the provisions of their payment plans.

### **Amount Generally Billed:**

AGB is determined through the "Look-back method" which is calculated as follows:

1. For a 12 month period, the total of all Balances Allowed by insurance and Medicare (including Medicare Advantage plans) is divided by the total of all charges for those services. The percentage is calculated at least annually.
2. The percentage is applied by the 120th day after the end of the 12-month period Scotland Memorial Hospital used in calculation the AGB percentage.
3. Information on AGB is available and can be obtained at no additional cost by submitting a request to:

Scotland Memorial Hospital  
Financial Counseling Department  
PO Box 1847  
Laurinburg, NC 28353  
910-291-7171

### **Additional Information**

Scotland Memorial Hospital has established a separate Billing and Collection policy which outlines actions that may be taken on balances due from patients. A copy of can be obtained at no cost to patient by submitting a request to:

Scotland Memorial Hospital  
Financial Counseling Department  
PO Box 1847  
Laurinburg, NC 28353  
910-291-7171