



Facility Name:	Mercy Revenue Cycle	
Policy / Procedure:	MHJC PSER Financial Assistance Policy_Hospital Billing	
Original Effective Date:	7/1/2020	
Version Effective Date:	12/17/2021	
Approved:	Garrett Kates (Exec Dir-Pat Receivables Mgmt)	Date: 12/17/2021

## PURPOSE

To identify and provide assistance to patients that are financially or medically indigent and demonstrate an inability to pay for medically necessary care provided to them or their dependents who qualify under the eligibility guidelines and evaluation processes defined in this policy.

In addition, this policy will contain the following descriptions:

- Eligibility criteria for financial assistance
- Describe the basis for calculating Amounts Generally Billed (AGB) to patients eligible for financial assistance under this policy
- Describe the method by which patients may apply for financial assistance
- Limit the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to the AGB
- Describe the actions that may be taken in the event of nonpayment
- List of provider departments covered by this hospital financial assistance policy

## SCOPE

This policy applies to the Mercy Southwest Missouri Community ONLY (Joplin Hospital, Columbus Hospital, Carthage Hospitals, Specialty Hospital Southeast Kansas and the Southwest Missouri Community Clinics). For the remainder of this policy, the term “Mercy” reflects only these locations.

## POLICY

Mercy affirms and maintains its commitment to meet the health and medical needs of our communities in a manner consistent with our Mission, Vision, and Core Values. Mercy reserves the right to define and revise the criteria which yield a determination of financial assistance.



Mercy will use financial counseling, point of service screening, and patient attestations as soon as practical during the intake and/or billing process to identify patients that may qualify for financial assistance.

Mercy grants financial assistance to patients for emergency and other medically necessary care based on need. The Federal Poverty Guidelines, which consider household income and household member size, are used in determining the level of financial assistance available. Financial assistance income ranges will be reviewed annually with the release of the Federal Income Poverty Guidelines and updated in the Mercy policy.

Patients who qualify for financial assistance will not be required to pay more than amounts generally billed to individuals receiving care at Mercy who have insurance covering such care. The amount generally billed to individuals who have insurance is established as a percentage discount based on a look back method that considers discounts allowed to Medicare fee-for service and all private health insurers that pay claims to Mercy Joplin Community hospital facilities. Patients who qualify for financial assistance will not be asked to pay more than 25% of the patient's liability. A determination of financial assistance will be a financial assistance benefit of no less than 75% of the patient's liability effective for a period of 45 days for patients that have been approved. Refer to Amount Generally Billed (AGB) under section IX for a detailed description.

Mercy will provide information regarding the Financial Assistance Program in the community via patient statements, signage and brochures in patient access areas and/or in the area of treatment. The paper Financial Assistance Application and Policy are available in both English and Spanish and may be requested from a provider's office, facility registration, Customer Service, or obtained at [www.mercy.net/JoplinFA](http://www.mercy.net/JoplinFA). Patients may call Customer Service to have an application verbally translated into additional languages and/or to receive assistance in filling out the application.

## **POLICY DEFINITIONS**

***Medically Necessary*** - Health care services or supplies needed to diagnose or treat an illness, injury, condition, disease or its symptoms and that meet accepted standards of medicine. Medical necessity according to an individual's medical coverage is guiding under the Financial Assistance Policy. In the event that an individual is uninsured, Medically Necessary is defined by Mercy. Medically Necessary excludes non-medical services generally provided for patient convenience or under other benefits including, but not limited to dental, vision, and hearing aid services.

***Household Income*** – Includes but not limited to earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income,



public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony, and other miscellaneous sources. The household income does not include child support, student loans, and student grants or non-cash benefits (such as food stamps and housing subsidies).

***Extraordinary Collection Action*** – hospital services that are past due, greater than 120 days from their first billed statement, can be subject to credit reporting and wage garnishment and may also result in service deferral, if accounts are not resolved with payment in full or a payment plan.

***Third-Party Tool*** – Vendor contracted to provide Mercy with estimated household income information for patients.

***Household Size*** – Number of persons living at same residence

## **PROCEDURE**

- I. Applications for Financial Assistance
  - a. A Financial Assistance Application may be submitted in writing (paper application) at any time. Applications may be found on Mercy.net/JoplinFA, mailed to the patient or provided at Mercy locations.
  
