

Administrative Manual of Policies and Procedures

Liberty County Hospital and Nursing Home

SUBJECT: Financial Assistance Policy

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PURPOSE

Liberty County Hospital and Nursing Home, Inc dba Liberty Medical Center is a not-for-profit, tax exempt entity with a charitable mission of providing emergency and medically necessary care services to patients of Liberty Medical Center service area regardless of their financial status and ability to pay. The purpose of this Financial Assistance Policy is to ensure that processes and procedures exist for identifying and assisting Liberty Medical Center patients whose care may be provided without charge or at a discount based on their financial resources and ability to pay.

POLICY

Patients receiving emergency or medically necessary care and services at Liberty Medical Center have the opportunity to apply for financial assistance. For patients who meet the eligibility criteria established in this policy, Liberty Medical Center will provide financial assistance (care at no charge or at discounted rates) to patients/families where: (i) there is limited or no health insurance available; (ii) the patient cooperates with Liberty Medical Center in providing the requested information demonstrating financial need; and (iii) Liberty Medical Center makes an administrative determination that financial assistance is appropriate based on the patient's ability to pay (as established by family income or based on criteria demonstrating presumptive eligibility) and the size of the patient's medical bills.

After Liberty Medical Center determines that a patient is eligible for financial assistance, Liberty Medical Center will determine the amount of financial assistance available to the patient by utilizing the Financial Assistance Guidelines (Exhibit A). The Guidelines reflect family income levels tied to the most recent Federal Poverty Guidelines and establish corresponding discount percentages. The Guidelines are adjusted annually to reflect the annual updates to the Federal Poverty Guidelines.

This program will be used for patient service charges at Liberty Medical Center departments only, (herein after described as facility charges). This program will not aid in payment for other medical facilities, ambulances or (non-hospital) medications. These facility charges will be what are deemed necessary by the Medical Providers at Liberty Medical Center. Any services deemed as cosmetic or not medically necessary, will not be covered under Financial Assistance Policy.

NONDISCRIMINATION

Liberty Medical Center will provide health care services, inpatient and outpatient, to all who need emergency or medically necessary care, regardless of the ability to pay for such services and regardless of whether and to what extent the patient may qualify for financial assistance pursuant to this policy.

Liberty Medical Center will not engage in any actions that discourage individuals from seeking emergency medical care, such as demanding that emergency department patients pay before receiving treatment.

Liberty Medical Center will provide emergency and medically necessary care to all patients without regard to race, creed, sex, national origin, disability, age, sexual orientation, or ability to pay.

DEFINITIONS

- A. Family:** The patient, his or her spouse (including legal common law spouse), any minor children supported by the patient, and any adults for whom the patient is legally responsible who reside together.
- B. Family Income:** The sum of a family's annual earnings and cash benefits from all sources before taxes, less payment made for child support. Family income includes gross wages, salaries, dividends, interest, Social Security benefits, workers' compensation, veterans' benefits, training stipends, military allotments, regular support from family members not living in the household (other than child support), government pensions, private pensions, insurance, annuity payments, income from rent, royalties, estates, trusts and other forms of income.
- C. Financial Assistance:** Either full or partial reduction in charges to patients for emergency or medically necessary care.
- D. Financially Eligible:** A patient who meets the following criteria: The patient's family income is at or below 200% of the Federal Poverty Guidelines, as set forth in Exhibit A.
- E. Medically Indigent:** A patient who incurs catastrophic medical expenses is classified as Medically Indigent when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family.
- F. Emergency Care and Services:** Emergency Room department service, including radiology, laboratory, pharmaceutical or supplies provided by Liberty Medical Center to a patient seeking emergency care.
- G. Medically Necessary Care and Services:** Any inpatient, outpatient, ancillary or rural health clinic service; including procedures and treatments necessary to diagnose and provide curative or palliative treatment for physical or mental conditions in accordance with professionally recognized standards of health care. Medically Necessary does not include (i) elective cosmetic procedures; (ii) birth control, including tubal ligations and/or vasectomies; (iii) fertility treatments; (iv) gastric by-pass

procedures; (v) non-emergency dental services; (vi) experimental or non-traditional care, tests, or treatment; (vii) hearing aids; (viii) retail services such as pharmacy, optical shop, or durable or home medical equipment; or (ix) convalescent care. For purposes of this policy, Liberty Medical Center reserves the right to determine, on a case-by-case basis, whether the care and services meet the definition and standard of “medically necessary” for the purpose of eligibility for financial assistance.

