

- Mercyhealth—All**
- Mercyhealth Hospital-Rockford
  - Rockton
  - Riverside
- Mercyhealth Hospital & Medical Center-Harvard
- Mercyhealth Hospital & Trauma Center-Janesville
- Mercyhealth Hospital & Medical Center-Walworth
- MercyCare Health Plans
- Ambulatory Care Facilities
  - MHS
  - RPH
- Mercyhealth At Home-Janesville
- Mercyhealth At Home-Rockford
- Mercyhealth Transitional Care Center
- Mercyhealth Care Center-Harvard

**Mercy Health Corporation (dba Mercyhealth)**       **POLICY**     **PROCEDURE**

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Subject:      Hospital Financial Assistance Policy

Manual and Section: General Administration - 200

Approvals and Dates: Executive Council 12/21/2021

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Effective Date: 01/01/2022

Date of Last Revision: 10/12/2021

Next Review Due:

Reviewed Date: 10/12/2021

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Owner & Title: VP Revenue Cycle and Chief Financial Officer

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## **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. Mercyhealth entities include services provided at Javon Bea Hospital – Riverside, Javon Bea Hospital – Rockton, Mercyhealth Hospital and Medical Center – Harvard, Mercyhealth Hospital and Trauma Center – Janesville and Mercyhealth Hospital and Medical Center – Walworth.

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 Community Benefits Act, 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

44 to pay. Mercyhealth will generally limit the consideration of Financial Assistance to  
45 applicants that reside within the communities it serves. Emergency stabilizing services  
46 will never be denied or delayed on the basis of a patient’s ability to pay. Every  
47 Mercyhealth hospital provides, without discrimination, Emergency Medical Care to  
48 individuals regardless of ability to pay or eligibility for Financial Assistance. (For the  
49 Javon Bea Hospitals the Emergency Medical Care policy is “**Emergency Medical**  
50 **Treatment at Javon Bea Hospital / EMTALA Compliance**”. For all other  
51 Mercyhealth hospitals, the Emergency Medical Care policy is “**EMTALA Screening,**  
52 **Treatment & Transfer of Patients**”.)

53  
54 **Any patient eligible for Financial Assistance under this policy will not be charged**  
55 **more for Emergency Medical Care or Medically Necessary care provided by the**  
56 **hospital (inpatient or outpatient departments) than the amount generally billed**  
57 **(AGB) to insured patients.**

58  
59 Financial Assistance will be provided only when care is deemed Medically Necessary  
60 (including Emergency Medical Care) and after patients have been found to meet all  
61 financial criteria. Patients seeking Financial Assistance may first be asked to apply for  
62 external programs (such as Medicaid or insurance through the public marketplace) as  
63 appropriate before eligibility under this policy is determined. Additionally, any uninsured  
64 patients who are believed to have the financial ability to purchase health insurance may  
65 be required to do so.

66  
67 The Patient Financial Services Department leadership has final authority in determining  
68 whether Mercyhealth has made reasonable efforts to determine eligibility for all Financial  
69 Assistance programs.

### 70 71 **III. DEFINITIONS:**

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

- 73 A. **Financial Assistance:** The Presumptive Charity Care, Traditional Charity Care  
74 and Illinois Hospital Patient Uninsured Discount Act (HUPDA) programs  
75 described herein. Financial Assistance is available only for the providers or  
76 groups specified as “COVERED” in the list of Providers Covered and Not  
77 Covered under Mercyhealth’s Hospital Financial Assistance Supporting  
78 Information document. That list is available on our website at  
79 [www.mercyhealthsystem.org](http://www.mercyhealthsystem.org) or available free of charge as listed in Section VII.
- 80 B. **Medically Necessary:** Except in relation to the HUPDA program, “Medically  
81 Necessary” means hospital services or supplies (inpatient or outpatient) needed to  
82 diagnose or treat an illness, injury, condition, disease, or its symptoms and that  
83 meet accepted standards of medicine, including Emergency Medical Care.  
84 “Medically Necessary” does not include elective or cosmetic tests or procedures  
85 or prescription drugs/supplies not administered in the hospital.

- 86 C. **Emergency Medical Care:** Care provided by the hospital for emergency medical  
87 conditions as defined in Section 1867 of the Social Security Act (42 U.S.C.  
88 1395dd).
- 89 D. **Uninsured:** A hospital patient without any health insurance or coverage.
- 90 E. **Amount Generally Billed (AGB):** The amount generally billed to insured  
91 patients for Emergency Medical Care or Medically Necessary care. The AGB is  
92 determined as described in Section IV below.
- 93 F. **Gross Charges:** The full amount charged by a Mercyhealth hospital for items and  
94 services before any discounts, contractual allowances, or deductions are applied.
- 95 G. **Patient Responsibility Balance:** The balance for items and services after any  
96 insurance, other third-party coverage, and other applicable deductions (except  
97 Financial Assistance) have been applied.
- 98 H. **Presumptive Eligibility:** The process by which the hospital may use previous  
99 eligibility determinations and/or information from sources other than the  
100 individual to determine eligibility for Financial Assistance.

