

FAIRFIELD MEMORIAL CRITICAL ACCESS HOSPITAL
Fairfield, Illinois

FACILITY POLICY/PROCEDURE

NO. 214

REVISED: JANUARY 2001; SEPTEMBER 2007; OCTOBER 2013; JANUARY 2015;
SEPTEMBER 2016; MAY 2017; AUGUST 2017; JAN 2018; FEB 2018; JAN 2019;
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FINANCIAL ASSISTANCE

Scope:

Financial Assistance policy for patients of Fairfield Memorial Hospital and Horizon Healthcare who have received medically necessary services. Elective procedures will not be considered, and include, but are not limited to, cosmetic or optional procedures.

Attached to this policy is a listing of hospitals, clinics, and providers offering Fairfield Memorial Hospital financial assistance. Some Providers are affiliated with Fairfield Memorial Hospital, but do not offer Financial Assistance under FMH's guidelines. The list of these Providers is also attached to this policy. These listings are also kept up-to-date on the hospital website (<http://fairfieldmemorial.org/financial-assistance>). Additionally, both of these listings may be obtained at any FMH Admitting area or FMH Business Office, both located at 303 NW 11th Street, Fairfield, IL 62837, during normal business hours.

Purpose:

This policy is intended to comply with the financial assistance and emergency care policies required by the Internal Revenue Section 501 (r) -4 ("501 (r)") and shall be interpreted to so comply. This policy applies to all medically necessary care and emergency care provided by the Hospital and any substantially related entity to the Hospital. This policy supports the charitable purpose and mission of Fairfield Memorial Hospital.

Policy:

Fairfield Memorial Hospital will grant uncompensated care and discounted care to all patients who meet the guidelines set forth in this policy. This program is designed to provide free or discounted care to those who have no means, or limited means, to pay for their medical services (Uninsured or Underinsured). The policy is updated by the Financial Assistance Committee and Chief Financial Officer based on the Federal Poverty Guidelines published annually in the Federal Register.

Financial Assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with FMH procedures for obtaining insurance available or other forms of payment, and to contribute to the cost of their care based on their ability to pay.

FMH may make the discount contingent upon the patient first applying for insurance under public programs, if there is a reasonable basis to believe the patient may be eligible for such programs.

In order to ensure that all patients are adequately informed about this policy, FMH has undertaken the following:

This policy as well as the application and instructions for completion and the plain language summary of this plan are available on the FMH website at fairfieldmemorial.org under “Assistance”.

At registration, patients have access to paper copies of this policy, the Financial Assistance Application, and the Plain Language Summary of this plan.

The Financial Assistance Applications are available at FMH Financial Counselor office, FMH Patient Admitting and Business Office service areas, by mail at Business Office, 303 NW 11th Street, Fairfield, IL 62837, and on FMH website.

Signs that prominently present information about the charity mission and guidelines are posted in the facility and are viewable by patients and visitors. Paper copies of this policy, the Financial Assistance Application, and the Plain Language Summary of this policy will be made available on request and without charge, both by mail at Business Office 303 NW 11th Street, Fairfield, IL 62837 and in all admission areas.

Conspicuous written notice shall be included on all patient bills of this policy, telephone number of the office or department that provides information about this policy.

Charity Care & Discounted Care Eligibility System

A. Application:

In order to qualify for financial assistance, the Hospital requires the completion of the Fairfield Memorial Hospital Financial Assistance Application, a copy of which is attached as Exhibit A. The application allows for the collection of information in accordance with state law, the income and documentation requirements set for the below, and 501(r). Approved applications are valid for 12 months for all medically necessary services provided. If the patient span of illness has continued beyond the initial 12 months eligibility period, the Hospital will re-verify financial assistance status. Fairfield Memorial Hospital does not charge an application fee to process financial assistance appeals.

B. Classification as Financially Indigent:

Financially Indigent means an uninsured or underinsured person who is accepted for care with no obligation or with a discounted obligation to pay for the services rendered based on the Charity Care and Discounted Care Eligibility System.

Patients may only be granted classification as Financially Indigent if their yearly income is less than or equal to 200% of the poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services (Federal Poverty Guidelines). Charity Care and

Discounted Care will be given on the basis of family income for the past 12 months. Income can be computed using the last three months income to annualize the income of the family. Only family size and income will be considered in determining eligibility.

2026 FMH Financial Assistance Guidelines:

<u>Federal Poverty Level</u>	<u>Financial Assistance Discount</u>
0% - 200%	100%
201% - 300%	50% flat discount on total account balances
Over 300%	0%

Fairfield Memorial Hospital uses the Census Bureau definitions of each.

- a) *Family* is defined as a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.
- b) *Income* 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) do not count.

Income Verification:

The income reported on the Financial Assistance Application may be verified through any of the following:

Income Indicators:

By providing copies of any of the following items including Bank statements, IRS Form W-2, Wage and Tax Statements, Paycheck remittance, individual tax return, telephone verification by employer, Social Security payment remittances, Unemployment Insurance payment notices, Unemployment Compensation Determination letter, or other appropriate indicators of yearly, monthly, weekly or hourly income.

