



An affiliate of Mercy Health Network

POLICIES AND PROCEDURES

Section: Patient Financial Services Billing and Collection Policy No: PFS-073

External Standard/Requirements: IRS 501(c) (3), IRS 501(r), Patient Protection and Affordable Care Act

Subject: Financial Assistance

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I. POLICY

In support of the mission of the Sisters of Mercy, Mercy Iowa City provides, without discrimination, emergency and other medically necessary care to all patients, without regard to a patient's ability to pay.

II. PURPOSE

Pursuant to IRS Section 501 (r), Mercy Iowa City is required to establish a written Financial Aid Policy. The purpose of this policy is to inform patients when Mercy Iowa City provides Financial Aid and the process required to apply for such aid.

This policy applies to all hospital services provided by Mercy Iowa City Hospital and Mercy Services employed physicians (See Exhibit C) with the exception of cosmetic services, already discounted services and packaged pricing.

Non-employed third-party providers who deliver emergency or other medically necessary care in the hospital facility are not covered under this policy (See Exhibit C). A listing of these physicians as well as a listing of covered physicians is also available on the Mercy Iowa City website <http://www.mercyiowacity.org/patient-financial-assistance>.

III. ELIGIBILITY FOR FINANCIAL ASSISTANCE

Financial assistance is provided to patients who meet eligibility guidelines after Medicaid, Medicare, Insurance Exchange, or other support networks are exhausted.

A financial assistance application must be completed, signed and dated, and submitted within 240 days of the first billing statement to be considered for financial assistance. Applications are available on the Mercy Iowa City website <http://www.mercyiowacity.org/patient-financial-assistance>, at the Financial Counseling office located in the hospital, by calling 888-832-1896, or can be mailed or faxed to patient guarantor upon request (See Exhibit A).

Mercy Iowa City bases eligibility for financial assistance on household income, available assets, and household size. The financial assistance application must be accompanied by two forms of income verification. Acceptable verification of income and assets includes the following for all adult members of the household:

- three most recent payroll stubs.
- most recently filed tax return.
- statements demonstrating Social Security, unemployment, disability and spousal/child support benefits.
- bank and brokerage account statements (for cash, IRA, stock, 401K accounts).
- an income or profit/loss statement for self-employed applicants.
- in the absence of income, a Declaration of No Income statement will be accepted.
- other documentation as may be deemed necessary based on extraordinary living/employment circumstances of the applicant. (See Exhibit E)

Income guidelines will be revised annually in conjunction with the Federal Poverty Guideline updates published by the Center for Medicare and Medicaid Services.

Income guidelines for financial assistance eligibility at Mercy Iowa City are as follows:

- Applicants with household income less than or equal to 200% of FPL qualify for 100% financial assistance.
- Applicants with household income greater than 200% of FPL but less than or equal to 250% of FPL qualify for 75% financial assistance and are responsible for no more than AGB from previous fiscal year (see Exhibit D) of billed charges.
- Applicants with household income greater than 250% of FPL but less than or equal to 300% of FPL qualify for 50% financial assistance and are responsible for no more than AGB from previous fiscal year (see Exhibit D) of billed charges.

- Applicants with household income greater than 300% of FPL but less than or equal to 350% of FPL qualify for 25% financial assistance and are responsible for no more than AGB from previous fiscal year (see Exhibit D) of billed charges.
- Applicants eligible for less than 100% financial assistance may also be offered Extended Payment Plan (EPP) options.

Asset guidelines for financial aid eligibility at Mercy Iowa City are as follows: If a family has cash/IRA/stock/401K assets totaling \$25,000 or more, at least 10% of the available assets must be applied to the balance due to Mercy Iowa City before the person/family will qualify for financial aid.

A 25% catastrophic discount from patient responsibility is available when the patient responsibility amount for a single claim is greater than or equal to 25% of their household income.

Evaluations of Mercy Hospital financial assistance applications will be processed within 30 days of receipt of all required documentation. A determination of eligibility for full or partial financial assistance is valid for 180 days from the submission date of that application. Patients who wish to continue to receive financial assistance after 180 days must again complete the full application process to receive a new determination.

