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Financial Assistance Policy, FN 100

This policy is intended as a guideline to assist in the delivery of patient care or management of hospital services. It is not intended to replace professional judgment in patient care or administrative matters.

PURPOSE:

Frederick Health is committed to providing quality health care for all patients regardless of their ability to pay and without discrimination on the grounds of race, color, national origin or creed. The purpose of this document is to present a formal set of policies and procedures designed to assist Patient Financial Services personnel in the day-to-day application of this commitment. The procedures describe how applications for Financial Assistance should be made, the criteria for eligibility, and the steps for processing applications. This policy is intended to comply with Section 501(r) of the Internal Revenue Code and applicable Maryland law and has been adopted by the Frederick Health Board of Directors.

POLICY:

This policy applies to all patients seeking emergency or other medically necessary care at Frederick Health Hospital. This policy also applies to patients seeking professional medical services from Frederick Health Medical Group. For this policy document only, Frederick Health Hospital and Frederick Health Medical Group are collectively referred to herein as "FHH/FHMG."

The Financial Assistance procedures are designed to assist individuals who qualify for less than full coverage under available Federal, State and Local Medical Assistance Programs, but whose outstanding "self-pay" balances exceed their own ability to pay. The underlying principle is that a person, over a reasonable period of time, can be expected to pay only a maximum percentage of their disposable income towards charges incurred while in the hospital. Any "self-pay" amount in excess of this percentage would place an undue financial hardship on the patient or their family and may be adjusted off as Financial Assistance. The Board of Directors of the Hospital shall review and approve the financial assistance and debt collection policies of the hospital at least every 2 years. All changes to the financial assistance or debt collection policies require approval by the Board of Directors.

PROCEDURE:

A. **OVERVIEW**

1. Financial Assistance can be offered before, during, or after services are rendered. After submission of an application, FHH/FHMG will send an acknowledgment letter to the patient within two (2)

business days and an eligibility determination will be made within fourteen (14) days of a completed application.

a. For purposes of this policy, "Financial Assistance" refers to healthcare services provided without charge or at a reduced charge to qualifying patients.

b. FHH/FHMG maintains a list of all providers who may care for patients while at FHH/FHMG available at https://www.frederickhealth.org/Find-a-Doctor.aspx. Only providers employed by FHH/FHMG are covered under this policy and are indicated on the provider list. Non-FHH/FHMG providers bill separately for their services and not all participate in the FHH/FHMG Financial Assistance Program. If a provider is not covered under this policy, patients should contact the provider's office to determine if Financial Assistance is available.

c. Should a patient need assistance applying for Financial Assistance, help is available at our physical location 400 West Seventh St. Frederick, MD 21701. Patients can also call 240-566-4214 with any inquiries regarding the Financial Assistance application process.

2. Notice of the Availability of Financial Assistance:

a. FHH/FHMG will make available brochures informing the public of its Financial Assistance Policy. Such brochures will be available throughout the community and within FHH/FHMG locations.

b. Notices of the availability of Financial Assistance will be posted at appropriate admission areas, the Patient Financial Services department, and other key patient access areas.

c. Notice of the Financial Assistance Policy will be provided to the patient, the patient's family, or the patient's authorized representative before discharging the patient and in each communication to the patient regarding collection of the bill.

d. A statement on the availability of Financial Assistance will be included on patient billing statements.

e. A Plain Language Summary of the FHH/FHMG Financial Assistance Policy will be provided to patients receiving inpatient services with their Summary Bill and will be made available to all patients upon request.

f. The FHH/FHMG Financial Assistance Policy, a Plain Language Summary of the policy, and the Financial Assistance Application are available to patients upon request at FHH/FHMG, through mail (postal service), and on the FHH/FHMG website at https://www.frederickhealth.org/billing.

g. The FHH/FHMG Financial Assistance Policy, Plain Language Summary, and Financial Assistance Application are available in Spanish.

i. On an annual basis, FHH/FHMG shall assess the needs of our limited English proficiency community and determine whether additional translations are needed.

