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Financial Assistance Program (Charitable Care)

POLICY

Monadnock Community Hospital (MCH) will offer a Financial Assistance Program (FAP) to eligible patients without regard to race, gender, age, social or immigrant status, sexual orientation, or religious affiliation. This policy outlines eligibility criteria, methods to apply, basis for calculating amounts charged, limitation of charges, billing and collection procedures, and measures to widely publicize the FAP.

In general, patients whose household income falls under 400% of the current year's Federal Poverty Guideline (FPG) may be eligible for assistance. FAP discounts will be applied to medically necessary and emergency services, and only to services which are hospital-owned. Patients are responsible for any balances after discounts are applied.

As a member of the New Hampshire Health Access Network (NHHAN), the Financial Assistance Program (FAP) will use the same general application. Determinations made for the NHHAN will follow NHHAN guidelines as established by the New Hampshire Hospital Association. The FAP and the NHHAN are not insurance and will not replace insurance.

PURPOSE

To establish a policy for the administration of the Financial Assistance Program (FAP) at Monadnock Community Hospital (MCH).

DEFINITIONS

Amount Generally Billed (AGB) is the allowable amount of charges for the services being rendered; *see Appendix A.*

Application Date is the date the application is deemed complete.

Catastrophic Relief is a situation in which a patient is in need of substantial financial assistance for an extended episode of care. See section IV: "Eligibility Criteria".

Charged is the amount a FAP-eligible patient is personally responsible for paying.

Emergency Medical Care as established in MCH policies "EMTALA Guidelines for Providing Care External to the Emergency Department" and "Transfer, Patient – Compliance with EMTALA".

Hospital-Owned Services refers to services rendered by providers that are owned by MCH and who therefore accept the FAP; *see Appendix C.*

Household consists of members in the household who have a legal union (blood, marriage, adoption), as well as unmarried parents of a shared child or children.

Household Income is the total combined income of all household members who share financial responsibility in a household; *see Appendix F.*

Household Member includes the patient or individual, spouse, dependent child, unmarried partner with a mutual child or

children, a disabled adult or other adult claimed on tax return. If a child over age 18 has graduated and is in the process of setting up his/her own household, the child will be considered a household of one, but will be counted as a household member if listed as a dependent on a parent's tax return. In the case of pregnancy, the fetus is not counted as a household member until birth. In the case of an unwed couple expecting a child, they are not considered a household until after the baby is born. Children of divorced parents will be counted with the parent who claimed the child or children on the most recent tax return. An applicant stating that he/she is "separated" must show proof of either a court-documented legal separation or legal documentation of a restraining order or domestic violence protection, otherwise the spouses are still considered a household, and both incomes need to be considered.

Medically Necessary is defined by Medicare as services or items reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member. A procedure may also be determined as medically necessary at the discretion of the examining provider; see *Appendix B*.

Presumptive Financial Assistance is the provision of financial assistance for medically necessary services to patients for whom there is not a completed FAP application due to lack of supporting documentation or response from the patient. See section IV: "Eligibility Criteria".

Reliable Evidence refers to income proofs and other eligibility documentation required in completing the FAP application process; see *Appendix E*.

Underinsured refers to patients with some level of insurance or third-party assistance, but who have out-of-pocket expenses that exceed his/her financial abilities.

Uninsured refers to patients who have no level of insurance or third party assistance to assist with meeting his/her payment obligations.

PROCEDURES

I. **Widely Publicizing the FAP**

The FAP application, plain language summary, and policy with all appendices are available free of charge by mail, online, and in public locations at MCH. The documents are available:

1. In person at the MCH main campus at the switchboard, registration, and the emergency department.
2. By calling the FAP office at: (603) 924-1717
3. By going on the MCH website at:
<http://monadnockcommunityhospital.com/services/financial/FinancialAssistance1.php>

Additional efforts to notify and inform community members about the FAP will be supplied through the following methods:

4. Written notices on billing statements
5. Brochures available in MCH public areas
6. Posters in MCH public areas, including the emergency department and registration
7. Quarterly notices in a local newspaper
8. Notices in issues of the MCH "Your Hospital" newsletter
9. Notice in the hospital's annual report
10. Information booth at a local, public event annually
11. Offering patients the plain language summary during intake or discharge

II. **Accessibility to Limited English Proficient Individuals**

Interpreter services are available for limited English proficient individuals. See MCH policies "Interpreter Services for the Hard of Hearing and/or Visually Impaired" and "Interpreters for Language".

