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|  Ephraim McDowell Health. | |
| EMH SYSTEM-WIDE HOSPITAL POLICY EMRMC, EMFLH AND EMJBH | Policy #: EMH SWH 044 |
| TITLE: FINANCIAL ASSISTANCE PROGRAM | |
| APPROVAL SIGNATURES: Executive V.P./C.F.O.:  | |
| Origination Date: 10/01/2016 Approval Date: 3.21.19 | |

I. PURPOSE

A. Ephraim McDowell Health (“EMH”) is committed to providing a healing environment in the communities we serve. As a 501(c) 3 tax exempt organization, EMH recognizes the responsibility to provide financial assistance to those Patients who cannot afford to pay for services. The purpose of this policy is to identify ways that Ephraim McDowell Health makes quality health care available, affordable and accessible to all, regardless of the ability to pay, ability to qualify for financial assistance, or the availability of third-party coverage. This policy provides the basic framework for the Financial Assistance Program that will apply to each Hospital that is owned and/or operated by EMH.

B. This policy is intended to comply with Section 501(r) of the Internal Revenue Code and the related regulations. This policy describes: (1) the eligibility criteria for financial assistance, and whether such assistance includes free or discounted care; (2) the basis for calculating amounts charged to Patients; and (3) the method for applying for financial assistance. A separate policy, available online at <http://www.emhealth.org> or by asking any Patient Financial Services Counselor, addresses what collection actions the Hospital may take in the event of non-payment, including civil collection actions and reporting to consumer credit reporting agencies for Patients that do not qualify for financial assistance.

C. This policy will be effective upon adoption by the Finance Committee of the Board of Directors for each respective Hospital, acting in its capacity as the governing body for each Hospital and will constitute the official financial assistance policy (within the meaning of Section 501(r) of the Internal Revenue Code) for each such Hospital. The committee will review this policy annually on behalf of each of the EMH entities.

II. DEFINITIONS

A. Amounts Generally Billed (AGB) means the usual and customary charges for Covered Services (as defined below) provided to individuals eligible under the Financial Assistance Program, multiplied by the Hospital-Specific AGB Percentage (as defined below) applicable to such services.

B. Asset means cash or cash equivalents (e.g. certificates of deposit) and nonretirement investments.

- C. Billing and Collections Policy means the EMH organizational policy entitled “Billing and Collection Policy” (Policy #: EMH SWH 045) for self-pay accounts.
- D. Covered Services means those inpatient and outpatient services provided by a Hospital which are medically necessary in accordance with the standards of EMH’s Medicare fiscal intermediary.
- E. Emergency Condition means a medical condition that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to result in placing the Patient’s health (or in the case of a pregnant woman, an unborn child) in serious jeopardy, result in serious impairment to bodily functions or, result in serious dysfunction of any bodily organ or part. A pregnant woman with contractions is considered to have an Emergency Condition.
- F. Emergency Services means the services necessary and appropriate to treat an Emergency Condition.
- G. FAP-Eligible Individual means an individual eligible for financial assistance under this policy pursuant to Section III.C of this policy.
- H. Financial Assistance means the free or discounted Covered Services provided to FAP-Eligible Individuals.
- I. Hospital means each state-licensed Hospital facility (including their outpatient departments) operated by EMH or by corporate entities of which EMH is the sole member, including Ephraim McDowell Regional Medical Center, Ephraim McDowell Fort Logan Hospital and Ephraim McDowell James B Haggin Hospital at which their respective Board of Directors have governing authority over the operations of each Hospital.
- J. Hospital-Specific AGB Percentage means for each Hospital, a percentage derived by dividing (1) the sum of all payments received for medically necessary services provided at such Hospital during the relevant period by Medicare fee-for-service, by (2) the usual and customary gross charges for such medically necessary services. The Hospital-Specific AGB Percentages shall be calculated for the initial relevant period no later than September 30, 2016. Thereafter, the Hospital-Specific AGB Percentage shall be calculated no later than September 30 of each year. Each Hospital-Specific AGB Percentage will be effective until the next annual calculation of the Hospital-Specific AGB Percentage based on the most recent relevant period. The calculation of each Hospital’s AGB percentage will comply with the “look-back method” described in Treasury Regulation § 1-501(r)(1)(B). The current year’s Hospital-Specific AGB Percentage and written information describing how it is calculated may be obtained in writing and free of charge by calling 859-239-2333.
- K. Household Size means husband and wife (if applicable) and any children or family members that can be counted as dependents for tax purposes.