#### 101 **FINANCIAL ASSISTANCE PROGRAMS AND ELIGIBILITY CRITERIA**

102  
103 As part of Mercyhealth's mission to provide comprehensive, compassionate coordinated  
104 health care to our patients, we offer several Financial Assistance programs. Eligibility  
105 for Financial Assistance is generally based on family size and gross income at or below  
106 certain established federal poverty level guidelines. A patient failing to meet the criteria  
107 related to financial income may be qualified for Presumptive Charity Care (see below).

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

113 All programs require proof of residency within the communities we serve. All programs  
114 except the Presumptive Charity Care program require patients to submit all required  
115 documentation to be considered for eligibility. An application may not be considered  
116 complete unless it includes all documentation required by the application. Mercyhealth  
117 may, from time to time, utilize outside third-party sources to help determine Financial  
118 Assistance eligibility. For example, these third-party sources may provide information  
119 about Medicaid eligibility, residency, or credit scores.

- 120  
121 A. **Presumptive Charity Care** – Hospital bills for patients meeting certain  
122 Mercyhealth requirements are categorically reduced by 100% on an episodic  
123 basis for any patient liability. All third-party liability must be exhausted.  
124 Based on information received from third party sources, Mercyhealth may  
125 categorize an account as Presumptive Charity Care and reduce amounts up to  
126 100%, if Mercyhealth determines one or more of the following criteria  
127 applies; no other proof of income will be requested:

- 128 i. Patient is currently eligible for Medicaid for other dates of service or  
129 services deemed non-covered by Medicaid; or,  
130 ii. Homelessness;  
131 iii. Deceased with no estate;  
132 iv. Mental incapacitation with no one to act on the patient's behalf;  
133 v. Confirmed bankruptcy;  
134 vi. Patient is enrolled in or eligible for an assistance program for low  
135 income individuals including but not limited to:  
136 (i) Women, Infant and Children Nutrition Program (WIC);  
137 (ii) Supplemental Nutrition Assistance Program (SNAP);  
138 (iii) Illinois Free Lunch and Breakfast Program;  
139 (iv) Community Based Medical Assistance;  
140 (v) Temporary Assistance for Needy Families (TANF);  
141 (vi) Low income/subsidized housing is provided as a valid  
142 address;  
143 (vii) Receipt of grant assistance for medical services.

144

145 B. **Traditional Charity Care** – For patients meeting the criteria below and  
146 submitting a complete application, patient liability exceeding \$300.00 is  
147 reduced. All third-party payment sources must be exhausted.

- 148 • For patients who are otherwise qualified and have a gross family household  
149 income equal to or less than 200% of the federal poverty guidelines, patient  
150 liability will be reduced by 100%.
- 151 • For patients who are otherwise qualified and have a gross family household  
152 income ranging from 201% to 300% of the federal poverty guidelines,  
153 patient liability will be determined on a sliding fee scale. The scale is  
154 available in the Financial Assistance Supporting Information on our website  
155 at [www.mercyhealthsystem.org](http://www.mercyhealthsystem.org) or available free of charge as listed in  
156 Section VII.
- 157 • A new completed application process will be required for further services  
158 not included in the original approval notification. Traditional charity care is  
159 not considered an insurance plan.

160

161 C. **Illinois Hospital Patient Uninsured Discount Act (HUPDA)** - Uninsured  
162 patients residing in and receiving care in Illinois may qualify for scaled discounts  
163 to medical fees under the following guidelines:

164

- 165 i. Patient must be an Illinois resident; and,  
166 ii. Patient must have no other form of third-party insurance; and,  
167

- 168  
169           iii.    Patient has a family income of 600% or less of the federal poverty level or  
170                   300% or less for Mercyhealth Harvard Hospital.  
171

172   This discount applies only to “medically necessary” services, which are defined  
173 differently for HUPDA than the other programs described in this policy. Under Illinois  
174 law, “medically necessary” in relation to HUPDA means any inpatient or outpatient  
175 hospital service, including pharmaceuticals or supplies provided by a hospital to a patient,  
176 covered under Medicare for beneficiaries with the same clinical presentation as the  
177 patient eligible for Financial Assistance. A “medically necessary” service does not  
178 include any of the following: (1) non-medical services such as social and vocational  
179 services; or (2) elective cosmetic surgery, but not plastic surgery designed to correct  
180 disfigurement caused by injury, illness, or congenital defect or deformity.  
181

182   Uninsured patients who are otherwise qualified and have a family household income  
183 equal to or less than 200% of the federal poverty guidelines shall receive a 100%  
184 discount on any bill for medically necessary services exceeding \$150 in any one  
185 inpatient admission or outpatient encounter. The 100% discount applies to family  
186 household income equal to or less than 125% of the federal poverty guideline for Mercy  
187 Harvard Hospital.