- II. Insurance Eligibility Screening
  - a. Mercy requires patients who qualify for insurance coverage to obtain coverage prior to requesting financial assistance.
  - b. All uninsured patients are required to complete an Insurance Eligibility Screening prior to consideration of their application.
  - c. Insured patients are not required to complete the Insurance Eligibility Screening before applying for financial assistance.
  - d. Mercy will ask patients to exhaust all alternate payment options including, but not limited to, local, state, and federal assistance programs (i.e. completing Medicaid Application or obtaining available insurance identified through partner agencies) and requiring patients to seek in-network care, before considering an application for financial assistance.
  
- III. Eligibility Determination
  - a. Assessment of a patient's financial status will utilize patient answers provided in written applications and documentation needed to validate current household income, assets and size of the household.
    - i. In extenuating circumstances that inhibit a patient from completing an application, a verbal application may be taken.



- ii. A third-party tool may be used to make or supplement an assessment of financial situation, as needed.
- b. Mercy uses the Federal Poverty Guidelines as outlined in Exhibit A to determine the level of financial assistance available to the patient.
- c. Extraordinary Collections Actions will be stayed during the pendency of financial assistance application review.

#### IV. Financial Assistance Patient Responsibility

- a. Depending on the Level of Financial Assistance granted, a patient may be required to still pay a portion of the cost for services. See Exhibit B.
- b. If patients qualifying for Levels 2 and 3 and do not pay the required deposit/cost-share amount, services may be deferred, or care agreement terminated. See [MHJC PSER Patient Financial Clearance Guidelines](#).
- c. Deposit/cost-share amounts will be applied to each service rendered and patients may be required to pay on more than one service, depending on the types of services they are receiving. Deposit/cost-share amounts or additional amount may also be billed after the service is rendered, if the amount collected at time of service does not satisfy all balances owed.

#### V. Coverage Period

- a. Patients who apply for financial assistance will be notified of eligibility (approval or denial) for financial assistance via a letter.
- b. If approved, patient will receive the appropriate financial discount on eligible services that were first billed to the patient in the prior 240 days. In addition, patient will receive the discount for eligible services received for 45 days from the date of the approval letter. At the end of 45 days, a patient must complete a new Financial Assistance Application.
- c. Eligibility obtained by submitting a Mercy Southwest Missouri Community Financial Assistance Application will not apply to services rendered in other Mercy communities. Patients will need to apply separately for services rendered outside of the Mercy Southwest Missouri community. Conversely, Financial Assistance approval in another Mercy community, will not translate to approval for services in the Mercy Southwest Missouri Community. A Mercy Southwest Missouri Community Financial Assistance application must be submitted for consideration of approval for services rendered in the Mercy Southwest Missouri community.

#### VI. Included and Excluded Services

- a. All Professional Services are excluded from the Hospital and Health Services Financial Assistance Policy unless specifically listed as



included. Reference the attached Exhibit C for a complete listing of included services.

- b. Non-emergent services received by insured patients that are not covered in-network by their insurance plan will not qualify for financial assistance unless their plan offers out-of-network benefits.
- c. Financial assistance will only apply to the patient's liability portion of the charge after all other third-party payments are applied.
- d. Financial assistance will not be granted if account(s) are related to a personal injury claim, lawsuit, workers compensation or probate of estate as examples.

VII. Non-Payment

- a. Mercy bills patients for their responsible portion via monthly statements. Patients are responsible for payment of their accounts. Patients receiving financial assistance are responsible for making payment arrangements on their remaining account balances within the statement period. If there is no payment or valid address for mailing within a 3-month statement period, the account can qualify for transfer to the collection agency. To prevent collection action, Mercy has financial counselors and customer service representatives available to assist in setting up payment options Monday through Friday, during business hours as noted on the statement.
- b. Accounts referred to the collection agency can be subject to additional collection efforts. Even when balances are with the collection agency, a patient can still request an application for financial assistance to be mailed from Mercy or the collection agency.
- c. Past due balances with a payment arrangement aged more than 120 days from the first date billed on a statement may be subject to Extraordinary Collection Action, up to and including liens, credit reporting, wage garnishment and service deferral in accordance with the Patient Financial Clearance Guidelines.