3. Availability of Financial Assistance: FHH/FHMG retains the right, in its sole discretion, to determine a patient's ability to pay, in accordance with Maryland and Federal law.

a. Financial Assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This may include the patient's existing medical expenses, including any accounts having gone to bad debt, as well as projected medical expenses.

b. All patients presenting for emergency services will be treated regardless of their ability to pay.

i. For emergent services, applications for Financial Assistance will be completed, received, and evaluated retrospectively and will not delay patients from receiving care.

4. Limitation of Charges: Individuals eligible for reduced-cost care under this policy will not be charged more than the hospital's standard charges, as set by Maryland's Health Services Cost Review Commission (HSCRC).
    a. The Frederick Health Hospital rate structure is governed by the HSCRC rate setting authority. As an "all- payer system", all patient care is charged according to the resources consumed in treating them regardless of the patient's ability to pay.
    b. Charges are developed based on a relative predetermined value set by the HSCRC at the approved unit rate developed by the HSCRC.

B. **PROGRAM ELIGIBILITY**

1. FHH/FHMG strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. FHH/FHMG reserves the right to grant Financial Assistance without formal application being made by patients. These patients may include the homeless or returned mailed with no forwarding address.
2. Patients who are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care may be eligible for the FHH/FHMG Financial Assistance Program.
3. Healthcare services that are eligible for Financial Assistance are emergency medical care and other medically necessary services delivered by Frederick Health Hospital and Frederick Health Medical Group.
    a. For these purposes, emergency medical care means care provided by Frederick Health Hospital for emergency medical conditions, which means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in: (i) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (ii) serious impairment to bodily functions, or (iii) serious dysfunction of any bodily organ or part. With respect to a pregnant woman who is having contractions, emergency medical conditions means that: (i) there is inadequate time to effect a safe transfer to another hospital before delivery, or (ii) transfer may pose a threat to the health or safety of the woman or the unborn child.
    b. For these purposes, medically necessary services means services that are reasonably determined to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions in a patient that (i) endanger life; (ii) cause suffering or pain; (iii) result in illness or infirmity; (iv) threaten to cause or aggravate a handicap; or (v) cause physical deformity or malfunction.
4. Exclusions from Financial Assistance: Specific exclusions to coverage under the Financial Assistance program include the following:
    a. Patients whose insurance program or policy denies coverage for the services received (e.g., HMO, PPO, Workers Compensation, or Medicaid);
        i. Exceptions to this exclusion may be made, in FHH/FHMG's sole discretion, considering medical and programmatic implications.
    b. Unpaid balances resulting from cosmetic or other non-medically necessary services;

c. Patient convenience items.

5. Ineligibility: Patients may become ineligible for Financial Assistance, for a specific date of service, for the following reasons:
    a. After being notified by FHH/FHMG, refusal to provide requested documentation or information required to complete a Financial Assistance Application within the 240 days after the patient receives the first post-discharge billing statement (approximately 8 months).
    b. Unless seeking emergency medical services, having insurance coverage through an HMO, PPO, Workers Compensation, Medicaid, or other insurance programs that deny access to FHH/FHMG due to insurance plan restrictions/limits.
    c. Failure to pay co-payments as required by the Financial Assistance Program.
    d. Failure to keep current on existing payment arrangements with FHH/FHMG.
    e. Failure to make appropriate arrangements on past payment obligations owed to FHH/FHMG (including those patients who were referred to an outside collection agency for a previous debt).
    f. Refusal to be screened or apply for other assistance programs prior to submitting an application to the Financial Assistance Program, unless FHH/FHMG can readily determine that the patient would fail to meet the eligibility requirements.
6. Patients who become ineligible for the program will be required to pay any open balances and may be submitted to a collection agency if the balance remains unpaid in the agreed upon time periods.
7. Patients who indicate they are unemployed and have no insurance coverage shall be required to submit a Financial Assistance Application unless they meet Presumptive Financial Assistance eligibility criteria (See Section D.2 below).
    a. If patient qualifies for COBRA coverage, patient's financial ability to pay COBRA insurance premiums shall be reviewed by appropriate personnel and recommendations shall be made to Senior Leadership for approval.
    b. 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.
8. Coverage amounts will be calculated using a sliding fee scale based on federal poverty guidelines.

