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Policy Area:	<i>Business Office - Finance</i>
References:	

Financial Assistance Plan (FAP)

Marlette Regional Hospital (MRH) is committed to providing Financial Assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for emergent and/or medically necessary care based on their individual financial situation. Consistent with MRH's mission to deliver compassionate, high quality, affordable healthcare services and to advocate for reasonable access to quality healthcare for all residents of the MRH service area, MRH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. MRH will provide, without discrimination, care to individuals regardless of their eligibility for Financial Assistance, government assistance or ability to pay. Accordingly, this Financial Assistance Policy (FAP):

- Includes eligibility criteria for Financial Assistance.
- Describes the basis for calculating amounts charged to patients eligible for Financial Assistance under this Policy.
- Describes the method by which patients or their Guarantor(s) may apply for Financial Assistance.
- Describes how MRH will promote patient awareness of the availability of Financial Assistance and widely publicize this Policy within the community served by MRH.
- Limits the amounts MRH will charge for emergent and medically necessary care provided to uninsured or underinsured individuals who are eligible under this plan.

The availability of Financial Assistance is not considered to be a substitute for personal responsibility. Patients/Guarantors are expected to cooperate with MRH's procedures for identifying other forms of 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 MRH resources responsibly and to allow MRH to provide the appropriate level of Financial Assistance to the greatest number of persons in need, the Board of Directors establishes the following Policy for the determination of patient/Guarantor eligibility for Financial Assistance.

DEFINITIONS:

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

"Amounts Generally Billed (AGB)" means the combined average payment rate from Medicare fee for services together with the majority of the private health insurers (Aetna, Blue Cross, Cofinity, HAP, Health Plus, and Priority Health). Information regarding the AGB rate and calculation is available free of charge by contacting the Patient Accounting Department of Marlette Regional Hospital or calling (989) 635-4232.

"Emergency Medical Conditions" are medical conditions within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

"Extraordinary Collection Actions (ECA)" means significant collection efforts that MRH uses to collect its patient accounts.

"Financial Assistance" means a total or partial reduction in the amount billed to a patient, or his/her Guarantor(s), who is eligible for assistance under this Policy.

"Financial Assistance Policy" or "Policy" means the terms and conditions found in this document.

"Family" means a group of two or more people who reside together, are related by birth, marriage, or adoption, or represent life partners. 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" is determined using the following income items and the 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);
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, all of the income from all family members is included in this determination.

"Gross Charges" means the total charges at the organization's full established rates for the provision of patient care services before any deductions are applied.

"Guarantor" means the individual responsible for the financial obligations of a patient and may be used interchangeably with patient.

"Plain Language Summary (PLS)" means a brief description of eligibility requirements and contact information that MRH uses to administer its FAP. The summary will be written in simple, easy to understand language.

"Uninsured" means the patient/Guarantor has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

"Underinsured" means the patient/Guarantor has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Procedures:

A. **Services Eligible Under this Policy:** For purposes of this Policy, Financial Assistance refers to healthcare services provided by MRH without charge or at a discount to qualifying patients/Guarantors. The following healthcare services are eligible for financial assistance:

1. Emergency medical services;
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 MRH's discretion.

B. This Policy may not cover services rendered by some individual providers. A full listing of providers and services covered and not covered by this Policy are available at www.marletteregionalhospital.org and updated on a quarterly basis.

C. Services excluded under this Policy: The following healthcare services are **not** eligible for Financial Assistance under this Policy:

1. Hospice residential or outpatient services.
2. Long Term Care services.
3. Independent Physician services.
4. Services provided at the Seton Cancer Center operated by St. Mary's Hospital – Saginaw MI.
5. Elective Procedures (IE: cosmetic, experimental, or non-covered procedures)

D. Eligibility for Financial Assistance: Eligibility for Financial Assistance 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 Financial Assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigration status, sexual orientation or religious affiliation.