VIII. Catastrophic Financial Assistance

- a. If a patient has applied for Financial Assistance, yet does not meet traditional qualifications, Mercy will review for Catastrophic Financial Assistance potential.
- b. Mercy may provide Financial Assistance for eligible patients, or their guarantors, with household income greater than 250% of the Federal Poverty level when their balance (combined Hospital and Clinic), *for a specific episode of care*, exceeds 30% of their household income.
- c. For patients that meet this criterion for catastrophic eligibility, they will have their balance, *for that specific episode of care*, reduced to an amount equal to 30% of the household income.



IX. Amounts Generally Billed

- a. Mercy will use a look-back method for determining the amount generally billed (AGB). Under this method, a percentage discount is calculated annually on allowed claims for emergency and other medically necessary care provided to patients covered by Medicare fee-for-service and private health insurers over the last 12 months. Patients who qualify for financial assistance will not be required to pay more than amount generally billed to individuals receiving care at Mercy who have insurance covering such care. Mercy will limit the amount charged for emergency and medically necessary care provided to patients who are eligible for financial assistance under this policy to not more than the annually calculated AGB percentage.
- b. The AGB percentage will be calculated for each hospital and updated annually. Mercy will assess all facilities calculated AGB percentage individually and will utilize for the basis of this policy's determination the lowest of those calculations in respect of determining AGB as a basis for all facilities covered within this policy. (See Exhibit D).

**EXCEPTIONS**

- I. National Health Service Clinics (NHSC): A separate policy and application is designated for services received at the NHSC designated locations. The NHSC Application does not include any use of a third-party tool and patient financial situation is assessed solely based on the documents requested or as described in the policy. For these balances, the *NHSC-specific* application should be submitted by the patient. Patients requesting financial assistance consideration for Mercy services received outside the NHSC location as well will not be required to fill out both NHSC and standard Mercy applications, rather only standard Mercy financial assistance approval process should be followed.
  - a. For patients submitting both NHSC and Non-NHSC balances for consideration, the financial assistance discount percentage determined by the Mercy financial assistance screening and approval process will be applied to both NHSC and Non-NHSC balances.
  - b. In the event a patient is granted financial assistance through a NHSC application process, and later receives services at another Mercy Southwest Missouri Community location covered in the scope of this policy, Mercy will apply the NHSC financial assistance percentage determination to the appropriate Mercy balances for the remainder of the approved period, unless a significant variance in approval percentage is noted.
  - c. If a Non-NHSC balance does not qualify for financial assistance, the NHSC balance will be considered separately.



- II. Community Clinic Services: Other community clinic financial assistance programs supersede the Mercy Hospital and Health Services Financial Assistance Policy, except for the NHSC identified locations where the above exception will apply. Otherwise, reference local community policies.
- III. International Financial Assistance Policy: Patients who are granted Financial Assistance under the International Financial Assistance Policy are excluded from this policy. See the International Finance Assistance Policy.
- IV. Patient Financial Status – Patients who are incarcerated or homeless and confirmed no other liable party can be billed, will be deemed 100% financial assistance. Bankruptcy accounts upon notification of filing will be deemed 100% charitable. Deceased will be reviewed by Third Party Vendor and once determined uncollectible, will be deemed 100% charity unless bad debt placement has exceeded 365 days then will be deemed 100% uncollectible bad debt.
- V. Revenue Cycle Management- Accounts being managed under a client/third party relationship will be granted financial assistance according to the discount percentage in their own policy, exclusive of this discount percentage scale.
- VI. Obstetric Labor and Delivery – applicable to deliveries at onset of this policy effective date 7.1.2020. Patient is expected to work with Mercy to validate financial information as Mercy may use the third-party tool for a financial determination for assistance.

## **DISTRIBUTION**

- I. Collection Agencies
- II. Financial Leadership
- III. MRM Leadership
- IV. Business Risk and Compliance

## **REFERENCES**

[MHJC PSER Financial Assistance Application](#)  
[MHJC PSER Financial Assistance Application\\_Spanish](#)  
[Financial Assistance Policy-Hospital Services\\_English](#)  
[Financial Assistance Policy-Hospital Services\\_Spanish](#)  
[MHJC PSER Financial Assistance Policy\\_Professional Billing\\_Spanish](#)



**EXHIBITS**

- A. Current Year Federal Poverty Guidelines – Current Fiscal Year Financial Assistance Levels
- B. Approval Levels and Associated Patient Responsibility
- C. Excluded Services Listing

