

<b>Policy Name:</b>	Charity Care Policy/Financial Assistance Policy	<b>Policy Number:</b>	REV-004
<b>Department/Section:</b>	Revenue Integrity	<b>Policy Date:</b>	04/29/2024
<b>Reference(s):</b>			
<b>Purpose/Description:</b>	To establish policies and procedures necessary to ensure that patients of Mt. Graham Regional Medical Center, who for economic and financial reasons cannot meet the requirements of the collection policy, are provided with the Mt. Graham Regional Medical Center’s Financial Assistance Policy.		

**Scope**

This policy applies to Mt Graham Regional Medical Center.

**Background**

Mt. Graham Regional Medical Center’s mission states; we are caring people committed to improving community health. As part of that commitment, Mt. Graham Regional Medical Center appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Charity care is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

**Definitions**

**Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from the organization’s policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

**Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the 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:** Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings; unemployment compensation, worker’s compensation, Social Security, Supplemental Security Income, public assistance, veteran’s 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 miscellaneous sources;

- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gain or losses; and
- If a person lives with a family; includes the income of all family members (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

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

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

For purposes of this policy, “charity” or “financial assistance” refers to healthcare services provided by Mt. Graham Regional Medical Center without charge or at a discount to qualifying patients.

### **Policy**

**The following healthcare services are eligible for financial assistance/Charity Care.**

1. Emergency medical services provided in an emergency room setting;
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 Mt. Graham Regional Medical Center’s discretion.

**The following healthcare services are not eligible for financial assistance/Charity Care.**

1. Non-emergent services
2. Elective services
3. Physician fees from physicians not employed by Mt. Graham Regional Medical Center.

Mt. Graham Regional Medical Center does allow local physicians to provide emergency and medically necessary care to their patients in our facility, and the physician charges resulting from these services are not eligible for financial assistance/Charity Care. These physicians who are not employed by Mt. Graham Regional Medical Center and whose physician fees are excluded from eligibility for financial assistance are:

1. All physicians at Gila Valley Clinic
2. All physicians at Optum Health
3. All physicians at Family Medical Center

All physician charges resulting from care received from one of the providers above will be billed separately out of the physician's office.

### **Eligibility**

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care 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 immigrant status, sexual orientation or creed. Based on financial need, patients may qualify for free or discounted care. Mt. Graham Regional Medical Center shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

### **Procedure**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

### **Basis for Calculating Amounts Charged to Patients**

Amounts charged for emergency and medically necessary medical services to patients eligible for Financial Assistance will not be more than the amount generally billed to individuals with insurance covering such care. Regional Medical Center determines amounts generally billed (AGB) based on all claims paid in full to Mt. Graham Regional Medical Center by Medicare and private health insurers (including payments by Medicare beneficiaries or insured individuals themselves), over a 12-month period, divided by the associated gross charges for those claims.

### **Financial Need Determination Process**

Mt. Graham Regional Medical Center will provide an itemized statement to the patient showing the charges and the discount amount applied to the patients account. The discount will be applied once the patient has submitted a complete application for financial assistance.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

- Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need; Information collected from the application will include
  - Name, address, date of birth and social security number of applicant and spouse
  - Marital status
  - Number of dependents
  - Citizenship Status and Country of Birth
  - Over 65, blind or Permanently Disabled, and date of disability determination
  - Proof of employment. This may include a paystub and/or letter from the employer on company letterhead with contact information.
  - Health Insurance Provider, including group number and insured subscriber number. Medicare number and Medicaid number.
  - Monthly Household Income including:
    - Employment (Gross/Net Pay)
    - Part-Time Jobs (Gross/Net Pay)
    - Social Security/Disability
    - Veteran Pension
    - Retirement (all sources)
    - Unemployment Compensation
    - Workers Compensation
    - Union Benefits
    - Inheritance
    - ADC/WIC/Food Stamps
    - Alimony/Child Support
    - Savings Interest Income
    - Investment Income
  - Assets
    - Cash on hand/Bank/Savings
    - Investments/CD's (Market value)
    - Loan/Cash value of Life Insurance
    - Residence: sq. ft. total
      - Purchase Price
      - Improvements
      - Estimated Value Now
    - Vehicle: Year/Model (Primary and Secondary Vehicles)
    - Farm Real Estate: number of acres
    - Farm Equipment
    - Livestock
    - Rental Property