- L. Medicaid means all State and Federal Programs which include (but are not limited to) Medicaid and Medicaid Managed Care Organizations.
- M. Medically Necessary or Medically Necessary Care means those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be medically necessary taking into account the most appropriate level of care. Depending on the Patient's medical condition, the most appropriate setting for the provision of care may be a home, a physician's office, an outpatient facility, or a long-term care rehabilitation or Hospital bed. To be Medically Necessary, a service must:
1. Be required to identify, treat or prevent an illness or injury;
 2. Be consistent with the diagnosis and treatment of the Patient's conditions;
 3. Be in accordance with the standards of good medical practice in the community;
 4. Be provided for medical reasons rather than primarily for the convenience of the Patient, the Patient's caregiver, or the Patient's physician; and
 5. Be the level of care most appropriate for the Patient as determined by the Patient's medical condition and not the Patient's financial or family situation.

Medically Necessary does **NOT** include the following:

1. Elective cosmetic surgery (but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity);
 2. Surgical weight loss procedures;
 3. Experimental procedures, including non-FDA approved procedures and devices or implants;
 4. Services for which prior authorization is denied by the Patient's insurance carrier;
 5. Cost of specialty replacement lenses;
 6. Hearing aids and hearing aid repair;
 7. Fertility treatment; and
 8. Services or procedures for which there is a reasonable substitute or if the Patient's insurance company will provide a service or procedure that is a covered service or procedure.
- N. Patient means the person receiving or registered to receive medical treatment.
- O. PFS means Patient Financial Services, the operating unit of EMH responsible for billing and collecting self-pay accounts for Hospital/clinic services.
- P. Plain Language Summary means a summary that notifies an individual that EMH offers financial assistance under the Financial Assistance Program in language

that is clear, concise, and easy to understand. The Plain Language Summary is attached in **Exhibit A** of this policy.

- R. Relevant Period means the 12-month period from October 1 to September 30.
- S. Uninsured Patient means a Patient without benefit of health insurance or government programs that may be billed for covered services provided to them for physician services, Hospital services, and/or home health services, and who is not otherwise excluded from this policy under section III.C below.
- T. Usual and Customary Charges means the rates for Covered Services as set forth in the charge master for that Hospital at the time the Covered Services are rendered.

III. **POLICY**

Overview: EMH is dedicated to providing quality healthcare to all Patients regardless of age, sex, sexual orientation, gender identity, race, color, religion, disability, veteran status, national origin and/or ability to pay. This policy establishes the Financial Assistance Program that is available to Uninsured Patients and Patients with a balance due after insurance and copays if applicable if such Patient meets the eligibility criteria set out in Section III.C below. All Patients identified as Uninsured Patients will be referred to a representative of EMH who will screen the Uninsured Patient for Financial Assistance Program eligibility. If the Uninsured Patient is eligible for Medicaid or other state or federal programs, the Patient will be asked to apply for these programs. Should the Patient not be a candidate for any such federal or state programs, the EMH Financial Assistance Program application will be given to the Patient.