Mercy Hospital Iowa City may use outside collection agencies to collect any unpaid amounts due after any applicable financial assistance is granted and/or insurance payments are received.

IV. PRESUMPTIVE ELIGIBILITY

Mercy Hospital may grant Presumptive Financial Assistance based on information received from other sources. Presumptive Financial Assistance may be based on the following:

- Recipient of state-funded programs who was not eligible on the date of service of the services being considered for financial assistance.
- Homeless patients.
- Patient is now deceased with no known estate.
- Patients filing for Bankruptcy Chapter 7.
- Members of religious organizations who have taken a vow of poverty and have no resources individually or through the religious order.

Presumptive eligibility is granted post-service only for those services not covered by another funding source and for which the patient has not submitted a financial assistance application.

Presumptive eligibility is granted only after all other means for payment have been exhausted and the services in question are ready to be placed in collections.

V. NOTICES REGARDING FINANCIAL ASSISTANCE

This Financial Assistance Policy (FAP), a plain language summary of the FAP (See Exhibit B), and the Financial Assistance application form will be available for patients upon request in person, by mail, by fax and on the facility website. Notices regarding financial assistance will be displayed in public areas in the facility. These notices will include a plain language summary of the financial assistance policy and will also include both a phone number and website where additional information on the application process can be obtained.

These notices will be available in English and Spanish or any other language spoken by at least 10% of the population served by Mercy Iowa City.

Referral of patients for Financial Assistance may be made by other Mercy Iowa City employees. It is the responsibility of the patient, guarantor or patient representative to contact the Financial Counselor for additional assistance with the application process.

VI. APPLICATION OF PROCEDURES

Revenue Cycle teams are responsible for the implementation of this Policy in accordance with the detailed procedures set forth in established procedures.

VII. DEFINITIONS

Amount generally billed (AGB) means the amount generally billed by using the “Look Back” method. This is the average amount of reimbursement for the previous fiscal year, excluding Medicaid and uninsured self-pay payers.

Application Period means the time provided to patients by Mercy Iowa City to complete the Financial Assistance application. It begins on the first date care is provided and ends on the 240th day after Mercy Iowa City provides the individual with the first billing statement for the care provided.

Medically Indigent Support/Catastrophic means financial support offered for medically indigent patients. Medical indigence occurs when a person is unable to pay some or all of their medical bills because their medical expense exceeds 25% of their income, regardless of whether they have income or assets that otherwise exceed the financial eligibility. Catastrophic costs or conditions occur when there is a loss of employment, death of primary wage earner, excessive medical expenses or other unfortunate events. Medical indigence/catastrophic circumstances will be evaluated on a case-by-case basis that includes a review of the patient’s income, expenses and assets.

Emergency Medical Care means immediate care that is necessary to prevent serious jeopardy of a patient's health, serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.

Extraordinary Collection Activities (ECA) means the reporting of unpaid debt to credit agencies, taking legal action, and/or garnishment of wages.

Federal Poverty Level (FPL) is the national standard used to determine the poverty level of households by size. These numbers are updated annually by the US Department of Health and Human Services.

Financial Assistance means assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for care provided by Mercy Iowa City.

Household Income means the income of all adult members in the household. For children or adult dependents, regardless of their age, if they are claimed by another adult in the household on income tax returns, the income of all adults and dependents are then included in this definition.

Income means wages, salaries, salary and self-employment income, unemployment compensation, worker's compensation, payments from Social Security, public assistance, veteran's benefits, child support, alimony, education assistance, survivor's benefits, pensions, retirement income, regular insurance and annuity payments, income from estates and trusts, rents received, interest/dividends, and income from other miscellaneous sources

Presumptive Financial Assistance means the determination of eligibility for Financial Assistance that can be provided by third-party vendors and other publically available information.

Submission Date means the date the completed, signed and dated financial assistance application is received and documented by the Financial Counselor or Cashier.

VII. ATTACHMENTS

Exhibit A: Financial Aid Application

Exhibit B: Plain Language Summary Notice

Exhibit C: Covered and Non-covered Providers

Exhibit D: Amount Generally Billed (AGB) statement

Exhibit E: Documentation for Extraordinary Circumstances