

FUNCTIONAL AREA: Revenue Cycle
DEPARTMENT: Patient Accounts
SUBJECT: Financial Assistance Policy for Union Medical Group
REVISED DATE: September 21, 2017
ISSUED BY: UAP Clinic, LLC
Union Hospital, Inc.

PURPOSE AND SCOPE: To meet the needs of the communities it serves and in recognition of its status as part of a nonprofit healthcare system, Union Medical Group – which is a collaboration of UAP Clinic and Union Hospital – will establish fair and equitable Financial Assistance for patients who are unable to sustain the extraordinary burden of medical expenses due to limited income and resources, provided their income meets the guidelines of the Federal Poverty Index. Consideration is open to any billings associated with the provision of Emergency Medical Services or Medically Necessary care by (a) UAP Clinic, or (b) any physician, nurse practitioner, or physician assistant employed by Union Hospital -- whether at Union Hospital Terre Haute, Union Hospital Clinton, or any other location.

DEFINITIONS:

- A. “Amount Generally Billed” (AGB) means the amount Union Medical Group generally bills individuals with insurance for Emergency Medical Services or other Medically Necessary care.
- B. “Code Section 501(r)” means Section 501(r) of the Internal Revenue Code of 1986, as amended, and the corresponding Treasury Regulations.
- C. “Eligible Individual” means an individual who is determined by Union Medical Group to be eligible for Financial Assistance.
- D. “Emergency Medical Services” means services provided to stabilize and treat a condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in placing the individual’s health (or the health of an unborn child) in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of bodily organs.

E. "Federal Poverty Income Guidelines" (FPIG) means annual wage amounts reflecting impoverishment as determined by the U.S. Census Bureau which will be used by Union Medical Group to compare levels of available Financial Assistance.

F. "Financial Assistance" means payment relief for which Union Medical Group will provide a reduction of a patient's financial obligation based upon his/her limited income and resources.

G. "Financial Assistance Committee" means an appointed committee which meets routinely for the purpose of determining exceptions under the Financial Assistance policy.

H. "Household Income" means cumulative total income(s) for all members of a patient's household as shown on income tax returns.

I. "Medically Necessary" means a service required for the care or well-being of the patient and provided in accordance with generally accepted standards of medical or professional practice.

J. "UAP Clinic" means Union Associated Physicians Clinic, LLC.

K "Union Hospital" means Union Hospital, Inc.

L. "Union Medical Group" refers to the physicians, nurse practitioners, and physician assistants employed by Union Hospital and UAP Clinic.

POLICY:

It is Union Medical Group's policy to provide Emergency Medical Services to all individuals regardless of their ability to pay. Moreover, Union Medical Group will provide such services to all patients without discrimination (within the meaning of section 1867 of the Social Security Act (42 U.S.C. § 1395dd)) regardless of their eligibility under this Financial Assistance Policy. Patients and/or the persons responsible for payment of such services and care will be notified of this Financial Assistance program prior to, or following, the provision of service(s).

PROCEDURE:

1. Eligibility for Financial Assistance

A. This policy applies to charges for medical services provided by Union Medical Group.

- B. Individuals or families whose annual Household Income is at or below 200% of the current FPIG will be considered eligible for full Financial Assistance, provided they have no other resources for payment, such as health insurance, Medicaid eligibility, or liability claims.
- C. For those ineligible for full Financial Assistance, Union Medical Group will grant partial Financial Assistance to individuals and families (a family will be considered the patient along with all other related persons living in the residence who constitute a single taxable unit) with an annual Household Income of between 201% and 300% of the FPIG. For such individuals and families, Financial Assistance will be calculated as a percentage of total eligible charges according to the following schedule:

| % of FPIG | % of Financial Assistance |
|--------------|---------------------------|
| 201% to 225% | 80% |
| 226% to 250% | 60% |
| 251% to 275% | 40% |
| 276% to 300% | 20% |

- D. All uninsured patients, regardless of financial need, will be eligible for an initial automatic discount to the AGB, as calculated consistently with the Collections Policy of Union Medical Group (the "Collections Policy"). Union Medical Group may further determine that an uninsured individual, eligible for this automatic discount, may also be an Eligible Individual for purposes of receiving additional Financial Assistance. Information concerning the automatic discount shall be provided to all uninsured patients, upon request.
- E. Individuals and families with an annual Household Income exceeding 300% of FPIG shall not be eligible for Financial Assistance, absent unusual circumstances as approved by the Financial Assistance Committee.

