

Mercy Health System Corporation Policy: Financial Assistance

Approved: 5/25/2016

Effective: 7/01/2016

I. OBJECTIVE

The objective of this policy is to provide written criteria for determining whether patients seeking medical care from Mercy Health Corporation (Mercyhealth) entities are eligible for various forms of Financial Assistance and also to provide guidelines for the provision of Financial Assistance to such patients.

This policy is intended to comply with Section 501(r) of the Internal Revenue Code and other applicable law, which in Illinois includes the Illinois Hospital Uninsured Patient Discount Act (HUPDA) and the Illinois Fair Patient Billing Act. If the provision of Financial Assistance becomes subject to additional federal, state, or local law requirements, and those laws impose more stringent requirements than are described in this policy, then those laws will govern how Mercyhealth administers its Financial Assistance program.

II. POLICY OVERVIEW

At Mercyhealth, all patients are treated with dignity and respect regardless of their ability to pay. MHRS will generally limit the consideration of Financial Assistance to applicants that reside within the communities it serves. Emergency stabilizing services will never be denied or delayed on the basis of a patient's ability to pay. Every Mercyhealth hospital provides, without discrimination, Emergency Medical Care to individuals regardless of ability to pay or eligibility for Financial Assistance. (For Rockford Memorial Hospital the Emergency Medical Care policy is "**Emergency Medical Treatment at RMH / EMTALA Compliance**". For all other Mercyhealth hospitals, the Emergency Medical Care policy is "**EMTALA Screening, Treatment & Transfer of Patients**".)

Any patient eligible for Financial Assistance under this policy will not be charged more for Emergency Medical Care or Medically Necessary care provided by the hospital (inpatient or outpatient departments) than the amount generally billed (AGB) to insured patients.

Financial Assistance will be provided only when care is deemed Medically Necessary (including Emergency Medical Care) and after patients have been found to meet all financial criteria. Patients seeking Financial Assistance may first be asked to apply for external programs (such as Medicaid or insurance through the public marketplace) as appropriate before eligibility under this policy is determined. Additionally, any uninsured patients who are believed to have the financial ability to purchase health insurance may be required to do so.

The Patient Accounting Department leadership has final authority to determine whether a Mercyhealth hospital has made reasonable efforts to determine eligibility for Financial Assistance programs.

III. DEFINITIONS:

The following terms are defined as follows for purposes of this policy:

- A. **Financial Assistance:** The Presumptive Charity Care, Traditional Charity Care, Catastrophic Financial Assistance, and Illinois Hospital Patient Uninsured Discount Act (HUPDA) programs described herein. Financial Assistance is available only for the providers or groups specified as “COVERED” in the list of Providers Covered and Not Covered Under Mercyhealth’s Hospital Financial Assistance Policy. That list is available as described in Section VII.
- B. **Medically Necessary:** Except in relation to the HUPDA program, “Medically Necessary” means hospital services or supplies (inpatient or outpatient) needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine, including Emergency Medical Care. “Medically Necessary” does not include elective or cosmetic tests or procedures or prescription drugs/supplies not administered in the hospital.
- C. **Emergency Medical Care:** Care provided by the hospital for emergency medical conditions as defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd).
- D. **Uninsured:** A hospital patient without any health insurance or coverage.
- E. **Amount Generally Billed (AGB):** The amount generally billed to insured patients for Emergency Medical Care or Medically Necessary care. The AGB is determined as described in Section V below.
- F. **Gross Charges:** The full amount charged by a Mercyhealth hospital for items and services before any discounts, contractual allowances, or deductions are applied.
- G. **Patient Responsibility Balance:** The balance for items and services after any insurance, other third-party coverage, and other applicable deductions (except Financial Assistance) have been applied.
- H. **Presumptive Eligibility:** The process by which the hospital may use previous eligibility determinations and/or information from sources other than the individual to determine eligibility for Financial Assistance.

IV. FINANCIAL ASSISTANCE PROGRAMS AND ELIGIBILITY CRITERIA

As part of Mercyhealth's mission to provide comprehensive, compassionate coordinated health care to our patients, we offer several Financial Assistance programs. Eligibility for Financial Assistance is generally based on family income at or below certain established federal poverty level guidelines. A patient failing to meet the criteria related to financial income may be qualified for Presumptive Charity Care (see below).