H. Presumptive Eligibility: A patient who has not submitted a completed Financial Assistance application, but who nonetheless is subject to one or more of the following criteria:

- Homeless
- Deceased with no estate
- Mentally incapacitated with no one to act on his or her behalf
- Medicaid eligible, but not on the date of service or for non-covered services
- Enrolled in one or more governmental programs for low-income individuals having eligibility criteria at or below 200% of the Federal Poverty Guidelines
- Incarceration in a penal institution

I. Eligibility Criteria for Financial Assistance: Upon Liberty Medical Center’s determination that the patient’s care and services meet either the definition of “emergency care and services” or “medically necessary care and services” a patient is eligible to receive full or partial financial assistance subject to the following criteria:

1. A patient (or patient guarantor) with a household income of 100% or less of the Federal Poverty Level (FPL) is eligible for full financial assistance.
2. A patient (or patient guarantor) with a household income between 101% and 200% of the FPL is eligible for partial financial assistance on a sliding scale.
3. Eligibility for full or partial financial assistance is contingent upon the completion of a Financial Assistance Application and submission of sufficient documentation requested by Liberty Medical Center to demonstrate financial need. Exceptional circumstances may influence a patient’s (or guarantor’s) eligibility for financial assistance and may be considered on a case-by-case basis. These circumstances include, but are not limited to:
 - Family Size
 - Income Guidelines
4. Information can be provided by individuals in the following forms of communication:
 - Written
 - Oral – in person or on the telephone interview
5. A copy of LMC’s most up to date sliding fee schedule can be found Page 7 of the Financial Assistance Policy (**EXHIBIT A**).

PROCEDURE

Availability of Financial Assistance

1. Liberty Medical Center takes reasonable efforts to fully inform all patients and the public of the availability of financial assistance, including the following means of communication:
 - Posting of signs in all patient registration areas and in other public areas of the facility

- Posting of information, including policies and the Financial Assistance Application at www.libertymedicalcenter.org
 - Providing written notification on patient billing statements
 - Mentioning the availability of financial assistance when discussing the bill over the telephone with patients or guarantors
 - Providing written notification in brochures and other information that is made available to the patient upon admission or discharge
 - Providing information to local social services agencies
2. Liberty Medical Center’s Financial Assistance Policy, the Financial Assistance Application, and a plain language summary are available free of charge. Individuals may obtain these documents through the following means:
 - Hard copies can be provided in person or can be mailed to the patient upon request
 - Hard copies can be accessed, downloaded, and printed from the website (libertymedicalcenter.org)
 3. Once Liberty Medical Center has provided emergency or medically necessary services, a patient or guarantor may submit a Financial Assistance Application. The right to apply for financial assistance consideration begins on the date of service and extends through the 240th day after the first billing statement is sent to the patient or guarantor. However, patients and guarantors are encouraged to submit their Financial Assistance Applications as soon as possible.

Process for Eligibility Determination

1. At the time of the initial patient interview, the Financial Service Representative will gather routine demographic information and information regarding all existing third-party coverage. If the applicant has an application out to Medicare, Medicaid, Montana Marketplace or other state/federal programs, consideration for financial assistance will still be given. In cases where third-party coverage (including private insurance or payment by governmental program) is nonexistent or likely to be inadequate, the Financial Service Representative will inform the patient of the availability of financial assistance.
2. Patients seeking financial assistance will be asked to complete the Financial Assistance Application. Copies of the application form are available from any Financial Service Representative and at <http://www.libertymedicalcenter.org>. Applications may be completed directly by the patient, by the patient’s guarantor and/or other legal representative, or by a Financial Service Representative based on information derived from any of the foregoing through an interview either in person or by telephone, or reliable information provided in writing. If assistance is needed with gathering necessary information or materials requested as part of the financial assistance qualifying process, patients are encouraged to contact Patient Financial Assistance at 406-759-5181 ext. 6508.
3. Financial Assistance Applications will be considered if received at any time during the 240-day period following the first post-discharge billing statement issued by the Hospital to the patient for such care. Patients completing the Financial Assistance Application must return the signed form and required supporting materials through any of the following measures:
 - Hand delivers to Patient Financial Assistance at Liberty Medical Center, 315 West Madison Avenue, Chester, MT 59522 or Liberty Medical Center Clinic – 418 West Monroe Avenue, Chester, MT 59522