- A. Exclusions: The clinics at Ephraim McDowell Health are considered outpatient departments of the hospital. Due to this classification, this policy and the Financial Assistance Program hereunder applies to most services rendered or billed for physicians or mid-level providers within these clinics. However, this policy **does not** apply to charges for services from other providers whose services are coincident to those provided by EMH. For example, services provided by contracted Radiologists, Pathologists, Anesthesiologists, Hospitalists and Emergency Room Physicians are not covered by this policy. For a list of providers covered under this Financial Assistance Policy, please see **Exhibit D**. Providers not listed on **Exhibit D** do not follow this Policy.
- B. Methods for Applying for Financial Assistance: Patients may apply for the Financial Assistance Program by any of the following means:
 - 1. Advising PFS personnel at or prior to the time of registration that they are an uninsured or under insured Patient.
 - a) PFS personnel will offer the Patient the application for financial assistance.
 - b) PFS personnel will offer to assist the Patient in applying for Medicaid or will refer to the appropriate person to assist in completing the Medicaid application.
 - 2. Downloading and printing the application form from the Ephraim McDowell Health website and mailing a completed application form to the

Financial Counselors at the address on the application form. The link to the Ephraim McDowell Health website is as follows:
<http://www.emhealth.org>.

3. Requesting an application form by phone: 859-239-2333. The Financial Assistance Program application (with instructions) and Plain Language Summary will be mailed to the requestor, free of charge.

C. Eligibility Criteria and Determination: Except as otherwise provided herein, an Uninsured Patient or a Patient with a balance due after insurance will ordinarily be eligible for the Financial Assistance Program if he or she meets each of the following requirements:

1. Completes the Financial Assistance Program application attached as **Exhibit B** of this policy (which must be completed every 6 months and will be applied to account balances retroactively for a period of 3 months from the date of the financial assistance application if no prior application is on file);
2. Has an annual household income (including Assets) equal to or less than 300% of the Federal Poverty Level;
3. If requested by EMH to apply for Medicaid or other state or federal programs, fully cooperates in the application and eligibility determination process;
4. Is denied Medicaid coverage; and
5. Complies with all Patient responsibilities listed in section III.E.

Under the Financial Assistance Program, Uninsured Patients and Patients with a balance due after insurance that have a household income (including Assets such as checking or savings accounts) at or below 125% of the Federal Poverty Guidelines are eligible for 100% assistance.

A sliding scale of discounted charges is available for those Uninsured Patients and Patients with a balance due after insurance that have a household income of up to 300% of the Federal Poverty Guidelines in accordance with **Exhibit C**. The discounts set forth in the sliding scale are calculated by multiplying the sliding scale percentage discount by the gross charges associated with the emergency and Medically Necessary Care provided.

A FAP-Eligible Individual will not be charged for Emergency Services or other Medically Necessary Care in an amount greater than the amount generally billed to individuals who have insurance coverage for such care. For all other medical care provided to FAP-Eligible Individuals, EMH will limit its charges to less than gross charges.

D. Patient Responsibilities: To be eligible for Financial Assistance, Patients must complete the required application form truthfully and submit all applicable documentation. Patients must respond to the Hospital's requests for information or documentation in a timely manner. A Patient who is requested to apply for Medicaid or other state or federal programs but does not cooperate fully with the application and eligibility determination process may not be eligible for participation in the Financial Assistance Program. Patients must notify the Hospital promptly of any change in financial situation so that the Hospital can assess the change's impact on that individual's eligibility for Financial Assistance. If a Patient knowingly provides untrue information, he or she will be

ineligible for financial assistance, any financial assistance that has been granted may be reversed, and the individual may become responsible for paying his or her entire bill.