E. Method by Which Patients May Apply for Financial Assistance:

1. Financial Assistance will be determined in accordance with procedures that involve an individual assessment of financial need; and includes:
 - The Financial Assistance application process, in which the patient/Guarantor are required to cooperate and supply personal, financial and other information relevant to making a determination of eligibility for Financial Assistance;
 - Reasonable efforts by MRH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients/Guarantors to apply for such programs and a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
 - The completion, filing, and written denial of a Medicaid application.
2. It is preferred but not required that a request for Financial Assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. A patient/Guarantor may apply for Financial Assistance at any point up to 240 days after the first post-discharge billing statement has been sent by MRH. The need for Financial Assistance may be re-evaluated if the last financial evaluation was completed less than 240 days from the date of the first post-discharge billing statement and additional information relevant to the eligibility of the patient/Guarantor for Financial Assistance becomes known or due to a change in circumstances of the patient/Guarantor.
3. MRH's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of Financial Assistance. Requests for Financial Assistance shall be processed promptly and MRH shall notify the applicant in writing within 30 days of receipt of a completed application. Patient accounts for which the patient or Guarantor has not submitted a completed application for Financial Assistance prior to 240 days from the date of the first post-discharge billing statement and have been turned over to a collection agency shall not be eligible for the Financial Assistance program.

- F. **Presumptive Financial Assistance Eligibility:** There are instances when a patient/Guarantor may be eligible for Financial Assistance, 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/Guarantor or through other sources, which provide sufficient evidence the patient/Guarantor is eligible for Financial Assistance under this Policy. MRH may deem a patient/Guarantor presumptively eligible for Financial Assistance if the patient/Guarantor is found eligible for one of the following programs, received emergency or medically necessary care and satisfied any required co-pay/deductible:
1. Michigan Children's Special Health Care Services.
 2. Enrollment in a state or federal program verifying the patient/Guarantor's gross household income is less than or equal to 250% of the Federal Poverty Level (FPL).
- G. **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 Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient/Guarantor has been determined by MRH to be eligible for Financial Assistance, that patient shall not receive any future bills based on Gross Charges for the claims that are covered by the Financial Assistance application and will not be charged more than AGB for emergency or medically necessary care. The basis for the amounts MRH will charge patients qualifying for Financial Assistance is as follows:
1. Patients whose family income is at or below 100% of the FPL are eligible to receive free care;
 2. Patients whose family income is between 101% and 250% of the FPL are eligible for a discount that approximates 115% of Medicare Critical Access Hospital reimbursement, in accordance with the Healthy Michigan Law (Public Act 107 - section 105d(2)).
 3. Patients whose family income is above 250% of the FPL are not eligible to receive free or discounted care.
 4. Communication of Financial Assistance Policy: MRH will broadly publicize the availability of this Financial Assistance Policy within the communities it serves by taking the following actions:
 - a. Post this Financial Assistance Policy, a Plain Language Summary of this Policy, and its Financial Assistance application on the hospital's Website (free of charge or without the need to create a special account) and offer patients/Guarantors with a Plain Language Summary of this Financial Assistance Policy during registration and/or discharge.
 - b. Post conspicuous public displays in appropriate acute care settings such as emergency departments and patient registration areas describing the available assistance and directing eligible patients to the Financial Assistance application.
 - c. Include a conspicuous written notice on all patient billing statements that notifies the patient/Guarantor about the availability of this Policy, the telephone number of its Registration and Billing Departments which can assist patients with any questions they may have regarding this Policy and the direct Website address where copies of the Financial Assistance Policy, Financial Assistance application, and Plain Language Summary are available.
 - d. Make hospital financial representatives available via telephone Monday through Friday, excluding holidays, from 8:00 a.m. to 4:30 p.m. Eastern Time to address questions related to this Policy. Upon request, MRH financial representatives will also mail copies of this Financial Assistance Policy, a Plain Language Summary, and a Financial Assistance application to patients or their Guarantor free of charge upon request.
 - e. Make paper copies of the Financial Assistance Policy, Financial Assistance application, and

Plain Language Summary available upon request and without charge in public locations of MRH; including the emergency room and patient registration areas.

5. MRH will broadly communicate this Policy as a part of its general community outreach efforts.
6. MRH will educate its staff on this Financial Assistance Policy and the process for qualifying for benefits under this Policy.