- Mail to Liberty Medical Center, Attn: Patient Financial Services, PO Box 705, Chester, MT 59522
4. Eligibility for financial assistance is conditioned upon (i) the patient's provision of complete and accurate information on the Financial Assistance Application and (ii) the patient's timely cooperation throughout the financial assistance application process. In connection with determining a patient's eligibility for financial assistance, although patients may voluntarily provide additional information that they believe to be pertinent to eligibility. If Liberty Medical Center contacts the patient to request missing information, the patient will have a period of 30 days to respond. Failure to respond within that 30-day period will result in the Application being suspended from further processing; the patient may re-activate the Application by providing the requested information at any time during the 240-day period following the first post-discharge statement issued by the Hospital to the patient for such care. If a patient provides information that is inaccurate or misleading, he or she may be deemed ineligible for financial assistance and, accordingly, may be expected to pay his or her bill in full.
 5. In the event that the patient or guarantor applies for financial assistance after an unpaid account has been referred to an external collection agency, Liberty Medical Center will refrain from any extraordinary collection actions while the application remains incomplete and awaiting all required documents. After the application is deemed complete, Liberty Medical Center will suspend all collection activity until a final determination on the eligibility is made. In the event that a pending Financial Assistance Application is cancelled for a reason stated in the above paragraph, the unpaid account shall be subject to the terms and provisions of Liberty Medical Center's Collections Policy.
 6. Subject to Liberty Medical Center's discretion, once a patient or guarantor has qualified for financial assistance, the eligibility can be extended up to a maximum of six months from the approval date to cover future qualified care or services. To be eligible for this extended term, Liberty Medical Center may require patients or guarantors to provide updated financial information.
 7. Financial assistance can be granted solely for services and care performed by Liberty Medical Center's medical providers. A list of the providers can be found at www.libertymedicalcenter.org. Locum medical providers providing care in the clinic or hospital will also be covered under this policy. Services provided by non-Liberty Medical Center employed or contracted physicians, providers, facilities or organizations are not eligible for financial assistance granted through this policy.
 8. Liberty Medical Center shall maintain confidentiality for all Financial Assistance Applications and supporting documents and may share this information outside of Liberty Medical Center only upon written or verbal request from the patient or guarantor, or upon request by Liberty Medical Center external auditors, collection agencies, or law firms.

Determination and Notification Regarding Financial Assistance

1. For patients who are determined to be financially eligible, patients with family income at or below 100% of the current Federal Poverty Guidelines, will receive a 100% reduction in the patient portion of the billed charges, as indicated in Exhibit A. Patients with Family Income between 101% and 200% of the current Federal Poverty Guidelines will receive a sliding-scale

discount on the patient portion of the billed charges, as indicated in Exhibit A. In the case of patients who are determined to be Medically Indigent, the patient will receive a 100% reduction write-off of charges exceeding 30% of gross family income and/or appropriate discount determined by the Chief Financial Officer. Patients who are determined to be Presumptively Eligible for financial assistance will receive a 100% reduction in charges.

