# FINANCIAL ASSISTANCE PROGRAM POLICY

**PURPOSE:**

To provide the best care to every patient every day through integrated clinical practice and education. Katherine Shaw Bethea (KSB) Hospital strives to benefit humanity through work in these areas, while supporting the communities in which we live and work. As part of that commitment, KSB serves, appropriately, patients in difficult financial circumstances. Above all, KSB’s guiding philosophy is that the needs of the patient come first.

**POLICY:**

It is the policy of KSB to provide financial assistance as a component of KSB’s charitable mission to patients residing in the State of Illinois.

**CONSIDERATIONS AND RELATED ISSUES**

KSB Hospital talks the following actions, according to the following timeframe, to encourage individuals to pay their bills to KSB Hospital:

1. Uninsured patients are asked to make an up-front payment of $25 for clinical services.
2. Billing statement #1 is sent after any insurance claims have been processed and decided.
3. A phone call is made and billing statement #2 is sent 30 days after billing statement #1 is sent.
4. A phone call is made 15 days after billing statement #2 is sent.
5. Billing statement #3 is sent 30 days after billing statement #2 is sent.
6. A phone call is made 15 days after billing statement # 3 is sent.
7. Billing statement #4 (the “final notice”) is sent 30 days after billing statement #3 is sent.
8. An account is sent to one of three possible collection agencies 30 days after billing statement #4 is sent.
9. The collection agency immediately sends a notice to the individual. This notice indicates that KSB Hospital offers financial assistance, warns the individual of extraordinary collection actions that may be taken, and provides a deadline after which such actions may be taken.
10. At least 30 days later, the collection agency reports the account to a consumer credit reporting agency, sends another letter and starts making phone calls.
11. After this point, lawsuits, garnishments, and seizure of assets can occur at any time, depending on the situation

The only extraordinary collection actions allowed by KSB Hospital are reporting to a consumer credit reporting agency, lawsuits, garnishments and seizure of assets.

*Definitions*:

**Financial Assistance**: It is a reduction in the amount due for Medically Necessary Services from all Guarantors on the basis of documented financial need.

**Adjusted Gross Income**: Means all income from whatever source derived including, but not limited to, income not subject to federal or state taxes, minus the deductions allowed under Section 62 of the Internal Revenue Code for purposes of determining adjusted gross income on a federal tax return.

**Assets**: Homes, Savings Accounts, Checking Accounts, Stocks, Bonds, Money Market Accounts, Cars, Boats, Recreational Vehicles, Certificates of Deposits, Health Savings Accounts, Flexible Spending Accounts and other interest that could be converted to cash, but excluding assets critical to living and any retirement plan such as a 401(k) plan, Keogh plan, and profit sharing plan, established and maintained to provide for retirement benefits through yearly tax deductible contributions to the plan.

**Dependent**: The personal exemption allowed as a deduction in computing taxable income for the Guarantor under the Internal Revenue Code. For college students, the parent’s household is used to determine family income unless the student is able to show financial independence.

**Episode of Care**: Hospital services, medical care and supplies, and medications determined by KSB Hospital in its own discretion to relate to the same incident of a medical condition.

**Federal Poverty Guidelines**: Guidelines published annually by the United States Department of Health and Human Services.

**Medically Necessary Services**: Hospital services, medical care and supplies, and medications determined by KSB Hospital at its own discretion to be necessary for the diagnosis or treatment of a medical condition are provided for the diagnosis or treatment of the medical condition, and conform to established medical practice in the area of service. Services that are considered elective are not eligible for financial assistance.

**Guarantor**: The patient, if not a minor; both parents of a minor patient; and any other individual named in a court order to be legally responsible for payment of the amounts due KSB Hospital.

**Katherine Shaw Bethea (KSB) Hospital**: Means all facilities owned and operated by, and physicians employed by, KSB Hospital, and all medical care provided by KSB Hospital.