2. Application Process

- A. Except as provided herein, a patient/guarantor seeking Financial Assistance will be required to complete a financial disclosure statement setting forth specific details of income and expenses and providing requested documentation. The Patient Accounts Department will request verification of information submitted by an applicant for Financial Assistance.
- B. To be eligible for Financial Assistance, an individual must submit a Financial Assistance Application. If an individual

does not submit a Financial Assistance Application, then Union Medical Group may take action consistent with Code Section 501(r) to collect payment. This may include actions defined as Extraordinary Collection Actions if an application is not submitted within 120 days from the date the first statement is made available to the individual. The specific actions that Union Medical Group may take in the event of nonpayment are described in the Collections Policy, a copy of which may be obtained free of charge by contacting Union Hospital's Patient Financial Services Department at (812) 238-7621 or UAP Clinic's Patient Accounts Department at (812) 242-3155.

- C. The income figure used to determine eligibility for Financial Assistance will be the last three (3) months income, as documented by the last three (3) payroll pay stubs from all Household Income earners, multiplied by four (4). An exception to this may be made if, in the opinion of the Financial Assistance Committee, the three- (3-) month income is not reflective of the applicant's true ability to inability to meet his/her obligation. In this event, the income figure used will be that which is most reflective of the applicant's true ability or inability to meet his/her obligation.
 - a. Income shall include earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Social Security Income, public assistance, veteran's payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates or trusts, educational assistance, alimony, child support, and assistance from outside households and other miscellaneous sources.
 - b. Income shall not include noncash benefits, such as food stamps and housing subsidies or capital gains or losses.
- D. For questions about or assistance with the Financial Assistance Application or this policy, an individual may visit Union Hospital's Patient Financial Services Department at 1711 North 6 ½ Street, Terre Haute, Indiana, or may call that Department at (812) 238-7621. Alternatively, an individual may visit UAP Clinic's Patient Accounts Department at UAP Clinic Downtown, 221 South 6th Street, Terre Haute, Indiana 47807 or may call that Department at (812) 242-3155.

3. Calculation of AGB

- A. Union Medical Group shall not charge any Eligible Individual more for Emergency Medical Services or other Medically Necessary care than the amount generally billed

to individuals who have insurance covering such care (“AGB”). Union Medical Group shall calculate one or more AGB percentages using the “look-back method” and including Medicare Fee-For-Service and all private health insurers that pay claims to Union Medical Group, all in accordance with Code Section 501(r). A free copy of the AGB percentage(s) and a description of how calculated may be obtained by contacting Union Hospital's Office of Patient Financial Services at (812) 238-7621 or by contacting UAP Clinic's Patient Accounts Department at (812) 242-3155.

- B. Union Medical Group shall, at all times, make reasonable efforts to determine whether a patient is eligible for Financial Assistance. If Union Medical Group has billed an amount to an individual who has not submitted a Financial Assistance Application as of the date of the charge and is later determined to be eligible for Financial Assistance, Union Medical Group will make appropriate adjustments to the amounts charged and issue a refund to the patient, if necessary. In this manner, Union Medical Group intends to satisfy the requirements for the Safe Harbor described in Section 1.501(r)-5(d) of the Proposed Regulations.
- C. Union Medical Group will not charge any Eligible Individual more than the AGB amount for Emergency Medical Services or other Medically Necessary care, and in all cases, the charge to an Eligible Individual will be less than the gross charges of Union Medical Group.

4. General Policy Administration

- A. Approved applications are considered valid for services rendered up to six (6) months from the date of the patient's first post-discharge statement following the application date. After six (6) months, a patient must submit a new application, along with updated documentation, to determine further eligibility. For purposes of this policy, Union Medical Group also shall honor a determination by Union Hospital that an individual is eligible for assistance under Union Hospital's Financial Assistance Policy, although the specific amount of assistance available such individual shall be determined under this policy, rather than the hospital's policy. The applicable time limits for such a determination by Union Hospital shall be the same as for a determination by Union Medical Group, as described in this Section 4.A.
- B. An individual whose annual income exceeds 300% of the current CSA Poverty Income Guidelines will be excluded

from the consideration for assistance unless unusual circumstances exist. In this event, the decision to grant assistance will be made by the Financial Assistance Committee.