III. **Applying for Financial Assistance**

Applications for the FAP may be obtained free of charge from any hospital registrar, the hospital switchboard, on the hospital website, or by requesting one from the financial assistance or billing departments. Identifying patients in need of assistance is determined based on an individual assessment which includes, but is not limited to:

1. An application process, in which the patient or the patient's guarantor is required to cooperate and supply personal, financial and other information and reliable evidence relevant to making a determination of financial need. *See Appendix E.*
 - a. A NHHAN application and reliable evidence that was completed at another healthcare organization may be forwarded to MCH at a patient's request for consideration under MCH FAP guidelines, even if a NHHAN determination was not granted.
 - b. Patients may provide any of the documents needed electronically instead of in paper form at the request of the individual.
2. The use of external publicly available data sources that provide information on a patient or a patient's guarantor, if applicable.
3. Reasonable efforts by the MCH financial assistance department to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs, if applicable.
4. If MCH is unable to obtain a completed application or sufficient financial documentation from the patient or the patient's guarantor, MCH will consider whether the patient is eligible for presumptive financial assistance or an exception for good cause.

IV. **Eligibility Criteria**

To be eligible for the FAP, patients must:

1. **Be a resident of NH, or have a MCH Primary Care Physician, or a non-resident who experiences a medical emergency**
2. **Have gross household income less than 400% of the current year's FPG; see Appendix D.**
3. **Be enrolled in insurance that is contracted with MCH**
 - a. Patients must demonstrate compliance with the requirement to enroll in insurance through any source for which the patient is eligible, including employer-based insurance, NH Medicaid, the Healthcare Exchange (the Marketplace), or other available health plans.
 - i. Uninsured patients who received emergency medical care will not be deemed ineligible for FAP based on lack of insurance for his/her specific emergency department visits.
 - ii. Uninsured patients who have a qualified Marketplace exemption will not be required to purchase or enroll in coverage to be considered FAP-eligible.
 - iii. Patients eligible for third party liability payor sources must seek and exhaust such sources prior to applying FAP to patient balances.
4. **Or, have a case suitable for Presumptive Eligibility**
 - a. In the event there is no reliable evidence and/or FAP application to support a patient's eligibility for financial assistance, MCH could determine financial assistance eligibility based on other circumstances.
 - b. Due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write-off of the account balance.
 - c. Presumptive eligibility may be determined on the bases of individual life circumstances that may include:
 - i. Currently eligible for the NHHAN as determined by any other NHHAN-participating organization
 - ii. Patient is deceased with no known estate
5. **Or, have a case suitable for Catastrophic Eligibility**

- a. Catastrophic relief is available to provide financial assistance to those patients who experience costly and extended episodes of care at MCH due to serious sickness or injury. The policy provides relief to patients whose financial responsibility to MCH exceeds \$30,000 for any single episode of care.
- b. Catastrophic eligibility will be determined on a case-by-case basis by the Financial Assistance staff and the Director of Physician Services. Cases that require additional review will be escalated to Director of Revenue Management and/or the Chief Financial Officer.

6. **Or, have an exception for Good Cause**

- a. Exceptions for good cause may include cases such as when the financial burden will be greater for the patient to enroll in the insurance; the patient is in a probationary or waiting period for insurance, or other extenuating life circumstances.
- b. Exceptions for good cause will be approved on a case-by-case basis by the Financial Assistance staff and the Director of Physician Services. Cases that require additional review will be escalated to the Director of Revenue Management and/or the Chief Financial Officer.

V. **Incomplete Applications**

A completed NHHAN application must be accompanied by sufficient reliable evidence in order to accurately evaluate a patient's financial circumstances; see *Appendix E*. If a patient returns insufficient information to the FAP, he/she will be notified in writing of how to complete the requirements and by what date. In general, a patient will be asked to complete the missing information within two weeks of the date of the request, but this may be adjusted at the discretion of the financial assistance staff.

If financial assistance staff believes an individual will be eligible for Medicaid, FAP eligibility processes can be delayed until the Medicaid process is complete.

