TAOS HEALTH SYSTEM

SCOPE: Hospital Wide
DATE EFFECTIVE: 2/1/17
APPROVED BY: Chris Stagg, Board Chairperson

DEPARTMENT: Patient Financial Services

FINANCIAL ASSISTANCE POLICY

POLICY STATEMENT:
Holy Cross Hospital, a not-for-profit community hospital, will not discriminate in providing medical services to those in need regardless of their ability to pay. Uninsured or underinsured patients deemed unable to pay will be eligible to receive available financial assistance.

GUIDELINE/POLICY PURPOSE:
HCH will provide a Financial Assistance Policy as part of its overall Community Benefit Programs. The policy establishes a process for identifying and handling community members in need of financial assistance. Written documentation must also be maintained regarding all determinations whether approved or denied.

SUPPORTIVE DATA:

PROCEDURE:

Method for Applying for Financial Assistance:
Patient, or representative, must complete a Financial Assistance application and submit it to the Financial Counselor at Holy Cross Hospital.

Applications may be obtained in the following ways:

1. Online at www.taoshospital.org
2. Picked up at HCH
3. By contacting a customer service representative at 575-737-3454.
4. By contacting a financial counselor at 575-751-5786.
   A copy of the policy will be provided by mail, free of charge, upon request to a customer service representative or a financial counselor.

Eligibility Criteria:

1. Guidelines for determining eligibility for financial assistance shall be applied consistently. In determining a patient’s eligibility for financial assistance, Patient Financial Services will assist the patient in determining if he/she is eligible for third party payor sources, including government-sponsored programs. If the person would have been eligible for other third party coverage but failed to comply with the terms of that payor and payment was denied, the denied amount will not be eligible for financial assistance. In the event that third-party coverage is determined at a later date, the financial assistance write off will be reversed and third-party insurance will be filed.

2. The patient, or representative, must fill out an application for financial assistance prior to being deemed eligible. The application shall be submitted along with proof of income to include a tax return with W-2 statements and check stubs, copy of checks or unemployment statement for the last four weeks of family income. If anyone in the household is self-employed a copy of the profit and loss summary must accompany the application. [For balances less than $1,500 payment predictive software can be used to determine eligibility in lieu of supporting documentation]
3. Eligibility is entirely determined based on gross income. The applicant's family income must be at or below 300% of the Federal Health and Human Services poverty guidelines. Holy Cross Hospital adopts the U.S. Census Bureau's definition of family for this policy. The Health and Human Services poverty guidelines are published each year in the Federal Register and shall be included in the Notice of Availability of Financial Assistance. A person can qualify by having income for a twelve month period, or the most recent three months at or below the guidelines. If an individual is normally employed seasonally, their yearly income shall be used for making this determination.

4. Persons qualifying for the financial assistance program will be charged not more than the "Amounts Generally Billed" (AGB) other payers. Amounts Generally Billed is calculated using the "look back" method. Amounts Generally Billed represents effectively, what the hospital collects in payments from Insurance Companies, Medicare and Medicaid (including patient out-of-pocket amounts).

Example:

<table>
<thead>
<tr>
<th>Insurer Reimbursement + Patient Out-of-pocket Amounts</th>
<th>= Amounts Generally Billed</th>
<th>$1,000+$100 = 43%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Charges</td>
<td>$2,550</td>
<td></td>
</tr>
<tr>
<td>Hospital AGB</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>Patient Bill:</td>
<td>$100.00</td>
<td></td>
</tr>
<tr>
<td>Discount on Bill:</td>
<td>$57.00</td>
<td></td>
</tr>
<tr>
<td>Patient Owes:</td>
<td>$43.00 (maximum amount that can be collected from a qualified Patient)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal Poverty Guideline</th>
<th>Financial Assistance Discount</th>
<th>Amount to Collect</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>101-150%</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>151-200%</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>201-250%</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>251-300%</td>
<td>57%</td>
<td>43% Amounts Generally Billed</td>
</tr>
<tr>
<td>&gt;300%</td>
<td>0%</td>
<td>100% patient can qualify for self-pay discount</td>
</tr>
</tbody>
</table>

5. All medically necessary services will qualify for financial assistance consideration, including any physician services received at Holy Cross Hospital.

6. If an individual gives the facility a payment before applying for financial assistance, that amount will be subtracted from the hospital bill before a determination of the amount of financial assistance is made. Individuals can apply up to one month prior to receiving service and the eligibility is valid for six months after the determination.