2. Within 15 business days after submission of a completed Financial Assistance Application, Liberty Medical Center will determine whether the patient qualifies for financial assistance based on Financial Eligibility or Medical Indigence. Within 15 business days of Financial Eligibility determination, Liberty Medical Center will notify the patient in writing of such determination and the amount of the discount to be provided. Liberty Medical Center may decide to notify or not to notify patients determined to qualify for financial assistance based on Presumptive Eligibility. If it is determined a patient does not qualify for financial assistance, Liberty Medical Center will notify the patient in writing of such determination, including the basis for denial; the notice will state that the patient may reapply if the patient's financial circumstances have changed to make the patient financially eligible in connection with future services.
3. For patients (or guarantors) who are deemed qualified for partial financial assistance, Liberty Medical Center (or its external accounts receivable or collection agencies if the patient account has been referred to collections) will submit a bill to the patient or guarantor reflecting the discount for the partial financial assistance. In these cases, the amount accepted for payment for emergency or other medically necessary care will not exceed the amount Liberty Medical Center accepts as payment in full for the same services provided to patients who are insured by third party payers (including Medicare, Medicaid, and all private health insurers).
 - Payment in full for insured patients has two components: the amount required to be paid by the third-party insurer plus the amount required to be paid by the patient.
 - The payment in full amount is established by Liberty Medical Center by calculating the weighted average of discounts provided to Medicare, Medicaid, and all private commercial health insurers. The payment in full calculation is established on a twelve-month basis by analyzing the actual claims paid to Liberty Medical Center by insured patients and their third-party payers for the selected twelve-month period.
4. The provision of financial assistance will follow Liberty Medical Center's Adjustment Policy for write-offs.
5. All determinations of qualifications for financial assistance will be effective for a period of twelve (12) months following the date of the completed Financial Assistance Application.

Collections Practices

1. Patients qualifying for discounted, but not free, care will be notified in writing regarding any remaining balance due. Liberty Medical Center expects payment from patients and guarantors who could pay, so the patient will be asked to sign a Payment Agreement, stating the monthly payment amount and the payment due date. Remaining balances will be treated in accordance with patient account policies regarding self-pay balances.
2. In the event such patients or guarantors fail or refuse to fulfill their financial obligation, Liberty Medical Center may engage in collection action including the referral of unpaid accounts to external collections agencies. Liberty Medical Center will not engage in extraordinary collection actions before taking reasonable efforts to determine whether an individual who has an unpaid

account is eligible for financial assistance.

Administration of this Policy

It is the responsibility of Liberty Medical Center to develop local operating procedures to administer this policy, including the following:

- Determination of local multi-lingual requirements for signage and other documents, and arrangements for interpreters if deemed necessary.
- Education and training of staff for communicating financial assistance availability for patients served in our facility.
- Tracking procedures and account adjustment codes for Liberty Medical Center.

EXHIBIT A

Family Size	Billed 0%	Billed 20% of Charges	Billed 40% of Charges	Billed 60% of Charges	Billed 80% of Charges	Billed 100% of FULL FEE
1	\$0 - \$13,590	\$13590 - \$16987.5	\$16987.5 - \$20385	\$20385 - \$23782.5	\$23782.5 - \$27180	\$27180 and Above
2	\$13,591 - \$18,310	\$18310 - \$22887.5	\$22887.5 - \$27465	\$27465 - \$32042.5	\$32042.5 - \$36620	\$36620 and Above
3	\$18,311 - \$23,030	\$23030 - \$28787.5	\$28787.5 - \$34545	\$34545 - \$40302.5	\$40302.5 - \$46060	\$46060 and Above
4	\$23,031 - \$27,750	\$27750 - \$34687.5	\$34687.5 - \$41625	\$41625 - \$48562.5	\$48562.5 - \$55500	\$55500 and Above
5	\$27,751 - \$32,470	\$32470 - \$40587.5	\$40587.5 - \$48705	\$48705 - \$56822.5	\$56822.5 - \$64940	\$64940 and Above
6	\$32,471 - \$37,190	\$37190 - \$46487.5	\$46487.5 - \$55785	\$55785 - \$65082.5	\$65082.5 - \$74380	\$74380 and Above
7	\$37,191 - \$41,910	\$41910 - \$52387.5	\$52387.5 - \$62865	\$62865 - \$73342.5	\$73342.5 - \$83820	\$83820 and Above
8	\$41,911 - \$46,630	\$46630 - \$58287.5	\$58287.5 - \$69945	\$69945 - \$81602.5	\$81602.5 - \$93260	\$93260 and Above
Each Add'l Family Member	\$ 4,720	\$ 5,900	\$ 7,080	\$ 8,260	\$ 9,440	\$ -

*Based on U.S. Federal Poverty Guidelines (aspe.hhs.gov/poverty-guidelines)