



Functional Area: Patient Receivables Management – Patient Services

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Approved by: Robin Sumner, Executive Director Patient Services

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.

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, patient attestations, and/or a third party tool 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 (patient, spouse, and dependents), 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 to coincide with the start of each fiscal year.

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 other languages prevalent in the area and can be requested from a provider's office, facility registration, Customer Service, or obtained on www.mercy.net.

POLICY DEFINITIONS

Patient - the individual receiving medical treatment. The patient's financial position shall be the basis for determination of financial need. However, in the event the patient is an unemancipated minor, the household income of the guarantor shall be the basis for such determination.

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).

Family - A group of two or more people who reside together and who are related by birth, marriage or adoption. Patient has claimed someone as a dependent on their income tax return; they may be considered a dependent for purposes of the provision of financial assistance.

PROCEDURE

I. Insurance Eligibility Screening

- a. Mercy requires patients who qualify for insurance coverage to obtain coverage prior to requesting financial assistance or to complete an Insurance Eligibility Screening. If the Insurance Eligibility Screening indicates a patient may be eligible for Medicaid or a Health Insurance Marketplace plan, the patient must make a good faith effort to obtain coverage.
- b. Insured patients are not required to complete the Insurance Eligibility Screening before applying for financial assistance.

II. Applications

- a. A Financial Assistance Application may be submitted in writing (paper application), verbally (by providing financial information orally), or a combination of both.
 - i. **Written applications:** Patients may request a paper application to apply for assistance at any time or find an application on mercy.net. Information from a Medicaid Application may be used in place of the paper Financial Assistance Application.
 - ii. **Verbal applications:** Patients may apply verbally by expressing interest in financial assistance upon arrival for care, during phone registration, after contact with Eligibility Services or through Customer Service. During the verbal application process, patients will be asked to provide some basic household information to assist Mercy in determining eligibility.
- b. Presumptive Financial Assistance
 - i. *Insured* patients with a balance \$6500 or greater that have made no payment arrangements after 3 monthly statements will be considered for presumptive financial assistance. Mercy will solely utilize a third-party tool to determine eligibility.

- ii. *Uninsured* patients in this situation will not be considered for a presumptive Financial Assistance Adjustment as they have not completed the Insurance Eligibility Screening.

III. Eligibility Determination

- a. Assessment of a patient's financial status will utilize patient answers provided in verbal or written applications, verification of those answers by use of a third party tool, and/or documentation needed to validate current household income, and size of the household.
- b. A paper Financial Assistance Application may be required (in addition to verbal application) in the case of discrepancy between patient screening answers and third party tool results, that suggest differing financial assistance discounts.
- c. Mercy uses the Federal Poverty Guidelines as outlined in Exhibit A to determine the level of financial assistance available to the patient.
- d. Mercy will ask patient 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) and requiring patients to seek in-network care, before considering an application for financial assistance.

IV. 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 6 months *from* the date of the approval letter. At the end of 6 months, a patient can request reevaluation or complete a new Financial Assistance Application.
 - i. If approved for presumptive financial assistance, the same coverage period applies.
- c. When processing an approved account for financial assistance, all dates of services that qualify for the Financial Assistance Adjustment will be reviewed to identify any personal payments that exceed the patient's responsibility. In the event a Financial Assistance Adjustment will create a credit on a HAR, a refund will be issued to patient per 501R requirements.

V. 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.

VI. 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 will 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 will 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, or call Mercy Customer Service to submit a verbal application.
- c. Collection efforts that include legal action and liens are an option for the collection agency to pursue after 240 days following the first statement if a patient's account remains unpaid, without a payment arrangement or Financial Assistance Application in process.

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 (traditional Financial Assistance Application, may be taken over phone etc).
 - 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 outside the NHSC location, 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, with the exception of the NHSC identified locations where the above exception will apply. Otherwise, reference local community policies.