7. A letter will be sent to each applicant informing him of the eligibility determination, the amount of financial assistance given, any remaining balances owed by the patient, and the suggested repayment plan. The monthly payment arrangements will be made in accordance to Holy Cross Hospital’s payment plan guidelines.

8. Patients denied Financial Assistance will be sent a letter informing them of the reason for denial.

9. Holy Cross Hospital's business office will keep a log of financial assistance provided each fiscal year along with all applications of those approved and denied.
Patient Collection Practices:
1. First billing notice will be sent when the account finalizes.
2. Second billing notice will be sent after 45 days.
3. Third and Final notice will be sent after 90 days.
4. The account will be turned over to a collection agency (Extraordinary Collection Efforts) after 120 days, if the account is not paid in full, if suitable arrangements for payment have not been made; or a financial assistance application is not received in our office.

When an application is received the following steps will be taken:
- Application information will be reviewed for a disposition within 5 business days.
- If the account is more than 120 days old all extraordinary collection activity will be suspended.

If the application is approved, the following steps will be taken:
- Billing Statement showing the amount of financial assistance given, any remaining balances owed will be sent to the patient.
- Refund any excess payments made by individual.
- If additional medically necessary services are rendered within 6 months of the initial application, the patient is responsible for notifying Patient Financial Services at 575-751-5786 or 575-737-3454 that a current application is on file.

If the application is received incomplete, the following action will be taken:
- Suspend any extraordinary collection activity in process.
- Provide Individual with Written Notice of additional information needed with completion deadline.
  - Extraordinary Collection Notification
    - 1 Notice that Extraordinary Collections will proceed if application is not completed or claim is not paid within 30 days from above completion deadline or last day of application period (240 days).

If the application is denied, patients will be sent a letter informing them of the reason for denial.

Holy Cross Hospital will continually notify the patient with open self-pay accounts of the Financial Assistance Policy Availability for a 120 days period. This is known as the Financial Assistance Policy Notification Period. Holy Cross Hospital will provide the patient written notification 30 days prior to the end of the Financial Assistance Notification Period (at 90 days). Holy Cross Hospital will not engage in any extraordinary collection activity until sufficient time and notification periods have passed (at least 120 days).

Uninsured patients will be billed full charges less 20% uninsured discount if they do not apply for financial assistance.

Measures to Publicize the Financial Assistance Policy:

Holy Cross Hospital will advise patients and their families of Financial Assistance through the following means:
- Notice of Availability of Financial Assistance will be posted in each registration area and Emergency Department.
- Availability of Financial Assistance will be printed on applicable letters and statements.
- Notice of Availability will be posted on the hospital's website.
- Availability of Financial Assistance will be posted annually in the local paper.
EQUIPMENT:
Financial Assistance Application; Payment Predictive Software (Experian); Federal Poverty Guidelines

SOURCE REFERENCES:

https://aspe.hhs.gov/poverty-guidelines

CROSS REFERENCES:

KEY WORDS:
Financial Assistance, Community Benefit, Amounts Generally Billed, Federal Poverty Guideline

APPROVAL PROCESS:

<table>
<thead>
<tr>
<th>Who does this guideline/policy affect?</th>
<th>Approvals needed</th>
<th>Signature/Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>If policy affects only one dept.</td>
<td>Service Director</td>
<td></td>
</tr>
<tr>
<td>If policy affects more than one dept.</td>
<td>Service Director</td>
<td></td>
</tr>
<tr>
<td>If policy affects more than one dept.</td>
<td>Service Director for each dept.</td>
<td></td>
</tr>
<tr>
<td>If policy affects all dept. hospital-wide…should go to Physician Service Meetings for “Information Only”</td>
<td>ATM □ □ □ □ □</td>
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<tr>
<td>If policy affects physician orders/responsibilities</td>
<td>□ ED □ PAM □ S&amp;A □ Peri-natal □ MEC/Chief of Staff</td>
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<tr>
<td>If policy affects Medical Staff &amp; Governing Board responsibilities</td>
<td>MEC/Chief of Staff □ Approve □ Info Only</td>
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Revision History
Original FAP effective 3/26/14 supersedes Charity Care Policy

Summary of Revision: added website, phone numbers, how to obtain policy, explained and gave examples of AGB, letters to be sent to patient, billing notices