C. **PATIENT FINANCIAL ASSISTANCE GUIDELINES**

1. Services eligible under this Policy will be made available to the patient on a sliding fee scale as described in this section and in ***Appendix A***; additionally, payment plans based on a patient's ability to pay are available on an individual basis to those patients with a family income between 200% and 500% of the federal poverty level who request assistance, irrespective of a patient's insurance status.
2. US Federal Poverty guidelines are updated annually by the Department of Health and Human Services and are available at https://www.healthcare.gov/glossary/federal-poverty-level-fpl/.

D. **PRESUMPTIVE FINANCIAL ASSISTANCE**

1. Patients may be eligible for Financial Assistance on a presumptive basis. There are instances when a patient may appear eligible for Financial Assistance, but there is no Financial Assistance application and/or supporting documentation on file. Often there is adequate information provided by the patient or other sources that is sufficient for determining Financial Assistance eligibility.
    a. In the event there is no evidence to support a patient's eligibility for Financial Assistance, FHH/

FHMG reserves the right to use outside agencies, or propensity to pay modeling in determining Financial Assistance eligibility.

b. Patients who are determined to satisfy presumptive eligibility will receive free care on that date of service. Presumptive Financial Assistance eligibility shall only cover the patient's specific date of service.

2. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:
   a. Active Medical Assistance pharmacy coverage;
   b. Qualified Medicare Beneficiary ("QMB") coverage (covers Medicare deductibles) and Special Low Income Medicare Beneficiary ("SLMB") coverage (covers Medicare Part B premiums);
   c. Homelessness;
   d. Maryland Public Health System Emergency Petition patients;
   e. Being a beneficiary/recipient of the following means-tested social service programs: Women, Infants and Children Programs ("WIC"); Food Stamp/Supplemental Nutritional Assistance Program; households with children in the free or reduced lunch program; low-income-household energy assistance program; Primary Adult Care Program ("PAC"), until such time as inpatient benefits are added to the PAC benefit package; or other means-tested social services programs deemed eligible for hospital free care policies by the Maryland Department of Health and the HSCRC, consistent with HSCRC regulations;
   f. Eligibility for other state or local assistance programs;
   g. Deceased with no known estate; and
   h. Patients that are determined to meet eligibility criteria established under former State Only Medical Assistance Program.
3. Patients deemed to be presumptively eligible for Financial Assistance based on participation in a social service program identified above must submit proof of enrollment within 30 days of such eligibility determination. A patient, or a patient's representative, may request an additional 30 days to submit required proof.
4. Exclusions from consideration for presumptive eligibility include:
   a. Purely elective procedures (e.g., cosmetic procedures).

E. **MEDICAL HARDSHIP PROGRAM**

1. In addition to, but separate from, Patient Financial Assistance described elsewhere in this policy, eligible patients may qualify for the Medical Hardship Program.
   a. Patients may qualify for this program if they have incurred collective family medical debt at FHH/FHMG, exceeding 25% of the combined household income, during a 12-month period, regardless of income.
      i. Medical debt is defined as out-of-pocket expenses for medically necessary care received at FHH/FHMG, including co-payments, co-insurance, and deductibles.
2. FHH/FHMG applies the medical debt criteria set forth above to a patient's balance after any insurance payments have been received.
3. If determined eligible, patients and their immediate family qualify for a 20% reduction in the cost of

medically necessary care, for a 12-month period effective on the date the medically necessary care was initially received.

4. In situations where a patient is separately eligible for both the Medical Hardship Program and the standard Financial Assistance Program, FHH/FHMG will apply the reduction in charges that is most favorable to the patient.
5. Patients are required to notify FHH/FHMG of their potential eligibility for the Medical Hardship Program.

F. **ASSISTANCE BASED ON INDIVIDUAL CIRCUMSTANCES**: FHH/FHMG reserves the right to consider individual patient and family financial circumstances to grant reduced-cost care in excess of State and this policy's established criteria.

1. The eligibility, duration, and discount shall be patient-situation specific.
2. Patient balance after insurance accounts may be eligible for consideration.
3. Cases falling into this category require management review and approval.