- E. Discounts and Adjustments: Covered Services will be eligible for discounts, in whole or part, if a FAP-Eligible Individual is approved for participation in the Financial Assistance Program with successful completion of Financial Assistance Program application and necessary documents in accordance with section III.C of this policy. Upon approval, discounts and adjustments will be processed promptly in accordance with PFS procedures.
- F. Authority for Discounts: Financial Assistance Program discounts will be granted subject to the following approval limits:
 - 1. Up to \$5,000 – Financial Counselor
 - 2. Up to \$50,000 – Business Office Supervisor/Manager
 - 3. Up to \$100,000 – Business Office Director
 - 4. Over \$100,000 – Chief Financial Officer
- G. Payment Plans: EMH offers interest free payment plans for Patients for the amounts that they are personally responsible for paying, after applying any insurance reimbursements or discounts under this policy. To participate in EMH's payment plans, the Patient's remaining balance must be paid at a minimum of \$100 a month and be able to be paid off in 12 months or less. Examples: 1) Remaining balance on account is \$1,000. The monthly minimum payment of \$100 would meet the criteria of being paid off within 12 months. 2) Remaining balance on account is \$1,500. A monthly minimum payment of \$125 would meet the criteria of being paid off within 12 months.
- H. Point of Service Discount Policy: EMH offers a point of service discount if the estimated Patient responsibility is paid in full on the date of service or discharge.
- I. Collection of Balances Owed by Patients: Billing and Collections Policy: EMH Hospitals may take certain actions, including collection actions and reporting to credit agencies, against Patients, including FAP-Eligible individuals, if they do not pay the amounts for which they are responsible to pay as described in a separate Billing and Collections Policy. Under the Billing and Collections Policy, EMH will not engage in certain collection actions until it has taken reasonable efforts to determine whether a Patient who has an unpaid balance is eligible for Financial Assistance under this policy. The Billing and Collections Policy is available on EMH's website at <http://www.emhealth.org>. In addition a free copy of the Billing and Collections Policy can be obtained by any member of the public upon request to a Patient Financial Services Counselor or by calling 859-239-2333.

IV. Availability of Financial Assistance Program Documents:

Each Hospital will widely publicize this program with the community it serves. To that end, EMH will take the following steps to ensure that members of the communities to be served by its Hospitals are aware of the policy and have access to the policy.

- 1. EMH will Post the Plain Language Summary on its webpage along with downloadable copies of this Financial Assistance Policy, the Billing and Collections Policy, and the Financial Assistance Application form and

instructions. There will be no fee for accessing these materials. The EMH website (www.emhealth.org) will either include conspicuous links to these materials or have a conspicuous link to another webpage with links to these materials.

2. EMH will make available, without charge, upon request to Patients and their families paper copies of the policy, the Plain Language Summary, the application form and the Billing and Collections Policy in public locations throughout its Hospitals (including, but not limited to, admission areas and the emergency department).
3. EMH will mail paper copies of this Financial Assistance Policy, the Billing and Collections Policy, the Plain Language Summary, and the Financial Assistance Application form and instructions without charge upon request. Copies may be sent electronically instead if the Patient requests.
4. EMH will make available, in both print and online, this Financial Assistance Policy, the Billing and Collections Policy, the Plain Language Summary, and the Financial Assistance Application form and instructions in English and Spanish.
5. Each billing statement shall include a conspicuous written notice that notifies and informs the recipient about the availability of Financial Assistance under this policy and includes the telephone number of the Hospital department or office that can provide information about the Financial Assistance Program or application process and the website address or URL where copies of this Financial Assistance Policy, the Billing and Collections Policy, the Plain Language Summary, and the Financial Assistance Application form and instructions may be found.
6. Each Hospital will include information on the availability of financial assistance in Patient guides provided to Patients at registration.
7. EMH will make information regarding this policy available to appropriate governmental agencies and nonprofit organizations dealing with public health in EMH's service areas in order to reach those members of the community that are most likely to need Financial Assistance.
8. EMH will inform and notify visitors to the Hospitals about the Financial Assistance Program through conspicuous public displays or other measure(s) reasonably calculated to attract the attention of visitors in public locations (including, but not limited to admissions areas and the emergency departments) of the Hospitals. This may include posting signs and displaying brochures about the Financial Assistance Program in public locations in the Hospitals.