If a patient fails to provide reliable evidence past the due date on his/her written notification, and is additionally ineligible for presumptive financial assistance, the patient will be denied until the reliable evidence is provided. The patient will be notified in writing of the denial, the reason for the denial, and how to complete the requirements.

VI. **Determination of Financial Assistance**

Eligible patients with completed applications and reliable evidence will be granted for up to two years at one of two levels of fee reduction based on gross (pre-taxes and deductions) household income: level 1 (100% discount), or level 2 (55% discount); see *Appendix D*.

In addition, one-time discounts based on the same levels may be granted to deceased patients or for emergency medical care if patients are uninsured, have a non-contracted insurance plan, or are not NH residents. A patient must reapply for one-time FAP discounts at each additional episode of care.

The following procedures will be followed, as applicable:

1. **Approvals:**

- a. Approvals will be effective as of the first eligible date of service. Past dates of service may be considered eligible for FAP if the first post-discharge statement was issued within 240 days of the FAP application date.
- b. If the patient is applying for FAP in advance of any eligible dates of service, the approval date will be the date the determination was made.
- c. If the patient is applying for FAP in advance of the expiration of a current FAP enrollment, the new FAP approval date will be the first day after the patient's current FAP enrollment.
- d. Approvals will expire within two years from the effective date, on the last day of the month in which it falls.
- e. Patients will be notified in writing of his/her determination within 60 days of receipt of the completed application. Approval letters will include instructions regarding appeals for more generous FAP assistance and patient responsibility for any remaining balances, if applicable.
 - i. Deceased patients' letters will be sent to the indicated next of kin or in care of the patient's estate.
- f. Approved patients will receive a laminated MCH FAP card. Patients will be instructed to present the card at every visit to MCH or an MCH-affiliated provider's office.

- i. Laminated cards will not be issued for one-time approvals or deceased patients. In lieu of a card, the patient's approval letter will be scanned to the patient's medical record.

2. **Denials:**

- a. Denial letters will include basic information regarding the reason for the denial, how to contact the billing departments regarding remaining balances, and how to initiate an appeal, if desired.

VII. **Appeals Process**

If MCH denies partial or total financial assistance then the patient or his/her agent can appeal the decision within 30 days. The patient must make an appeal request in writing and explain why the decision made by MCH was inappropriate.

The appeal letter will be reviewed by MCH financial assistance staff and the Director of Physician Services, escalating to the Director of Revenue Management and/or the Chief Financial Officer if deemed necessary. The final decision regarding the appeal will be sent to the patient within 30 days of the receipt of the request for appeal.

/III. **Revoked Discounts**

FAP determinations may be revoked in the case of fraud. This determination is made at the discretion of the Financial Assistance Coordinator, should it be revealed that necessary documents were purposely withheld or falsified for the household's financial assistance determination.

Any other reason to revoke a patient's FAP determination will be considered on a case-by-case basis and will be approved by MCH financial assistance staff and the Director of Physician Services, escalating to the Director of Revenue Management and/or the Chief Financial Officer if deemed necessary.

In the case of a revoked discount:

1. The discount will be revoked for all family members in the household.
2. The Financial Assistance Coordinator will mail a certified letter to the patient explaining the reason for revoking the discount.
3. Unless otherwise determined on a case-by-case basis, the household may reapply for FAP one year from the date the discount was revoked.
4. The discount will discontinue from the date it is revoked; previous services will not be sought for back pay.

IX. **Billing and Collections**

Monadnock Community Hospital's billing department maintains a separate Credit and Collection Policy which is available to patients upon request and at no charge. This policy is located in the Patient Financial Services department.

X. **Limitation on Charges**

No FAP-eligible patient will be charged more than other patients would normally be charged; *see Appendix A.*

XI. **Actions in the Event of Nonpayment**

No Extraordinary Collection Act (ECA) is used by Monadnock Community Hospital except for instances of Third Party Liability, i.e.: Auto or Liability claims. The ECAs utilized include lawsuits and/or real property liens. This policy is located in the Patient Financial Services department.

XII. **Policy Review**

Unless there are material or regulatory changes, the Chief Financial Officer or Chief Executive Officer has the authority to update the FAP policy annually. The Federal Poverty Guidelines will be updated annually as issued by the NH Health Access Network. MCH will take reasonable steps to ensure the Participating Providers List, located in Appendix C, is updated at least quarterly.