

Reviewed/Revised Date: 2/24	Next Review Date: 2/27	Approved by: Director of Revenue Cycle: 2/24 Executive Team:	Effective Date: 2/1/2024
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## **Financial Assistance Policy**

### **PURPOSE:**

- A. To ensure that reasonable efforts are made to determine if a JMH patient is responsible for full or partial payment of an account and if the patient is eligible for assistance under the Financial Assistance Policy (FAP) offered by Johnson Memorial Health (JMH).

### **OBJECTIVE:**

- A. As part of the JMH mission to provide quality healthcare service to the community and patient population of JMH is committed to serving the healthcare needs of all its patients regardless of their ability to pay. To assist patients, JMH has established this Financial Assistance Policy in order to provide financial relief to eligible patients receiving emergency or medically necessary services.
- i. This policy includes:
- Eligibility criteria for Financial Assistance – free and discounted (i.e., partial Financial Assistance) care.
  - Describes the basis for calculating amounts charged to patients eligible for Financial Assistance under this policy.
  - Describes the method by which patients may apply for Financial Assistance. Describes how JMH will widely publicize the policy within the community.
  - Limits the amount JMH will bill uninsured patients for emergency or other medically necessary care to the amounts generally billed (AGB) by JMH to commercially insured or Medicare Patients.

### **DEFINITIONS:**

- A. Amounts Generally Billed (AGB) (26 CFR Part 1 §1.501(r)-(1)(b)(1)) means the amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.
- B. AGB percentage (26 CFR Part 1 §1.501(r)-(1)(b)(2)) means a percentage of gross charges that JMH uses to determine the AGB for any emergency or other medically necessary care it provides to an individual who is eligible for assistance under its FAP. The AGB percentage is calculated annually and within 60 days of the close of the hospital's fiscal year and used to determine AGB percentage collection ratio for the presumptive eligible uninsured patients, i.e., the "LookBack" method.
- C. Application period (26 CFR Part 1 §1.501(r)-(1)(b)(3)) means the period during which JMH must accept and process an application for Financial Assistance under the FAP submitted by an

individual in ordered to determine whether the individual is FAP-eligible under §1.501(r)-6(c). The application period begins on the date the care is provided and ends on the later of 240thday after the date that the first post-discharge billing statement for the care is provided or per the exceptions listed in 26 CFR Part 1 §1.501(r)-(1)(b)(3)(i) and (ii).

- D. Financial Assistance Policy (FAP) (26 CFR Part 1 §1.501(r)-(1)(b)(12)) means JMH's Financial Assistance Policy. It consists of a two-part program which is for (1) uninsured individuals who, based upon their insured status, will be given the uninsured AGB assistance and (2) individuals who wish to apply for further assistance, by completing a Financial Assistance Application (which is assistance based on 300% of the Federal Poverty Level of income and/or assets).
- E. FAP-Eligible Individual (26 CFR Part 1 §1.501(r)-(1)(b)(15)) means an Individual eligible for Financial Assistance under the FAP without regard to whether the individual has applied for assistance.
- F. Hospital Plain Language Summary of the FAP (26 CFR Part 1 §1.501(r)- (1)(b)(24) means a written statement that notifies an individual that JMH offers Financial Assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP. Copies of the policy are available free of charge to the public. Copies of the policy are available in the hospital's Patient Financial Services Office and Registration Office. FAP information is included on each billing statement, on the JMH website and may be requested by mail.
- G. Patient Response (payment or FAP Application) Deadline Date means the date that JMH may initiate an Extraordinary Collection Action (ECA) against the responsible individual who has failed to pay or submit an application for Financial Assistance. This date (1) cannot be earlier than 120 days after the 1st Plain Language Summary Statement (PLS) and Financial Assistance Application (FAA) unless the party failed to provide a proper legal address for contact, and (2) cannot be earlier than 30 days after the individual has been notified that ECAs may be initiated.

In order to manage its resources responsibly and to allow Johnson Memorial Hospital to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Trustees establishes the following guidelines for the provisions of patient Financial Assistance.

