



## Policy: Financial Assistance

### Purpose

This program is designed to assist patients, insured\uninsured\under-insured, that are deemed to be medically necessary (medical services that are reasonable and necessary to diagnosis and/or treat a patient medical condition) or financially indigent. By "medically indigent", we mean patients whose health insurance coverage, if any, does not provide full coverage for all of their medical expenses and that their medical expenses in relation to their income, would make them indigent if they were forced to pay full charges for their medical expenses. By "financially indigent" we mean patients whose gross income falls within the Federal Poverty Guidelines but otherwise exceed eligibility requirements for State or local medical assistance. Clara Barton Hospital will review the patient's financial status and determine what portion of their balance can be considered for financial assistance based on financial or medical hardship.

### Policy

Clara Barton Hospital and Clinics will provide an application for Financial Assistance:

1. at the point of the registration, all patients will receive a Plain Language Summary of Clara Barton Hospital and Clinics Financial Assistance Program
2. patients/guarantors can request a Financial Assistance application at anytime
2. by the request of any hospital\clinic personnel,
3. on a case by case basis, upon review of the billing managers for persons who have failed to uphold payment arrangements and have been sent a final notice
4. for services billed by Clara Barton Hospital and Clinics (this would not include Professional fees for out-reach providers)

Financial Assistance Program Funding will be reversed if patient becomes eligible for any third party funding source.

Financial Assistance applications will be held for patients that are referred to the Medicaid eligibility program until that process is complete. All patients need to have attempted all possible resources for health insurance assistance and have completed the process with any external third party agency for health insurance coverage before they are eligible for financial assistance.

If a patient/guarantor does not fall within the guideline for "Medically or Financially Indigent" but the Financial Counselor has deemed the patient cannot pay due to a catastrophic event. The application will be reviewed by the Charity Committee for possible approval for financial assistance.

If any information given in the application process proves to be untrue, Clara Barton Hospital and Clinics reserves the right to re-evaluate the financial status of the applicant and take whatever action becomes appropriate including reversing the decision to allow charity care. Clara Barton Hospital and Clinics may verify all information given in each application including employment history and may check the information given with available credit bureaus or other sources named in the application or available to the hospital.

Financial Counseling will be made available to any individual requesting financial assistance of their medical bills with Clara Barton Hospital and Clara Barton Medical Clinics. The Financial Assistance Policy applies to all entities of Clara Barton Hospital and Clinics and the providers performing services within the above listed facilities.

## Procedure

This section details the steps to determine a patients' medical and financial indigence and provides guidelines for subsequent actions to be considered for the patient account. Clara Barton Hospital and Clinics will ensure that appropriate referrals for medical financial assistance either State, Local or In-house programs have been made.

- A. A patient requests or is referred for Financial Assistance.
- B. A Financial Assistance Application and Letter regarding the cause for the letter is mailed to the patient for completion.
- C. A Presumptive Application can be completed by the patient or hospital representative based on the patient's situation. In all cases it will be the primary intent to have the patient fill out the full financial application

### THE PATIENT MUST:

1. Submit a completed Financial Assistance Application.
2. Provide all requested information with the application including verifiable income. The patient will be asked for two or more forms of income verification which may include the income tax return for the prior year and two or more payroll stubs. The patient may also be asked for two months of a bank statement to verify the expenses and income reported on the application. The bank statement needs to be of current date. Household income will be reported for the financial assistance application.
3. Ensure the application is signed by all adult household members.
4. For children that are 18 years and older and still living with their parents and requesting to fill out financial assistance. If the parents are still claiming the child on their tax return the parents income will also need to be reported on the application. Legal dependents will be determined by the tax return and used as the number of dependents for the financial application.