188   For all other uninsured patients that qualify for HUPDA, charges for medically necessary  
189 services exceeding \$150 in any one inpatient admission or outpatient encounter shall be  
190 subject to an “Uninsured Discount”. The Uninsured Discount shall be calculated using  
191 the following formula:  $[1 - (1.35 \times \text{hospital ratio of cost to charges})] \times \text{charges}$ .  
192

193   Over a 12-month period, hospitals cannot collect more than 20% of family gross income  
194 from a HUPDA-eligible patient. An uninsured patient may apply for a discount within 90  
195 days of the date of discharge.  
196

197   All uninsured patients not qualifying for one of the above Financial Assistance programs  
198 will be granted an uninsured patient discount. There is no dollar limit to the uninsured  
199 patient discount. No additional approval is required for the uninsured patient discount.  
200 Because the uninsured patient discount is not based on financial need, the uninsured  
201 patient discount is not subject to the Amount Generally Billed (AGB) limitation  
202 described in Section IV.  
203

#### 204   **IV.    CALCULATING AMOUNTS CHARGED TO PATIENTS**

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206   Notwithstanding anything else in this policy, once eligibility for Financial Assistance has  
207 been established, Mercyhealth will not charge patients who are eligible for Financial  
208 Assistance under this policy more than the amounts generally billed (AGB) to insured  
209 patients for Emergency Medical Care or Medically Necessary care.  
210

211   To calculate the AGB, Mercyhealth uses the “look-back” method described in Section  
212 4(b)(2) of the IRS and Treasury’s 501(r) final rule.  
213

214 In this method, Mercyhealth uses data based on claims sent to Medicare’s fee-for-service  
215 program and all private commercial insurers for Emergency Medical Care and Medically  
216 Necessary care over the past year to determine the percentage of Gross Charges that is  
217 typically allowed by these insurers. Mercyhealth uses data for a 12-month period  
218 beginning April 1 through March 31 and will adjust the AGB percentage yearly, effective  
219 each July 1. The current AGB for each hospital is listed in the Financial Assistance  
220 Supporting Information on our website at [www.mercyhealthsystem.org](http://www.mercyhealthsystem.org) or available free  
221 of charge as listed in Section VII.

222

223 Any discount is applied to the Patient Responsibility Balance for Emergency Medical  
224 Care or Medically Necessary care. A discount may only be used to cover deductibles,  
225 coinsurances, and copays for balances exceeding \$300.00 if permitted by law and the  
226 hospital’s reimbursement contracts.

227

## 228 **V. CONFIDENTIALITY**

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

233

## 234 **VI. HOW TO APPLY AND FIND OTHER KEY DOCUMENTS**

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

239

240 There are multiple ways to obtain free copies of the Mercyhealth Financial Assistance  
241 Policy, a Financial Assistance Application, the Billing and Collections Policy, the Plain  
242 Language Summary and Spanish translations:

243

- 244 • Apply via MyChart: <https://mercyhealthsystem.org/mychart-login/>
- 245
- 246 • Visit our website at: <https://mercyhealthsystem.org/financial-policies/>
- 247
- 248 • Contact the Customer Service Department:

249

250 MercyCare Building  
251 580 N. Washington Street  
252 Janesville, WI 53547  
253 (608) 741-7630 or (866) 269-7115  
254 Monday through Friday, 8am to 4:30pm  
255 Email: [custserv@mhemail.org](mailto:custserv@mhemail.org)

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- 257 • Pick up a paper copy at the following locations:

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- Javon Bea Hospital – Riverside
- Javon Bea Hospital – Rockton
- Mercyhealth Hospital and Medical Center - Harvard
- Mercyhealth Hospital and Trauma Center – Janesville
- Mercyhealth Hospital and Medical Center – Walworth

Paper copies of the application are available for free upon request in the Emergency Departments and admissions areas at the following hospital locations: Javon Bea Hospital – Riverside, Javon Bea Hospital – Rockton, Mercyhealth Hospital and Medical Center – Harvard, Mercyhealth Hospital and Trauma Center – Janesville and Mercyhealth Hospital and Medical Center – Walworth.

**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, supporting information 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.