If a patient is eligible for more than one program, Mercyhealth will approve the greatest benefit amount available under the programs. If Financial Assistance is approved, the award will be for a specific, single episode of care. On a case-by-case basis and consistent with applicable law, other outstanding receivables, including bad debt, may be waived if it can be documented that the patient met eligibility for Financial Assistance at the time of the prior services.

All programs require proof of residency. All programs except the Presumptive Charity Care program require patients to submit a complete Financial Assistance application. An application is not considered complete unless it includes all documentation required by the application. Mercyhealth may, from time to time, utilize outside third-party sources to help determine Financial Assistance eligibility. For example, these third-party sources may provide information about Medicaid eligibility, residency, or credit scores.

- A. **Presumptive Charity Care** – Hospital bills for patients meeting certain Mercyhealth requirements are categorically reduced by 100% on an episodic basis for any patient liability. All third-party liability must be exhausted.
- For specific Illinois policy and procedure please see Attachment A.
 - For specific Wisconsin policy and procedure please see Attachment B.
- B. **Traditional Charity Care** – For patients meeting the criteria below and submitting a complete application, patient liability is reduced. All third-party payment sources must be exhausted.
- For patients who are otherwise qualified and have a family household income equal to or less than 200% of the federal poverty guidelines, patient liability will be reduced by 100%.
 - For patients who are otherwise qualified and have a family household income ranging from 201% to 300% of the federal poverty guidelines, patient liability will be determined on a sliding fee scale. For the scale, see Attachment C.
 - A new completed application will be required for each episode of care or at any time additional information relevant to the eligibility of the patient for Financial Assistance becomes known.
 - NOTE: Wisconsin facilities require proof of non-retirement assets. For more information please see Attachment B.
- C. **Catastrophic Financial Assistance** - Patients seeking care at Rockford Memorial Hospital may qualify for Catastrophic Financial Assistance. A description of this program is contained on Attachment A.

- D. **Illinois Hospital Patient Uninsured Discount Act (HUPDA)** - Uninsured patients residing in and receiving care in Illinois may qualify for scaled discounts to medical fees. A further description of these discounts is contained on Attachment A.

All uninsured patients not qualifying for one of the above Financial Assistance programs will be granted an uninsured patient discount. There is no dollar limit to the uninsured patient discount. No additional approval is required for the uninsured patient discount. Because the uninsured patient discount is not based on financial need, the uninsured patient discount is not subject to the Amount Generally Billed (AGB) limitation described in Section V.

V. CALCULATING AMOUNTS CHARGED TO PATIENTS

Notwithstanding anything else in this policy, once eligibility for Financial Assistance has been established, Mercyhealth will not charge patients who are eligible for Financial Assistance under this policy more than the amounts generally billed (AGB) to insured patients for Emergency Medical Care or Medically Necessary care.

To calculate the AGB, Mercyhealth uses the “look-back” method described in Section 4(b)(2) of the IRS and Treasury’s 501(r) final rule.

In this method, Mercyhealth uses data based on claims sent to Medicare’s fee-for-service program and all private commercial insurers for Emergency Medical Care and Medically Necessary care over the past year to determine the percentage of Gross Charges that is typically allowed by these insurers. Mercyhealth uses data from for a 12-month period beginning April 1 through March 31 and will adjust the AGB percentage yearly, effective each July 1. The current AGB for each hospital is listed in Attachments A and B.

Any discount is applied to the Patient Responsibility Balance for Emergency Medical Care or Medically Necessary care. A discount may only be used to cover deductibles, coinsurances, and copays for services if permitted by law and the hospital’s reimbursement contracts.

VI. PAYMENT PLANS AND COLLECTIONS AND OTHER ACTIONS TAKEN IN THE EVENT OF NON-PAYMENT

Payment plans may be approved with a duration of up to 24 months and a minimum payment of fifty dollars (\$50) per month for individuals receiving partial Financial Assistance, as well as other qualified individuals. No interest will accrue to account balances. If an individual complies with the approved payment plan’s terms, then no collection action will be taken.