- D. A designee from the Financial Assistance Committee will review the submitted application for completeness.
- a. Once the application is completed and signed the Financial Counselor will start the review of the application and determine if all the information has been included to complete the review.
  - b. If the application is incomplete, a letter requesting additional information will be sent to the applicant stating the information needed and a date in which to return the information.  
All collection activity will be held for 30 days as the financial application is being processed.  
The patient has 30 days to complete all needed information requests before the application is considered to be incomplete and denied. If the patient does not comply with returning the needed information within 30 days the application will be denied and the patient will be sent a letter of the denial and the account will be put back into collections. All accounts have a collection cycle of 120 days, if no response of a payment plan the account will be turned to external collections.
  - c. The patient/guarantor will have 240 days from the self pay statement date to complete the financial assistance application. The patient/guarantor may also reapply for financial assistance during the 240 day time frame if their financial status has changed. Once the patient applies for financial assistance all collection processes will cease during the application process and review. If Extraordinary Collections Actions (ECA) start on an account prior to the 240 days, all action activity will be reversed if the patient qualifies for financial assistance.
  - d. Once financial assistance is approved, accounts that are within the 240 day time-frame, if prior payment was made and it exceeds the AGB (Amount Generally Billed) the patient will receive a refund for the amount that exceeded the AGB if the patient received 100% financial assistance. If the patient received a percent of discount for financial assistance, the refund will be calculated on that percent for the refund. If the patient has other bad debt accounts or other account balances that were not a part of the 240 day financial assistance review the refund will be applied to those account balances.  
Co-Pay amounts are excluded from the Financial Assistance Program
  - e. Elective Procedures will not be considered for Financial Assistance.

- f. The Charity Committee can approve 100% assistance for patients in hardship and with catastrophic situations. Supporting Documentation will be included with the Financial Assistance.

The expenses for the catastrophic situation would need to exceed by 35% of the patient monthly gross income.

- g. The Financial Assistance information will be available in Admissions, Emergency Room, Surgery, Outpatient Waiting area, Physical Therapy, all Clinics and both Financial Counselors office. In both English and Spanish.
- h. The Financial Assistance Application will be effective for four months. Once qualified for assistance, the patient account will have Financial Assistance listed as their insurance. The Financial Counselor will put the effective date on the patient account information showing the from and thru date for how long the Financial Assistance application is active. Once the application for assistance has been approved, if there is a balance remaining the account will be forwarded to MBR, which is an external business partner that manages payment plans.

A report will be ran to identify the accounts that need the Financial Assistance adjustment weekly. Once the assistance has become inactive the patient will need to apply again for Financial Assistance.

- i. Annually information will be shared to the community about the Financial Assistance Program at Clara Barton Hospital and Clinics.
- j. The Financial Assistance Policy will be update annually with the new AGB for Self Pay Patients. The Clara Barton Hospital Board will review the policy annually.
- k. In all cases, for the approval for Financial Assistance the application process will review the income, the expenses, the assets and the liabilities to make the determination if the patient qualifies for Financial Assistance. For patients that have excessive liquid assets of significant value, financial assistance may be denied. Excessive assets may consist of the patient owning multiple homes or rentals. Or excessive recreational vehicles of value more then \$75,000. Savings accounts with more then just emergency funds may also be a reason for a denial for financial assistance and consider excessive assets. This will be evaluated by size of family and medical debt owing. The only time a dependent can be claimed in determining household dependents is when the parents claim the dependent on the tax return.

- E. The information will be compiled in the Determination worksheet and submitted to the director/Charity Care Committee for review/approval/denial. The Federal Poverty Level used for the discount scale will be updated in accordance with the State of Kansas Medicaid Standards.

Based on patient **monthly gross** income within the Federal Poverty Level the amount discounted would be 100%, 85%, 75%, 50% and 25%. If income is 50% or more past the threshold amount, percent of assistance will move to the next level. Self Pay Patients that have qualified for Financial Assistance will receive an AGB (Amount Generally Billed) discount. AGB will be calculated based on the look back method. Data elements are extracted from income statement. (MEDR discount + BC discount + COMM discount + Clinic discount ÷ gross charges) The AGB will be evaluated every 12 months. The AGB calculated for 2025 is 42% and was effective February 2025. The chart listed below is based on current Federal Poverty Guidelines and will be updated annually as new information becomes available. (<http://aspe.hhs.gov/poverty-guidelines>)

	100%	100%	85%	75%	50%	25%
HH Size						
	100%	150%	200%	250%	275%	300%
1	1304	1956	2608	3260	3586	3913
2	1763	2644	3525	4406	4847	5288
3	2221	3331	4442	5552	6107	6663
4	2679	4019	5358	6698	7368	8038
5	3138	4706	6275	7844	8628	9413
6	3596	5394	7192	8990	9889	10788
7	4054	6081	8108	10135	11149	12163
8	4513	6769	9025	11281	12409	13538