- C. After a determination has been made that an individual qualifies for Financial Assistance, the Financial Assistance Committee may review whether the patient has other sources of payment available, such as health insurance, HCI, Medicaid eligibility, or liability claims, and may reduce the amount of Financial Assistance accordingly. This includes situations where an individual has assets, other than income, sufficient to satisfy his/her obligations.
- D. The following situations will exclude an individual from eligibility for Financial Assistance:
 - a. An individual's failure to apply for outside assistance, or failure to provide information which would lead to the discovery of the availability of outside assistance, such as health insurance, HCI, Medicaid eligibility, or liability claims. An exception to the foregoing may be made, if in the opinion of the Financial Assistance Committee, extenuating circumstances exist(ed).
 - b. Any individual who fails to respond to the offer of Financial Assistance.
- E. Any individual denied Financial Assistance is part or in total will be notified that he/she has the option of appealing his/her case to the Financial Assistance Committee. Such appeal must be received no later than thirty (30) days from the date of notification denial.
- F. Union Medical Group will widely publicize this Financial Assistance Policy, as required by Code Section 501(r). Notification about Financial Assistance available from Union Medical Group, which shall include a contact number, shall be disseminated by Union Medical Group by various means. Union Medical Group also shall make paper copies of the Financial Assistance Policy, a summary of the policy, and the Financial Assistance available upon request and without charge both at Union Hospital's Patient Financial Services Department, at UAP Clinic's Patient Accounts Department, and by mail. Such documents, including the Summary, shall be made available in the primary languages spoken by the population serviced by Union Medical Group, which as of the date this policy was approved included English and Spanish.
- G. Referral of patients for Financial Assistance may be made by any member of the staff or medical staff, including physicians, nurses, financial counselors, social workers,

case managers, chaplains, and religious sponsors. A request for Financial Assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

- H. Reasonable efforts have been made to determine whether an individual is eligible for Financial Assistance if Union Medical Group notifies the individual about the program, Union Medical Group provides the individual or, where applicable, his/her family member(s), with information relevant to completing the application, and Union Medical Group makes and documents its determination as to whether the individual is eligible for assistance under the Financial Assistance Policy.
- I. Union Medical Group shall not engage in any debt collection activities in the Hospital's emergency department or in other Hospital venues where such activities could interfere with the treatment of Emergency Medical Services without discrimination.
- J. If after the determination of a Financial Assistance award, the patient/guarantor requests further financial relief, he/she can request their account go to the Financial Assistance Committee. All determinations of the Financial Assistance Committee shall be final.
- K. Once Financial Assistance has been granted, the patient/guarantor will not be supplied with documentation required to bill insurance companies. This includes UB, 1500 and/or detailed itemization of charges.
- L. Union Medical Group reserves the right to review the Financial Assistance determination if the patient's/guarantor's financial circumstances have changed.
- M. The Financial Assistance Policy applies to deceased patients when it has been determined that there are no assets of value in the estate.
- N. Financial Assistance may be granted to patients who qualify for government programs when funding has delayed payment. If later government assistance is awarded, the account adjustment will be reversed.
- O. Financial Assistance may be granted to patients that are pending Medicaid approval with the appropriate county. These accounts have been reviewed and financial need has been determined by a third party. Additional documentation will not be required by Union Medical Group.

4. Exceptions

- A. Any exceptions to the policy require approval by the

Financial Assistance Committee and appropriate documentation.

5. Implementation

- A. Once the monthly income has been determined based upon the information provided through the application and the percentage of assistance has been approved, the account will be adjusted. The following adjustment types will be used:
 - a. For individuals with a government sponsored insurance the adjustment type “Charity-Government” shall be used.
 - b. For individuals with a non-government sponsored insurance or uninsured individuals, the adjustment type “Charity-Non Government” shall be used.