The collection actions Mercyhealth may take if a Financial Assistance application and/or payment is not received are described in a separate policy (one for Rockford Memorial Hospital and one for the other hospitals). You can request a free copy of this full policy in person or by mail using the contact information below.

VII. CONFIDENTIALITY

Mercyhealth respects the confidentiality and dignity of its patients and understands that applying for Financial Assistance may be a sensitive issue. All application information is subject to Mercyhealth privacy practices.

VIII. HOW TO APPLY AND FIND OTHER KEY DOCUMENTS

The list of providers covered by this policy is maintained in a separate document, which may be obtained free of charge through the websites and contact points listed below.

To obtain a free copy of the Financial Assistance application or to apply, please visit or call the appropriate location listed below. People at the telephone numbers listed below can provide assistance with the Financial Assistance application.

In Illinois:

Rockford Memorial Hospital
2400 North Rockton Avenue- Patient Financial Services
Rockford IL 61103
(815) 971-6313 or toll free 1-800-987-4170
<https://mychart.rhsnet.org/mychart/>
Monday through Friday, 8 am to 4:30 pm
Or on our website at www.rhsnet.org

In Wisconsin:

MercyCare Building
580 N. Washington Street-Customer Service Department
Janesville, WI 53547
(608) 741-7630 or toll free (866) 269-7115
e-mail: custserv@mhsjvl.org
Monday through Friday 8am to 4:30pm
Or on our website at www.mercyhealthsystem.org

Paper copies of the Financial Assistance application are also available in the following locations at Rockford Memorial Hospital, Mercy Hospital and Trauma Center, Mercy Walworth Hospital and Medical Center, and Mercy Harvard Hospital:

Emergency Departments
Medical Labs
Admitting Departments
Outpatient Radiology
Registration Desks
Patient Financial Services Customer Service

Completed applications should be returned or mailed to the same address.

This policy and its supporting documentation (i.e., Financial Assistance application) will be made available on the websites listed above in a format that can be easily downloaded, viewed and printed. The website may also include a plain language summary of the policy. Paper copies of this policy, application, and plain language summary of this policy will be made available upon request, without charge, at locations in the hospital and by mail. Signage detailing the availability of Financial Assistance will be visibly displayed and content concerning Financial Assistance will be available on the websites listed above.

ATTACHMENT A

Illinois Hospitals

The following relate to patients receiving care provided by Illinois hospitals. The AGB for Rockford Memorial Hospital is currently 37%. The AGB for Mercy Harvard Hospital is currently 44%.

A) Illinois Presumptive Charity Care: Patients of Rockford Memorial Hospital and Mercy Harvard Hospital will automatically qualify for Presumptive Charity if:

- Patient is currently eligible for Medicaid for other dates of service or services deemed non-covered by Medicaid; or,
- Patient is enrolled in, or eligible for, an assistance program for low income individuals (WIC, SNAP, IL Free Breakfast/Lunch Program, Low Income Home Energy Assistance Program, Community Based Medical Assistance, TANF (Temporary Assistance for Needy Families), the Illinois Housing Development Authority's Rental Housing Support Program, or receiving Grant Assistance); or,
- Patient is homeless, deceased with no estate, or is mentally incapacitated with no one to act on patient's behalf.

This policy is intended to serve as Mercyhealth's Presumptive Eligibility Policy, as required by law. Mercyhealth will apply the appropriate presumptive eligibility criteria to patients as soon as possible after they receive health care services from Mercyhealth and, in the case of Rockford Memorial Hospital and Mercy Harvard Hospital, before Mercyhealth issues any bills to them for the care.

B) Illinois Hospital Patient Uninsured Discount Act (HUPDA): A scaled discount is available for patients of Rockford Memorial Hospital and Mercy Harvard Hospital under the following guidelines:

- Patient must be an Illinois resident; and,
- Patient must have no other form of third-party insurance, and,
- Patient has a family income of 600% or less of the federal poverty Level.

This discount applies only to "medically necessary" services, which are defined differently for HUPDA than the other programs described in this policy. Under Illinois law, "medically necessary" in relation to HUPDA means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient, covered under Medicare for beneficiaries with the same clinical presentation as the patient eligible for Financial Assistance. A "medically necessary" service does not include any of the following: (1) non-medical services such as social and vocational services; or (2) elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.