G. **ASSET CONSIDERATION**

1. Household monetary assets are generally not considered as part of Financial Assistance eligibility determination unless they are deemed substantial enough to cover all or part of the patient's responsibility without causing undue hardship. When household monetary assets are reviewed, individual patient financial circumstances, such as the ability to replenish the asset and future income potential, are taken into consideration.
2. The following monetary assets that are convertible to cash are exempt from consideration:
    a. The first $10,000 of monetary assets for individuals, and the first $25,000 of monetary assets for families.
    b. Up to $150,000 in primary residence equity.
    c. Retirement assets, regardless of balance, to which the IRS has granted preferential tax treatment as a retirement account. Generally, this consists of plans that are tax exempt and/or have penalties for early withdrawal.
    d. One motor vehicle used for the transportation needs of the patient or any family member of the patient.
    e. Any resources excluded in determining financial eligibility under the Medical Assistance Program under the Social Security Act.
    f. Prepaid higher education funds in a Maryland 529 Program account.
3. Monetary assets excluded from consideration shall be adjusted annually for inflation in accordance with the Consumer Price Index effective as of January 1, 2021.

H. **APPEALS**

1. Patients whose Financial Assistance applications are denied have the option to appeal the decision. Appeals should be made in writing and mailed to: Frederick Health 400 West Seventh Street Frederick, MD 21701 Attn: Financial Counseling Team.
2. Patients are encouraged to submit additional supporting documentation justifying why the denial should be overturned.
3. Appeals are documented and reviewed by the next level of management for additional

reconsideration

4. If the first level appeal does not result in the denial being overturned, patients have the option of escalating to the next level of management for additional reconsideration.
5. Appeals can be escalated up to the Chief Financial Officer who will render the final decision.
6. Patients who have formally submitted an appeal will receive a letter of the final determination.
7. Patients have thirty (30) days after denial to submit their appeal.
8. The Health Education and Advocacy Unit ("HEAU") is available to assist patients and their authorized representatives in filing and mediating reconsideration requests/appeals. The HEAU can be contacted using the following information:
   Office of the Attorney General
   Consumer Protection Division
   Health Education and Advocacy Unit
   200 Saint Paul Place
   Baltimore, Maryland 21202-2021
   Phone number: 410-528-1840 or 1-877-261-8807
   Email address: heau@oag.state.md.us
   Fax number: 410-576-6571
   Website: https://www.marylandattorneygeneral.gov/pages/cpd/heau/default.aspx
9. Patients may file a complaint against a hospital for an alleged violation of its Financial Assistance policy by sending the complaint to the Maryland Health Services Cost Review Commission at hscrc.patient-complaints@maryland.gov. Complaints may also be filed jointly with the HEAU using the contact information stated above.

I. **PATIENT REFUND**

1. If, within a two (2) year period after the date of service, a patient is found to be eligible for free or reduced-cost care under FHH/FHMG's Financial Assistance Program, for that date of service, the patient shall be refunded payments in excess of their financial obligation where such refund is greater than $5.
   a. The two (2) year period may be reduced to 240 days (approximately 8 months) after receipt of the first post-discharge billing statement where FHH/FHMG's documentation demonstrates a lack of cooperation by the patient, or guarantor, in providing documentation or information necessary for determining patient's eligibility.
2. If a patient is found to be eligible for Financial Assistance after FHH/FHMG has initiated extraordinary collection actions (ECA), such as reporting to a credit agency, liens, or lawsuits, FHH/FHMG will not take any further ECA and will take all reasonable steps available to reverse any ECA already taken.

J. **OPERATIONS**

1. FHH/FHMG will designate a trained person or persons who will be responsible for taking Financial Assistance Applications. These staff can be Financial Counselors, Self-Pay Collection Specialists, or other designated trained staff.
2. Every effort will be made to determine eligibility prior to date of service. Where possible, designated staff will consult via phone or meet with patients who request Financial Assistance to determine if they meet preliminary criteria for assistance.

a. Staff will complete an eligibility check with the applicable state Medicaid program to determine whether patients have current coverage or may be eligible for coverage.
    i. To facilitate this process each applicant must provide information about family size and income (as defined by Medicaid regulations).
b. FHH/FHMG will provide patients with the Maryland State Uniform Financial Assistance Application and a checklist of what paperwork is required for a final determination of eligibility.
    i. In addition to a completed Maryland State Uniform Financial Assistance Application, patients may be required to submit:
        a. A copy of their most recent Federal Income Tax Return (if married and filing separately, then also a copy of spouse's tax return and a copy of any other person's tax return whose income is considered part of the family income);
        b. Proof of disability income (if applicable);
        c. A copy of their most recent pay stubs (if employed), other evidence of income of any other person whose income is considered part of the family income or documentation of how they are paying for living expenses;
        d. Proof of social security income (if applicable);
        e. A Medical Assistance Notice of Determination (if applicable);
        f. Reasonable proof of other declared expenses; and
        g. If unemployed, reasonable proof of unemployment such as statement from the Office of Unemployment Insurance, a statement from current source of financial support, etc.