H. Collection Actions:

1. MRH and any purchaser of the patient's debt, third-party collection agency, or other party the patient's debt has been referred to will not engage in ECAs against a patient/Guarantor to obtain payment for care before reasonable efforts are made to determine whether the patient/Guarantor is eligible for care under this Financial Assistance Policy.
2. Reasonable determination efforts of a patient/Guarantor's eligibility for Financial Assistance under this Financial Assistance Policy include:
 - a. Prior to initiating an ECA, provide written notice within 120 days of the post-discharge statement informing the patient/Guarantor that Financial Assistance is available for those who qualify.
 - b. In the case of a patient/Guarantor submitting an incomplete Financial Assistance Application during the application period, notifying the patient/Guarantor of how to complete the Financial Assistance Application and provide the information and time to complete the application.
 - c. In the case of a patient/Guarantor submitting a complete Financial Assistance Application, determine whether the patient/Guarantor is eligible for Financial Assistance under this Policy.
3. In addition to the efforts made in Subsection (2)(a)-(c) above, the following actions will be taken at least thirty (30) days before initiating one or more ECA(s) to obtain payment for care:
 - a. Provide the patient/Guarantor written notice indicating financial assistance is available to qualifying individuals, identify the ECA(s) that MRH or its authorized party intends to initiate for payment of care, the deadline for such ECA(s), which may be initiated no earlier than 30 days after the date that written notice is provided.
 - b. Provide upon request, the Plain Language Summary and a copy of the Financial Assistance Policy with the written notice required under Subsection 3(a) above.
 - c. Attempt to notify the patient/Guarantor verbally about the Financial Assistance Policy and how to obtain assistance through the Financial Assistance Application process.
4. MRH and its authorized representative will not initiate an ECA against a patient/Guarantor if he or she has an active Financial Assistance award.
5. MRH and its authorized representative may initiate ECA(s) against a patient/Guarantor in accordance with this Policy. ECA(s) may include the following:
 - a. Selling or factoring with recourse, a patient/Guarantor's outstanding financial responsibility to a third party;
 - b. Reporting adverse information about the patient/Guarantor to consumer credit reporting agencies or credit bureaus;
 - c. Deferring or denying, or requiring a payment before providing, non-emergent medically necessary care because of a patient/Guarantor's nonpayment of one or more bills for previously provided care covered under this Policy.
 - d. Actions requiring a legal or judicial process, including but not limited to:

- i. Placing a lien on a patient/Guarantor's property;
 - ii. Foreclosing on a patient/Guarantor's real property;
 - iii. Attaching or seizing a patient/Guarantor's bank account or other personal property;
 - iv. Commencing a civil action against a patient/Guarantor;
 - v. Causing a patient/Guarantor arrest;
 - vi. Causing a patient/Guarantor to be subject to a writ of body attachment;
 - vii. Garnishing the patient/Guarantor's wages.
6. When it is necessary to engage in any collection activity (including ECAs), MRH and its authorized representative, will engage in fair, respectful and transparent collections activities. Marlette Regional Hospital will ensure that all contractual agreements with authorized representatives will conform with the minimum standards required by the Department of Treasury regulations.
 7. A patient or Guarantor currently subject to an ECA and who has not previously applied for Financial Assistance may apply for assistance up to two-hundred and forty (240) days from the date of the first post-discharge billing statement.
 8. In the event an application is filed within the two hundred-forty (240) day time period, MRH and its authorized representative will indefinitely suspend any ECA which may have been initiated against a patient/Guarantor while the Financial Assistance Application is processed and considered.

I. Refunds:

1. Patient/Guarantor who are determined to be eligible for assistance under this Policy and remitted payment to MRH in excess of their responsibility will be alerted to the overpayment as soon as practicable after discovery of the overpayment.
2. Patient/Guarantor with an outstanding account balance on a separate account not eligible for assistance under this Policy will have any refund amount applied to the separate account.
3. Patient/Guarantor with no outstanding account balance will be issued a refund check for their overpayment as soon as reasonably possible.

J. Regulatory Requirements: In implementing this Policy, MRH 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.

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Attachments

[MRH Amounts Generally Billed \(AGB\) Description 02.08.2022.docx](#)
[Plain Language Summary 02.08.2022.docx](#)

Approval Signatures

Approver	Date
David Messing: Board Chairperson [DB]	3/14/2022

Approver	Date
Dan Babcock: CEO / Administrator	2/15/2022
Marie Stanczak: Controller	2/15/2022
Shellie Bliss: Director of Patient Accounting	2/8/2022
Kim Gentner: Chief Financial Officer	2/8/2022

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