- III. Patients on Spenddown: Mercy will utilize state verified spenddown information to impute the patients' household income to determine if a patient qualifies for financial assistance.
- IV. Mercy Hospital JFK Clinic: Financial assistance guidelines for JFK patients defined in Exhibit B. Patients wishing to apply for financial assistance related to services received at a JFK clinic will need to fill out the JFK Clinic Patient Financial Assistance Application rather than the standard Mercy Financial Assistance Application.
- V. International Financial Assistance Policy: The International Financial Assistance Policy supersedes this policy. See the International Finance Assistance Policy.
- VI. Patient Financial Status – Patients, who are incarcerated or homeless and confirmed no other liable party can be billed, will be deemed 100% financial assistance. In addition, bankruptcy accounts and deceased without an estate are deemed 100% charitable upon confirmation of court/legal documents, unless in some states the spouse is liable for the deceased' account.
- VII. 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 Mercy's discount percentage scale.
- VIII. Mercy Medical Supply- See (C_3002_Mercy Medical Supply Financial Assistance Policy).
- IX. Services specified as 'Excluded' in Exhibit C

DISTRIBUTION

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

EXHIBITS

- A. Current Year Federal Poverty Guidelines – Current Fiscal Year Financial Assistance Levels
- B. Excluded Services Listing

ATTACHMENTS

I. Financial Assistance Application English and Spanish

- https://www.mercy.net/sites/default/files/vendor-resources/h_1026_mercy_financial_assistance_application_3.30.17-english.pdf
- https://www.mercy.net/sites/default/files/vendor-resources/h_1026_mercy_financial_assistance_application_3.30.17-spanish.pdf

EXHIBIT A

Mercy Professional Services Charity Guidelines

Based on 2018 Federal Poverty Income Guidelines

Family Size				1	2	3	4	5	6	7	8	9	10	11	12
Level	% of Poverty Level	Discount	Adjust Code EPIC	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range
I	0 - 100%	100%	9002022	\$0.00 - \$12,140	\$0.00 - \$16,460	\$0.00 - \$20,780	\$0.00 - \$25,100	\$0.00 - \$29,420	\$0.00 - \$33,740	\$0.00 - \$38,060	\$0.00 - \$42,380	\$0.00 - \$46,700	\$0.00 - \$51,020	\$0.00 - \$55,340	\$0.00 - \$59,660
II	101% - 150%	90%	9002023	\$12,141 - \$18,170	\$16,461 - \$24,580	\$20,781 - \$30,990	\$25,101 - \$37,400	\$29,421 - \$43,810	\$33,741 - \$50,220	\$38,061 - \$56,630	\$42,381 - \$63,040	\$46,701 - \$69,450	\$51,021 - \$75,860	\$55,341 - \$82,270	\$59,661 - \$88,680
III	151% - 200%	80%	9002024	\$18,171 - \$24,200	\$24,581 - \$32,700	\$30,991 - \$41,200	\$37,401 - \$49,700	\$43,811 - \$58,200	\$50,221 - \$66,970	\$56,631 - \$75,200	\$63,041 - \$83,700	\$69,451 - \$92,200	\$75,861 - \$100,700	\$82,271 - \$109,200	\$88,681 - \$117,700
IV	201% - 250%	70%	9002025	\$24,201 - \$30,230	\$32,701 - \$40,820	\$41,201 - \$51,050	\$49,701 - \$62,000	\$58,201 - \$72,590	\$66,971 - \$83,450	\$75,201 - \$93,770	\$83,701 - \$104,360	\$92,201 - \$114,950	\$100,701 - \$125,540	\$109,201 - \$136,130	\$117,701 - \$146,720
V	251% - 300%	50%	9002026	\$30,231 - \$36,260	\$40,821 - \$48,940	\$51,051 - \$61,620	\$62,001 - \$74,300	\$72,591 - \$86,990	\$83,451 - \$99,930	\$93,771 - \$112,340	\$104,361 - \$125,020	\$114,951 - \$137,700	\$125,541 - \$150,380	\$136,131 - \$163,060	\$146,721 - \$175,740

For family units with more than 12 persons, add \$4,320 to household income range for each additional person. *Effective 7.1.18

EXHIBIT B

Excluded Services

NON-HOSPITAL SERVICES

Residential Services (note: swing beds are eligible for charity)

Retail Pharmacy

Optical Shop

Private Duty Nursing

Corporate Health

Integrative Medicine

All Professional Services Not Specifically Listed as Included

NOT MEDICALLY NECESSARY

Cosmetic

Cardiac and Pulmonary Rehab Phase III

Hearing Aids

Driving Assessments