3. If a patient has not submitted a completed Financial Assistance application or any required supporting documentation within 30 days after a formal request, a letter will be sent reminding the patient that Financial Assistance is available and informing the patient of the collection actions that will be taken if no documentation is received.
    a. A deadline for submission, prior to initiation of collection actions, will be included in the letter. Such deadline will be no earlier than 30 days after the date the reminder letter is provided.
    b. No extraordinary collection actions, such as reporting to a credit agency, liens, or lawsuits, will be taken prior to 120 days after the first post-discharge billing statement (approximately 4 months).
    c. If documentation is received after collection actions have been initiated, but within the 240 day after patient receipt of the first post discharge billing statement, FHH/FHMG shall cease all collection actions and determine whether the patient is eligible for financial assistance.
4. A Plain Language Summary of this policy shall be included with the letter and FHH/FHMG staff must make a reasonable effort to orally notify the individual of FHH/FHMG's Financial Assistance program.
5. Once a patient has submitted all the required information, appropriate personnel will review and analyze the application and forward it to the Patient Financial Services Department for determination of eligibility based on FHH/FHMG guidelines.
    a. If the patient's application for Financial Assistance is determined to be complete and appropriate, appropriate personnel will recommend the patient's level of eligibility.
    b. For complete applications, the patient will receive a letter notifying them of approval/denial within 14 days of submitting the completed applications. FHH/FHMG shall suspend any billing or

collections actions while eligibility is being determined.

c. If an application is determined to be incomplete, the patient will be contacted regarding any additional required documentation or information

i. If a patient is determined to be ineligible prior to receiving services, all efforts to collect co-pays, deductibles or a percentage of the expected balance for the service will be made prior to the date of service or may be scheduled for collection on the date of service.

ii. If a patient is determined to be ineligible after receiving services, a payment arrangement will be offered on any balance due by the patient.

6. Except as noted below, once a patient is approved for Financial Assistance, such Financial Assistance shall be effective as of the date treatment is received and the following twelve (12) calendar months.

a. Presumptive Financial Assistance cases will apply to the date of service only.

b. If additional healthcare services are provided beyond the approval period, patients must reapply to continue to receive Financial Assistance.

7. The following may result in the reconsideration of Financial Assistance approval:

a. Post approval discovery of an ability to pay; and

b. Changes to the patient's income, assets, expenses or family status which are expected to be communicated to FHH/FHMG.

8. FHH/FHMG will track patients' qualification for Financial Assistance or Medical Hardship. However, it is ultimately the responsibility of the patient to inform FHH/FHMG of their eligibility status at the time of registration or upon receiving a statement.

9. FHH/FHMG will not use a patient's citizenship or immigration status as an eligibility requirement for Financial Assistance or withhold Financial Assistance or deny a patient's application for Financial Assistance on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, genetic information, or on the basis of disability.

K. **CREDIT & COLLECTIONS POLICY**

1. FHH/FHMG maintains a separate Credit & Collections Policy that outlines what actions FHH/FHMG may take in the event a patient fails to meet their financial responsibility.

2. A copy of the Credit & Collections policy may be obtained by requesting a copy from FHH/FHMG staff or by visiting FHH/FHMG's website.

3. FHH/FHMG maintains a list of all non-FHH/FHMG providers who may care for patients while at FHH/FHMG. Non-FHH/FHMG providers bill separately for their services and not all participate in FHH/FHMG's Financial Assistance Program.

4. A copy of this list may be obtained by requesting a copy from FHH/FHMG staff or by visiting FHH/FHMG's website at thttps://www.frederickhealth.org/Find-a-Doctor.aspx

Attachments

Appendix A - Federal Government Poverty Guidelines