Participation in a Public Health Benefit

By the provision of documentation showing current participation in a public benefit program such as Medicaid, or other similar indigency related program.

C. Presumptive Eligibility

Uninsured patients who demonstrate one of the following Presumptive Eligibility Criteria (homeless, mental incapacitation with no one to act on patient's behalf, Medicaid eligible but not

on date of service) are automatically eligible to receive free care and no proof of income will be requested. We verify eligibility electronically when possible, but may need the patient to assist us.

D. Classification as Medically Indigent:

Medically Indigent means a patient who has medical or hospital bills, after third party payment, exceed a specified percentage of the person's Yearly Income, and who is unable to pay the remaining bill. Patient must meet the initial assessment and one of the two other criteria.

Initial Assessment:

To be considered for classification as a Medically Indigent patient, the amount owed by the patient for all medical bills after payment by all third-party payers must exceed 25% of the patient's yearly income and the patient must be unable to pay the remaining bill.

And

Yearly Income:

Yearly income must be between 200% and 400% of the Federal Poverty Guidelines.

Or

Catastrophic Medical Indigence:

Patients with abnormally large accounts may qualify as catastrophically eligible when their remaining balance exceeds 100% of their income.

If the patient does not meet this assessment, the patient may not be classified as Medically Indigent.

E. Financial Assistance Application:

Application Period

The Financial Assistance Application will be accepted and processed for the current calendar year, plus the 2 previous calendar years.

Incomplete Application:

If a patient timely submits an incomplete application, the Hospital will provide the patient written notice of the additional information and/or documentation required under this policy or the Financial Assistance Application and a telephone number and physical location of an office or department that can assist or provide information to the patient. The patient will have 30 days to provide the missing information or documentation.

Falsification of Information:

Falsification of information may result in the denial of the Financial Assistance Application. If, after a patient is granted financial assistance, the Hospital finds material provision(s) of the Financial Assistance Application to be untrue, charity care status may be revoked and the financial assistance withdrawn.

F. Notification of Financial Assistance:

Once a complete application is made, the Hospital will make eligibility determination under this policy. The Hospital has final authority for making the eligibility determination. If eligibility determined, the Hospital will provide the patient a bill that shows the amount, if any, the patient owes the Hospital and how that amount was determined and states the amounts generally billed for the care. The Hospital will refund to the patient any amount the patient paid in excess of the amount the patient personally owes under the determination.

G. Collection Activities:

The Hospital, with the information provided by the patient and under the processes defined in this financial assistance policy, will determine the appropriate level of financial assistance to be afforded to the patient. No extraordinary collection efforts (as defined by 501r to include selling the debt, reporting to credit reporting agencies or credit bureaus, deferring or denying medically necessary care based on nonpayment for previous services or taking any legal or judicial actions) will be taken by the Hospital until reasonable efforts have been made as provided in this policy to determine eligibility for financial assistance under this policy and no earlier than 120 days after the bill has been provided to the patient. No collection activity will be taken against any patient approved for financial assistance.

H. Approval Process:

The Hospital will complete a Financial Assistance Approval Worksheet for each discount granted. The Financial Assistance Approval Worksheet allows for the documentation of the administrative review and approval process utilized by the Hospital to grant financial assistance.

In reviewing the application for approval, the Hospital Manager at a level of the Financial Counselor or above, in his or her discretion, may make further inquiry into available information.

I. Charges Billed for Medical Services Provided

501 (c) requires hospitals to limit the amounts charged for emergency room and other medically necessary care provided to individuals eligible for financial assistance to no more than amounts generally billed to insured individuals. The charges billed the patient for medical care will not exceed the amounts generally billed to Medicare (AGB).

J. Illinois Hospital Uninsured Patient Discount Act

An Illinois resident who is an uninsured patient may be eligible for financial assistance. Proof of Illinois residency, such as driver's license or utility bill, is required. The financial discount does not apply to any non-hospital service including, but not limited to, physician, home care nursing home, or ambulance service. Fairfield Memorial Hospital may make the discount contingent upon the patient first applying for insurance under public programs, if there is a reasonable basis to believe the patient may be eligible for such programs.

FMH, following the Discount Act provides the following discounts:

- a) A charitable discount of 100% of charges for all Medically Necessary Services in any one inpatient admission or outpatient encounter to any uninsured patient who applies

for a discount and has a family income of not more than 200% of the Federal Poverty Income Guidelines would qualify for FMH Financial Assistance, and therefore the Illinois Uninsured Patient Discount Act would not be applicable.

A discount to 135% of the hospital's cost to charge ratio determined from its most recently filed Medicare Cost Report times the applicable charges to any Uninsured Patient who applies for a discount and has a family income between 201% and 300% of the Federal Poverty Income Guidelines. Based on our 2018 Cost Report, our cost to charge ratio is 35%, thus the current discount based on the above 2018 criteria is 53%, leaving the patient responsible for 47%.

K. Eligible Service Areas

This program is available to all residents of the state of Illinois.

Attachment: Covered and Non-Covered Provider List