**SCOPE:**

These Johnson Memorial Health Providers are covered under the Johnson Memorial Hospital Financial Assistance Policy:

- ♣ Johnson Memorial Hospital
- ♣ Johnson Memorial Home Health
- ♣ Family Physicians of Johnson County
- ♣ Franklin Surgical Associates
- ♣ Johnson Memorial Hospital Affiliates Physicians
- ♣ Johnson Memorial Anesthesia Services Providers
- ♣ Orthopedic Care Center Physicians

- ♣ Boone County Emergency Medicine
- ♣ Women's Care Group Physicians
- ♣ Johnson Memorial Hospital Immediate Care Service
- ♣ JMH Pediatric Specialists
- ♣ Johnson Memorial Hospital Based Physicians

**EXCEPTIONS:**

- A. Services that are offered as a packaged discounted price which include bariatric surgery, maternity delivery services and any other packaged service offered by JMH.
- B. Services that are non-urgent (i.e. immunizations, physicals, birth control procedures, etc.).

**ELIGIBILITY:**

- A. Eligibility for Financial Assistance will be considered for those individuals who are underinsured, uninsured, and ineligible for any government health-care benefit program and who are unable to pay for their care based upon the determination of financial need in accordance with this policy. The granting of Financial Assistance shall be based upon an individualized determination of financial need, and shall not consider age, gender, race, immigrant status, sexual orientation or religious affiliation.
- B. Presumptive eligibility for Financial Assistance will be awarded to any uninsured individual prior to the submission of the bill to the patient for payment. The presumptive eligibility adjustment amount will be based upon the Medicare DRGbased reimbursement for inpatient stays, and per fee-for-service guidelines for Observation & Surgery visits. All other services will receive a percent discount determined annually based on the AGB percentage of gross charges and collections of Medicare-fee-for service and private insurance plans. AGB calculation is available upon request; please call (317) 346-3908 for details.
- C. Persons receiving the uninsured discount may apply for assistance under the Financial Assistance Policy. Individuals who are awarded Financial Assistance must re-apply annually. Those who are awarded assistance will receive a FAP eligibility card that identifies when the assistance ends.
- D. Eligibility for Financial Assistance will be determined based upon a patient's household income and number of members in the household. A household is defined as a family/group of two or more persons related by birth, marriage or adoption who live together. The patient is eligible for Financial Assistance when the patient has household income Equal to or less than 300% of the federal poverty guidelines, as determined by the U.S. Department of Health and Human Services (poverty guidelines).

**PATIENT LIABILITY:**

- A. Financial Assistance is not a substitute for personal responsibility. Patients are expected to cooperate with Johnson Memorial’s procedures for obtaining Financial Assistance or other forms of payment. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health and for the protection of their individual assets.

Table	Amount of Discount and Patient Responsibility			
	<250% FPL	251-275% FPL	276-300% FPL	Uninsured
Patient’s Discount	100%	75%	50%	20%
Patient Pays:	0.00%	25%	50%	80%
Prompt Pay Discount	0.00	15%	15%	15%

**NOTIFICATION OF FINANCIAL ASSISTANCE POLICY (FAP):**

A reasonable effort will be made to inform patients and their responsible individual (if any) of the JMH FAP. The notifications will be displayed in the registration areas of the hospital, the hospital's website, JMH employed physician practices, on bills submitted to the patient, and other opportunities such as letters and telephone calls responding to billing inquiries.

Additional Procedural Information:

- A. Medically Necessary: To be evaluated on a case-by-case basis at the discretion of JMH. Cases that are not clearly defined by the signs/symptoms and outcome diagnosis will be evaluated by clinically trained persons to assist with the final determination.
- B. Emergency Services: Services treated in the emergency setting defined as: 1.) Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual. 2.) Elective services provided in response to life-threatening circumstances in a nonemergency room setting.
- C. Application for Financial Assistance must be completed by the patient or family member who is designated as the healthcare representative or responsible individual.
- D. Application must be completed in full and must be received within the designated time frame.
- E. Applicants must allow JMH to share financial status with other parties involved with their care.
- F. Applicants must assist JMH in the application of Federal or State programs that provide assistance for medical care.
- G. It is preferred, but not required, that a request for Financial Assistance and a determination of financial need occur prior to the rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for Financial Assistance must be updated annually.

- H. Presumptive Financial Assistance Eligibility may be determined in cases when a patient may appear eligible for Financial Assistance discounts, but there is no Financial Assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources that could provide the patient with Financial Assistance. JMHS may use outside assistance to validate the income amounts for the basis of determining eligibility and the only discount that can be granted is 100% Financial Assistance.

<b>REFERENCES:</b>	
<b>RELATED POLICIES:</b>	
<b>REGULATORY / ACCREDITATION STANDARDS ADDRESSED:</b>	
<b>REVIEWED BY:</b>	Executive Team
<b>OWNER:</b>	Director of Revenue Cycle
<b>KEYWORDS:</b>	