- F. Once approved or denied the Financial Office(s) from the Hospital or Clinic will send a letter of approval or denial to the patient. This letter will include:
1. The dollar amount written off the account balance submitted, if applicable. (The patient accounts receiving the discount will be listed.)
  2. The amount still owed towards their account.
  3. A payment arrangement, not to exceed 20% of their monthly gross income, if required.
  4. The reason for the denial; income or resources exceed limit etc. (Charity is not given on elective procedures unless approved by charity committee)
  5. A contact name and number for any questions.
  6. Financial Assistance will be approved for 4 months

- G. Complete Applications submitted will be reviewed by the committee monthly. The Financial Counselor has 90 days to complete the process for the Financial Assistance packet. All Financial Assistance Applications will be signed off by the Business office Director.
- H. **Uninsured/Self Pay patients** upon request will be eligible to receive a discount on services in the Hospital and Clinics as follows:
  - a. With approval of the Financial Office the Self Pay Discount Policy will be implemented.
- I. Please refer to the Billing and Collection Policy for additional references on the collection of account balances that do not meet financial assistance guidelines.

## Medical Indigence

An application submitted may also be reviewed for Medical Indigence. Medical Indigence would be considered for financial assistance when the medical bills are 50% or more of the patient gross income. In the case of Medical Indigence, the patient may not qualify for financial assistance according to their income but can qualify if medical debt is 50% or more of patient gross income. Proof of medical bills must be included in financial application. The Medical bills need to be dated to the current month of when the financial assistance is being applied for. The patient can qualify for either assistance thru income or medical indigence, but not both will be applied. The financial counselor will allow for the assistance which best benefits the patient. If the patient qualifies for medical indigence the patient will be allowed a 35% discount.

## Bad Debt

Once a patient has agreed to a payment plan or received approval of financial assistance, it is the patients' responsibility to pay the remainder of the balance owed.

At 30 days the patient account will be forwarded to MBR (Medical Billing Resources) for payment arrangements. MBR is an external business partner that will manage the payment agreement and patient collection flow for all Clara Barton Hospital and Clinic account balances. If a payment is missed a payment letter reminder will be sent. If no response, the patient account will be removed from the payment plan agreement and processed into bad debt collections.

If not already referred, the patient may be sent a Financial Assistance application. If the patient does not return the application in thirty (30) days or notify the Financial Office of their inability to pay, the account will continue thru the collection process.

All efforts are made to work with the patient to determine a payment plan. In all cases the patient will have 240 days to return and complete the application for the Financial Assistance process to qualify for assistance. Please refer to the Billing and Collections Policy for accounts that do not meet the Financial Assistance Guidelines

## **Presumptive Application**

A Presumptive Application may be completed by the patient or hospital representative. Based on the criteria listed below, if the patient meets one of these guidelines the Financial Assistance may be approved at 100%. In all cases the Financial Counselor will attempt to have the patient and/or family fill out the complete application. In cases where this is not possible the financial counselor may fill out the Presumptive form for the cases listed below:

Patient is homeless and/or has received care from a homeless clinic

Patient is incarcerated

**All accounts turned to the collection agency will go through the following process by the collection agency before deemed uncollectible:**

### Criteria for Active to Passive Status

- Account must be worked more than 150 days and no payment
- Debtor is disabled, incarcerated indefinitely, indigent, elderly with no attachable income, or is permanently disabled
- All phone numbers tried (home, work, next of kin) and no response to calls or letters
- No new or different information from other accounts to aid in collection, no spouse or other responsible party of insurance available
- Low likelihood of recovery based on past experience
- Not likely to pay as a result of credit reporting (65 or older, bad credit score)
- On balances over \$500, county appraiser called and no property owned
- On balances over \$500, credit report run and analyzed and no leads

### Criteria for Passive to Uncollectible Status

- Account in Passive Status
- No payment for 150 days
- Debtor is disabled, incarcerated indefinitely, indigent, 65 or older with no attachable income, or permanently unemployed
- Lawsuit has been filed but dismissed for lack of service

After all criteria has been met, the collection agency will deem the accounts uncollectible, cancelled from their system, removed from credit reporting and returned to Clara Barton Hospital and Clinics.

## **EMTALA Policy**

### **It's the Law If you have a medical emergency or are in labor**

*You have the right to receive, within the capabilities of this hospital's staff and facilities:*

- An appropriate medical screening examination;
- Necessary stabilizing treatment (including treatment for an unborn child); and
- If necessary, an appropriate transfer to another facility — even if you cannot pay, you do not have medical insurance or you are not entitled to Medicare or Medicaid.

**This hospital does participate  
in the Medicaid program.**