

HD# 10-47  Cass Regional Medical Center	Title: FINANCIAL ASSISTANCE	Reference Word: Financial, Assistance
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HOSPITAL DIRECTIVE

PURPOSE:

Cass Regional Medical Center is committed to excellence in providing high quality health care and meeting the health care needs of our customers. Our goal is to provide superior care with the added advantage of account resolution. Our Financial Assistance Program provides a means of liquidating or reducing hospital indebtedness for low income/uninsured or under-insured patients.

The Financial Assistance Program at Cass Regional Medical Center was established to address the following needs and concerns:

- < To create a formal mechanism to identify and monitor uncompensated medical care provided to the uninsured and indigent patient population.
- < To distinguish true bad debt expense from charity care expense in financial statements.
- < To enable early recognition of uncollectible accounts and to attain a more accurate statement of receivables.
- < To increase collection efficiencies by removal of those accounts that have been identified as charity expenses away from the billing/collections continuum, thereby eliminating unnecessary processing steps.
- < To heighten the public's positive perception of the health care system by enabling recognition for the charity care provided and by insulating from unnecessary collection efforts those who truly are unable to pay for hospital or related outpatient services.

PROGRAM ADMINISTRATION

Under authority provided by Cass Regional Medical Center's administration, the Cass Regional Medical Center Financial Assistance Program shall be implemented by staff from the Business Office. Under the guidance and direction of the chief financial officer (CFO), management from the Business Office shall control the daily operations of the program. Representatives from the Business Office will work closely together to fulfill the duties of the program.

PROVISION OF SERVICES

No patient requiring emergency medical care shall be refused service by Cass Regional Medical Center. Evaluation and treatment of every patient will be based upon clinical judgment and sound medical policy, regardless of the financial status of the patient. The clinical judgment leading to medical care will be made by the patient's personal physician or the Emergency Department staff, who will provide a screening examination to determine a potential emergency medical condition. The hospital's evaluation of possible payment alternatives will occur after emergency medical care and stabilization of identified emergency medical conditions. The decision to provide financial assistance is based on income and special circumstances affecting the patient's financial status.

ELIGIBILITY

1. The financial assistance discount is based on a prorated fee schedule with patients at 100% of federal poverty guidelines owing minimal amounts. The financial assistance application is completed and forwarded to the Business Office manager for the review process and appropriate approval. The hospital will consider the value of patient assets prior to approving financial assistance.
2. Family annual income is determined in the following order:
 - a. If employed, the annualized family household gross income computed from the most recent pay stubs covering four (4) weeks of pay for all family members over 16 years of age.
 - b. If unemployed, the adjusted gross income on last year's tax return.
 - c. Lastly, if the patient is disabled and unable to work, the family's projected 12 month income may be used.
3. Uninsured patients approved for charity are subject to a co-pay for all services received. Co-pay amounts will vary depending on services utilized.
4. An applicant's eligibility is contingent on them providing the needed documentation to support financial assistance.
5. Charity will be processed on the remaining patient balance. Any payments or deposits made by the patient will not be refunded if charity is approved.
6. Cass Regional reserves the right to consider the value of other assets prior to approving financial assistance.
7. Financial assistance must be applied for before the account goes to collection.
8. Further requests for financial assistance may be deemed ineligible due to inappropriate use of services, such as using the Emergency Department for non-emergent visits.

PROGRAM EXCLUSIONS

The following circumstances in most instances may exclude the patient from receiving financial assistance:

- # Patients who are dependent students and their parents' income/resources exceed the established standards for income and resources.
- # Patients who fail to cooperate in providing the necessary information to make a determination regarding their eligibility for financial assistance.
- # Patients who appear to have financial resources which may be used to pay a portion of their account but who refuse to cooperate in making payment arrangements.
- # Patients who appear to qualify for Medicaid but refuse to cooperate in making an application or who refuse to follow through with the application.
- # Patients seeking elective procedures such as cosmetic surgery.

APPLICATION

1. Application for financial assistance is offered when a person does not have third party payor coverage or when the patient has a substantial personal payment responsibility after insurance has paid or the patient has applied for Medicaid coverage but was denied. The application process can take place at the time of service (during admission or during discharge planning) or at a later date when it becomes evident that a patient is having difficulty paying their bill. The application will not be processed until after the bill is final to ensure the correct patient balance owed.
2. The application process includes completion of a personal financial questionnaire and providing verification documents. Primary verification documents include:
 - a. Most recent pay stubs covering four (4) weeks of pay.
 - b. Most recent tax return.
 - c. Two (2) most recent bank statements.
 - d. Any verification of assets requested by Cass Regional.
 - e. Social Security/Disability verification.
 - f. Child support, food stamps, housing verification.
3. If primary documentation is not available, then the following secondary documentation may be used to assist in determining eligibility.
 - a. Individual or family income.
 - b. Individual or family net worth.
 - c. Employment status.
 - d. Earnings capacity.
 - e. Family size.
 - f. Other financial obligations.
 - g. Credit reports.
4. Alternative funding sources such as Missouri Medicaid will be explored with the assistance of HumanArc. The HumanArc or Medicaid denial letter will be included in the patient's financial file.

5. Financial assistance applications are valid for six (6) months after approval date. Financial assistance may be extended for an additional six (6) months with the affirmation of the household income or estimated incomes and household size. All patients must reapply every calendar year.
6. A patient's eligibility for financial assistance is based on the household income at the time assistance is sought, expressed as a percentage of the Federal Poverty Guidelines for household size. Household income is defined as "yearly household income" and is the sum of the total yearly gross of all income in the household.

DOCUMENTATION

1. The Business Office should maintain a log of all patients receiving financial assistance each fiscal year for audit purposes.
2. An applicant's financial documentation is confidential and is maintained in their financial file in the Business Office separate from their medical record.

APPROVAL AND AUTHORIZATION

The CFO, CEO, and Board of Trustees reserve the right to consider extenuating circumstances when making its final decision on charity.

Approval and authorization of individual charity care write-off will be based on the following:

<u>Amount of Financial Assistance Write Off</u>	<u>Proper Authorization</u>
\$0.00 to \$999.99	Business Office Manager
\$1,000.00 to \$4,999.99	Chief Financial Officer
\$5,000.00 to \$14,999.99	Chief Executive Officer/Administrator
\$15,000.00 or more	Board of Trustees