- Business
- Inheritance/settlement pending
- Other Assets
- Monthly Household Expenses
  - Rent/Mortgage
  - Car Payments
  - Child Support
  - Alimony
  - Transportation/car expense
  - Medical/Dental
  - Insurance (car, medical, etc.,)
  - Other (List Each)
- Liabilities
  - All Medical Bills
  - All Credit Cards
  - Home Loan
  - Vehicle Loan (Primary and Secondary Vehicles)
  - Real Estate Loan
  - Amount owed on farm equipment
  - Amount owed on livestock
  - Loan on Rental Property
  - Loan on Business
- Banking Name (List All)
  - Checking Account Number and Balance
  - Savings Account Number and Balance
- Name, Address and Phone Number of Contract/Mortgage Holder
- Name, Address and Phone Number of Landlord
- Take into account if insurance was offered from employer.
- Take into account if employer denied health insurance coverage.
- Take into account eligibility for COBRA benefits
- Take into account if application for Medicaid or other government assistance program.
- Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
- Include reasonable efforts by Mt. Graham Regional Medical Center to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Take into account the patient's available assets, and all other financial resources available to the patient; and
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

- The patient is required to submit documentation of their financial status. The patient must submit a completed Financial Assistance Application.
  - As a minimum requirement the patient must furnish a copy of last year's tax return, most current W2 Wage and Salary Statement, last three month's income or a bank statement for proof of income, checking and savings account balances and investment account balances.
- Accounts eligible for Charity Care are to be addressed within 240 days of first bill.

It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each / subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

Mt. Graham Regional Medical Center's values of people, compassion and excellence shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Mt. Graham Regional Medical Center shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

#### **Method of Applying for Financial Assistance.**

- Download the information online at [www.mtgraham.org/finance](http://www.mtgraham.org/finance), keywords **CHARITY CARE POLICY**
- Request the information in writing by mail or by visiting the Mt. Graham Regional Medical Center Business Office at 1600 S 20<sup>th</sup> Avenue, Safford, AZ 85546, and ask for the Financial Counselor
- Request the information by calling **928-348-3715**.

#### **Information Obtained from Other Sources**

There are instances when a patient may appear eligible for charity care discounts, 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 through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care. Mt. Graham Regional Medical Center could use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;

3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance program that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.

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. The basis for the amounts Mt. Graham Regional Medical Center will charge patients qualifying for financial assistance is as follows:

1. Patients whose family income is at or below 150% of the FPL are eligible to receive free care.
2. Patients whose family income is between 151% and 200% of the FPL would be eligible for a 75% discount.
3. Patients whose family income is between 201% and 250% of the FPL would be eligible for a 50% discount.
4. Patients whose family income is between 251% and 300% of the FPL would be eligible for a 25% discount.
5. Patients whose family income exceeds 300% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Mt. Graham Regional Medical Center; however, the discounted rates shall not be greater than the amounts generally billed commercially insured patients. Once the patient has been deemed eligible, Mt. Graham Regional Medical Center will apply the FAP discount to the patient's account.

Notification about charity care available from Mt. Graham Regional Medical Center which shall include a contact number shall be disseminated by Mt. Graham Regional Medical Center by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, admitting and registration departments, hospital business offices. Mt. Graham Regional Medical Center also shall publish and widely publicize a summary of this charity care policy on facility website, in brochures available in patient access sites. Such notices and summary information shall be provided in the primary language spoken and any other language spoken by 10% of the community population serviced by Mt. Graham Regional Medical Center.

### **Collection Actions**



Mt. Graham Regional Medical Center’s management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of nonpayment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient’s good faith effort to apply for a governmental program or for charity from Mt. Graham Regional Medical Center, and a patient’s good faith effort to comply with his or her payment agreements with Mt. Graham Regional Medical Center. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Mt. Graham Regional Medical Center may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Mt. Graham Regional Medical Center will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the medical center;
2. Documentation that Mt. Graham Regional Medical Center has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the medical center’s application requirements;
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

In the event of nonpayment, Mt. Graham Regional Medical Center’s collection policy will be enforced. Accounts are considered uncollectable at 120 days and are then referred to a collection agency contracted with Mt. Graham Regional Medical Center. The collection agency reports balances to the credit agencies.

In implementing this Policy, Mt. Graham Regional Medical Center’s management shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.

**Version History**

04/29/24: Current Policy, Reviewed with changes

10/2021: Current Policy, Reviewed with no changes

11/2015: Previous Version

<b>Document Approval and Tracking</b>		
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<b>Medical Executive</b>		
<b>Governing Body</b>		
<b>Official Signature</b> (Required for Lab, Optional for others)		