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Policies

## Financial Assistance Policy

### Financial Assistance Policy

**POLICY:** Scotland Health Care System shall provide appropriate levels of care, commensurate with the facility's resources and the community needs. Scotland Health Care System 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 Health Care System will always provide emergency medically necessary care regardless of the patient's ability to pay as well as Hospice and Scotland Physician Network Care. 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 Health Care System's core values of Caring at all times.
- To ensure the patient exhausts all other appropriate coverage opportunities prior to qualifying for financial assistance including a Medicaid pre-screening questionnaire.
- 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 un-collectible because the patient has been

unable to resolve the outstanding medical debt within reasonable time period.

- 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.
- Hospice - Scotland Hospice's focus is on the long-term care, comfort, and quality of life of persons with a serious illness and is approaching end of life.
- 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, grants and third-party liability resulting from automobile and/or other accidents.
- Sliding Fee - A Scotland Physician Network sponsored program to assist patients with paying for primary care physician services. This program will mirror the hospital financial assistance guidelines below.

## **Financial Assistance Guidelines**

### *Eligibility Scale*

- Full charity care shall be provided to patients to cover any outstanding balances, for which the patient is responsible, after all other forms of reimbursement have been received and who's household financial income is 200 percent or less of the Federal Poverty Guideline (FPG).
- Financial Assistance discounts shall be provided to limit the patient's payment obligation amount for those whose household financial income is between 0 and 300 percent of the

FPG based on the following table:

Discount	Current Year Federal Poverty Guidelines for Family Size
100%	Family income is less than or equal to <b>200%</b> of FPG
75%	Family income is <b>201%</b> to <b>250%</b> of FPG
50%	Family income is 251% to 300% 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
- Patients who meet presumptive eligibility criteria may be granted financial assistance without completing the financial assistance application or providing documentation. 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.

If the application is needed and incomplete, 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.
- **Medicaid Family Planning**
- **Out-state Medicaid**
- **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.
- **Electronic Screening.** Uninsured patient who meet FPG scoring through external vendor (PARO).

### *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 all Medically Necessary Care.

### *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)

- EPIC MyChart
- 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 910-291-7943 or 910-291-7971
- Mailing a request for a copy to Scotland Memorial Hospital, PO Box 1847, Laurinburg, NC 28353
- Picking up a copy from the Financial Navigator's 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 Health Care System 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.

- Medicaid pre-screening and potential eligibility documentation may be required. The potential documents needed to furnish the state may include but not limited to: wage verification, checking/savings account statements, proof of state residency, disability application, DMA form 5099, birth/death certificate, social security cards, unpaid medical bills, and life insurance face sheets
- 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 health care 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 health care 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:
4. Patient charged amounts will not exceed the AGB.
  - Scotland Memorial Hospital
  - Financial Navigators
  - PO Box 1847
  - Laurinburg, NC 28353
  - 910-291-7971 or 910-291-7643

#### **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 Navigators
- PO Box 1847
- Laurinburg, NC 28353
- 910-291-7971 or 910-291-7643

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## Approval Signatures

Step Description	Approver	Date
CEO	David Pope: CEO & President, Scotland Health Care System	12/2024
CFO	Lucien Stonge: SVP, COO & CFO, Scotland Health Care System	12/2024