**PROCEDURE:**

1. Financial Assistance will be determined from the Adjusted Gross Income of the Guarantor from the most current tax return and/or current paystubs. Income will be determined on a before-tax basis. If that income is less than 300% of the Federal Poverty Guidelines, qualification for 100% financial assistance is generally provided. Part of this qualification process may include asset review and this review may adjust the final result. Assets critical to living are excluded from asset calculations. While certain documents may be required to ascertain assets, attestation based qualifications may be appropriate when combined with evidence from an automated patient risk-scoring tool.
2. An uninsured patient may be eligible for financial assistance based upon presumptive eligibility criteria. The criteria include:
	1. Homelessness
	2. Deceased with no estate
	3. Mental incapacitation with no one to act on patient’s behalf
	4. Medicaid eligibility but not on the date of service for non-covered services.
3. In cases, whereas a married couple is separated both incomes and household sizes are utilized to determine eligibility.
4. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle.
5. Applications can be mailed to: KSB Hospital, Attn: Financial Advocate, 403 E First St, Dixon, IL 61021. Applications can be dropped off at 403 East First St in Dixon at the Financial Advocate office or at 101 West Second Street in Dixon at the Patient Financial Services Department. Applications can be emailed to pfs@ksbhospital.com or faxed to Attn: Financial Advocate at 815-285-5903.
6. Individuals will be referred to available community programs and services outside of our facilities as appropriate.
7. Assistance will be provided to patients relative to obtaining payment from third parties such as Medicaid and Medicare.
8. Qualification for other funding sources would be exhausted prior to application of the financial assistance program. If financial counselors make determination that a patient is not likely to qualify for those programs, the financial counselor’s determination can serve as a proxy for an actual denial of eligibility.
9. For patients seen in the Emergency Department, discussion of their financial obligation, if completed before being seen, will not delay their treatment or the discussion will not occur until the checkout process following their treatment.
10. Determinations of eligibility will remain valid for 90 days for outpatient services; eligibility for inpatient services will be determined for each admission and will be retroactive for one year.
11. Patient has 60 days from date of discharge on their account to apply for financial assistance. If no application is received within 60 days post discharge, the account may not be eligible for financial assistance.
12. Individuals seeking financial assistance will be treated with dignity, sensitivity, and confidentiality.
13. Financial assistance will not be denied on the basis of age, sex, race, color, creed (religion), sexual orientation or national origin.
14. Communications protocols will include the following:
15. On-line at <https://www.ksbhospital.com/patients/patient-financial-services/>
16. On each hospital statement sent to our guarantors.
17. Financial Advocate is available to help with Financial Assistance applications at 403 East First Street in Dixon or a Patient Service Representative is available at 101 West 2nd Street in Dixon. Patients may phone in at 815-284-5714.
18. Every posted notice regarding Financial Assistance will contain a statement indicating that the facility has a Financial Assistance policy for low-income patients who may not be able to pay their bill and brief instructions regarding how to apply. The notices will include a contact name and telephone number that can be used by a patient or family member who is requesting information.
19. KSB Hospital will ensure that staff members in the patient access/registration areas and in the Billing Office are knowledgeable about the existence of Financial Assistance policies. Training will be provided to staff members who directly interact with patients regarding their bills for health care services.
20. In communication with patients and families regarding Financial Assistance, KSB Hospital will attempt to communicate in the primary language of the patient, or his/her family, if reasonably possible. This will be done in a manner consistent with all applicable federal and state laws and regulations. (Refer to Language Assistance Services Policy).
21. A written notice on the billing statement will inform the patient that financial assistance may be available either from a government program or through the Financial Assistance policy along with a contact.
22. KSB Hospital will provide information to all patients informing them of their responsibility to provide documentation for verification of eligibility for financial assistance.

**REGULATIONS AFFECTING POLICY:**

Fair Patient Billing Act; Hospital Uninsured Patient Discount Act; Health Insurance Portability and Accountability Act (HIPAA).

**SCOPE:**

All employees.

**RESPONSIBILITY FOR ENFORCEMENT:**

All members of the Management Team.

**METHODS OF DISSEMINATION:**

Administrative Management Manual.

**APPROVALS**

 Approved: 02/14

Office of Primary Responsibility Effective: 02/14

Director of Patient Financial Services Reviewed:

VP/Chief Financial Officer Revised: 02/15, 09/15

President/CEO

Financial Assistance Income Guidelines

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| --- | --- | --- |
| **Family Size** | **Poverty Level** | **100% w/o300% of FPG** |
| 1 | $12,060 | $36,180 |
| 2 | $16,240 | $48,720 |
| 3 | $20,420 | $61,260 |
| 4 | $24,600 | $73,800 |
| 5 | $28,780 | $86,340 |
| 6 | $32,960 | $98,800 |
| 7 | $37,140 | $111,420 |
| 8 | $41,320 | $123,960 |

For each additional person, add $12,540

**NOTE**: The Federal Poverty Guidelines are revised at the end of January of every year; the grid in this policy will be updated accordingly. The information can be obtained by visiting: http://aspe.hhs.gov/poverty/