Uninsured patients who are otherwise qualified and have a family household income equal to or less than 200% of the federal poverty guidelines shall receive a 100%

discount on any bill for medically necessary services exceeding \$300 in any one inpatient admission or outpatient encounter.

For all other uninsured patients that qualify for HUPDA, charges for medically necessary services exceeding \$300 in any one inpatient admission or outpatient encounter shall be subject to an “Uninsured Discount”. The Uninsured Discount shall be calculated using the following formula: $[1 - (1.35 \times \text{ratio of cost to charges})] \times \text{charges}$.

Over a 12-month period, hospitals cannot collect more than 25% of family gross income from a HUPDA-eligible patient.

Catastrophic Financial Assistance is available to all uninsured patients who have a balance owed for medical care to Rockford Memorial Hospital in excess of 30% of their family annual income. In order to qualify for Catastrophic Financial Assistance, the patient’s family medical expenses related to Rockford Memorial Hospital covering a 12-month period of time from date of service must exceed 30% of family income for that same period of time.

ATTACHMENT B

Wisconsin Hospitals

The following relate to patients receiving care provided by Wisconsin hospitals. The AGB for Mercy Hospital and Trauma Center is currently 37.5% and the AGB for Mercy Walworth Hospital and Medical Center is 49%.

Unauthorized immigrants: These patients generally are not eligible for Financial Assistance at Wisconsin hospitals.

Proof of non-retirement financial assets for Charity Care (ALL applicable documents required): Checking/Savings Accounts, Stocks, Certificates of Deposit, Mutual Funds, Health Savings/Flexible Spending Accounts, or Credit Union Accounts

Wisconsin Presumptive Charity Care: Patients will automatically qualify for Presumptive Charity if:

- Patient is currently eligible for Medicaid for other dates of service or services deemed non-covered by Medicaid; or,
- Patient is homeless, deceased with no estate, or has a confirmed bankruptcy.

ATTACHMENT C

Discount Applied To Patient Responsibility Balance for Traditional Charity Care

2016 Federal Poverty Guidelines and Patient Responsible Percentages						
Family Size	2016 Poverty Guidelines	Tier 200% or Less of Poverty Guidelines 100% Discount	Tier 201-225% of Poverty Guidelines 80% Discount	Tier 226-250% of Poverty Guidelines 60% Discount	Tier 251-275% of Poverty Guidelines 40% Discount	Tier 276-300% of Poverty Guidelines 20% Discount
1	\$11,880	\$23,878	\$23,879 - \$26,848	\$26,849 - \$29,818	\$29,819 - \$32,788	\$32,789 - \$35,758
2	\$16,020	\$32,199	\$32,200 - \$36,204	\$36,205 - \$40,209	\$40,210 - \$44,214	\$44,215 - \$48,219
3	\$20,160	\$40,521	\$40,522 - \$45,561	\$45,562 - \$50,601	\$50,602 - \$55,641	\$55,642 - \$60,680
4	\$24,300	\$48,842	\$48,843 - \$54,917	\$54,918 - \$60,992	\$60,993 - \$67,067	\$67,068 - \$73,141
5	\$28,440	\$57,163	\$57,164 - \$64,273	\$64,274 - \$71,383	\$71,384 - \$78,493	\$78,494 - \$85,602
6	\$32,580	\$65,485	\$65,486 - \$73,630	\$73,631 - \$81,775	\$81,776 - \$89,920	\$89,921 - \$98,063
7	\$36,730	\$73,826	\$73,827 - \$83,009	\$83,010 - \$92,191	\$92,192 - \$101,374	\$101,375 - \$110,554
8	\$40,890	\$82,188	\$82,189 - \$92,410	\$92,411 - \$102,633	\$102,634 - \$112,855	\$112,856 - \$123,075
Due from Patient		0%	20%	40%	60%	80%

*In the event that this discount results in a charge for Emergency Medical Care or Medically Necessary care greater than the amount generally billed (AGB) to insured patients, the charge will be limited to the AGB.