**EXHIBIT A**

<b>Mercy Financial Assistance Guidelines</b>											
Based in 2021 Federal Poverty Income Guidelines											
Family Size		1	2	3	4	5	6	7	8	9	10
Level	% of Poverty Level	Range	Range	Range	Range						
I	0 - 100%	\$0.00 - \$12,880	\$0.00 - \$17,420	\$0.00 - \$21,960	\$0.00 - \$26,500	\$0.00 - \$31,040	\$0.00 - \$35,580	\$0.00 - \$40,120	\$0.00 - \$44,660	\$0.00 - \$49,200	\$0.00 - \$53,740
II	101% - 200%	\$12,881 - \$25,760	\$17,421 - \$34,840	\$21,961 - \$43,920	\$26,501 - \$53,000	\$31,041 - \$62,080	\$35,581 - \$71,160	\$40,121 - \$80,240	\$44,661 - \$89,320	\$49,201 - \$98,400	\$53,741 - \$107,480
III	201% - 250%	\$25,761 - \$32,200	\$34,841 - \$43,550	\$43,921 - \$54,900	\$53,001 - \$66,250	\$62,281 - \$77,600	\$71,161 - \$88,950	\$80,241 - \$100,300	\$89,321 - \$111,650	\$98,401 - \$123,000	\$107,481 - \$134,350

For family units with more than 10 persons, add \$4,540 to household income range for each additional person. \*Effective 2/1/2021

**EXHIBIT B**

<b>Mercy Southwest Missouri Financial Assistance Program (FAP)</b>			
	Level I	Level II	Level III
<b>Qualifying Criterion</b>	Less than 100% FPL	101 - 200% FPL	201 - 250% FPL
<b>Patient Responsibility</b>	None	Deposit	Deposit + 15% of total charges



Financial Assistance Co-Pays		
Service	Hospital	Clinic
Lab	\$10	\$5
X-ray	\$25	\$13
Ultrasound	\$75	\$45
CT	\$125	\$50
Nuclear	\$125	\$50
MRI	\$150	\$75
PET/CT	\$250	\$125
Surgery	\$375	\$188
OP Dx	\$50	\$25
Therapy Wound est.	\$10	
Wound follow up	\$50	
EKG	\$18	\$9
Endo Lab/Pain/Colo	\$175	\$88
EMG/NCV	\$100	\$50
Clinic Visit		\$25
Inpatient	\$200	\$100
Emergency	\$75	\$38
Therapy	\$10	
HOD Clinic	\$25	\$25

**EXHIBIT C**

**INCLUDED AND EXCLUDED SERVICES LISTING**

**Included Services**

- All Hospital Services
- Mercy Lab Services
- Mercy Home Care Services
- Mercy Hospice Services
- Mercy Home Infusion Services

**Excluded Services**

- ANCILLIARY SERVICES
  - Residential Services (Note: Swing Beds are Eligible for Financial Assistance)
  - Retail Pharmacy
  - Optical Shop



- Private Duty Nursing
- Corporate Health
- Integrative Medicine
  
- NOT MEDICALLY NECESSARY
  - Cosmetic
  - Cardiac and Pulmonary Rehab Phase III
  - Hearing Aids
  - Driving Assessments
  
- OTHER DISCOUNTS
  - Special Pricing arrangements (package pricing) do not qualify for Financial Assistance.
  - A patient cannot receive both an Uninsured Discount and Financial Assistance. If Financial Assistance granted to an Uninsured patient, the Uninsured Discount will be reversed.
  
- ALL PROFESSIONAL SERVICES EXCEPT THOSE LISTED (PB) BELOW:

Community	Department	Billing System
Carthage - McCune Brooks	ER Physicans	HB
	Anesthesia	HB
	Outpatient Clinic Neurology	HB
	Pain Therapy Center	HB
	Surgery Trauma On Call	HB
	Pediatrics Carthage RHC	PB
	Womens Health Carthage RHC	PB
	Fmailiy Medicine Medical Park Drive	PB
Joplin	ER Physician	PB
	Familiiy Medicine Neosho	PB
Maude Norton	Corporate Health	HB
	ER Physicians	HB



**EXHIBIT D**

**AMOUNTS GENERALLY BILLED (AGB)**

<b>Facility</b>	<b>AGB %</b>
Joplin	27
Maude Norton Columbus	94
Southeast Kansas	25
Carthage McCune Brooks	40