

**DEPARTMENT:** PATIENT ACCOUNT SERVICES  
**SUBJECT:** FINANCIAL ASSISTANCE POLICY  
**REVIEWED:** JANUARY 3, 2022  
**SUPERSEDES POLICY DATED:** JANUARY 1, 2016  
**ISSUED BY:** UNION HOSPITAL BOARD OF DIRECTORS

---

## **FINANCIAL ASSISTANCE POLICY**

### **I. PURPOSE:**

To meet the needs of the communities it serves and in recognition of its status as a nonprofit healthcare provider, Union Hospital will establish fair and equitable Financial Assistance and discount practices for patients who are unable to sustain the extraordinary burden of medical expenses due to limited income and resources. Consideration is open to any billings associated with the provision of Emergency Medical Services or Medically Necessary hospital care. This policy shall apply to Union Hospital Terre Haute and Union Hospital Clinton.

### **II. DEFINITIONS:**

- A. "Amount Generally Billed" ("AGB") means the amount Union Hospital 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. "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.
- D. "Eligible Individual" means an individual who is determined by Union Hospital to be eligible for Financial Assistance.
- 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 Hospital to compare levels of available Financial Assistance.
- F. "Financial Assistance" means payment relief for which Union Hospital will provide a reduction of a patient's financial obligation based upon his or her limited income and resources.

- G. "Financial Assistance Committee" means a committee appointed by the Hospital's System Director, Patient Financial Services 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.

**III. POLICY STATEMENT:**

It is Union Hospital's policy to provide Emergency Medical Services to all individuals regardless of their ability to pay. Moreover, Union Hospital 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 the Hospital's Financial Assistance program prior to, or following, the provision of service(s).

**IV. ELIGIBILITY FOR FINANCIAL ASSISTANCE:**

- A. This policy applies to charges for Emergency Medical Services and Medically Necessary hospital care provided by Union Hospital.
- 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 sources for payment, such as health insurance, Medicaid eligibility, or liability claims.
- C. For those ineligible for full Financial Assistance, Union Hospital will grant partial Financial Assistance to individuals and families 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 300%	40%

A family will be considered the patient along with all other related persons living in the residence who constitute a single taxable unit.

- D. All uninsured patients, regardless of financial need, will be eligible for an initial automatic discount of 30% to the AGB, as calculated consistently with Credit and Collection Policy. Union Hospital 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.

## **V. 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 Account Services 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 the Hospital 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 (subject to the further requirements of Code Section 501(r)). The specific actions that the Hospital may take in the event of nonpayment are described in the Hospital's Credit and Collection Policy, a copy of which may be obtained free of charge by contacting the Patient Financial Services Department at (812) 238-7621.
- C. The income figure used to determine eligibility for Financial Assistance will be the last three months income, as documented by the last three payroll pay stubs from all household income earners, multiplied by four. An exception to this may be made if, in the opinion of the Director of Patient Financial Services, the three-month income is not reflective of the applicant's true ability or 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 obligations.
  - a. Income shall include earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Social Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates and 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.
  - c. Income shall be determined by reviewing pay check stubs or most recent tax forms.
- D. For questions about or assistance with the application or this policy, an individual may visit the Patient Financial Services Department at 1711 North 6 ½ Street, Terre Haute, Indiana, or may call that Department at (812) 238-7621.

## **VI. CALCULATION OF AMOUNTS GENERALLY BILLED ("AGB"):**

- A. Union Hospital 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 Hospital 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 Hospital, 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 the Hospital's Office of Patient Financial Services at (812) 238-7621.

- B. The Hospital shall, at all times, make reasonable efforts to determine whether a patient is eligible for Financial Assistance. If the Hospital has billed an amount to an individual who has not submitted an application for Financial Assistance as of the date of the charge and is later determined to be eligible for Financial Assistance, the Hospital will make appropriate adjustments to the amounts charged and issue a refund to the patient, if necessary. In this manner, the Hospital intends to satisfy the requirements for the safe harbor described in Section 1.501(r)-5(d) of the Proposed Regulations.
- C. The Hospital 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 Hospital's gross charges.

## **VII. GENERAL POLICY ADMINISTRATION**

- A. Approved applications are considered valid for services rendered up to six months following the application date.
- 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 Director of Patient Financial Services, extenuating circumstances exist(ed).
  - b. Any individual who fails to respond to the offer of Financial Assistance.
- E. Any individual denied Financial Assistance in 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 of denial.
- F. The Hospital will widely publicize this Financial Assistance Policy, as required by Code Section 501(r). Notification about Financial Assistance available from the Union Hospital, which shall include a contact number, shall be disseminated by the Hospital by various means, which shall include, but are not limited to, the following: including notices in patient bills; posting notices in emergency rooms, in the Point of Service Brochure, in the Admitting department, and the Patient Financial Services department; and distributing

the Summary of the Financial Assistance Policy to local public agencies and nonprofit organizations that address the health needs of the community's low income population. The Hospital also shall conspicuously post this Financial Assistance Policy, a Summary of the Policy, and the Financial Assistance application on the Hospital's website and shall include the Summary in brochures available in patient access sites. The Hospital also shall make paper copies of the Financial Assistance Policy, a summary of the Policy, and the Financial Assistance application available upon request and without charge both at the Patient Financial Service Department of the Hospital and by mail. Such documents, including the Summary, shall be made available in the primary languages spoken by the population serviced by the Hospital, 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 the Hospital notifies the individual about the program, the Hospital provides the individual or, where applicable, his or her family member(s), with information relevant to completing the application, and the Hospital makes and documents its determination as to whether the individual is eligible for assistance under the policy.
- I. The Hospital shall not engage in any debt collection activities in the 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, they 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 guarantor will not be supplied with documentation required to bill insurance companies. This includes UB, 1500 and/or detailed itemization of charges.
- L. The hospital reserves the right to review the Financial Assistance determination if the 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 determined by a third party. Additional documentation will not be required by the Patient Financial Services Department.
- P. A list identifying the healthcare providers providing Emergency and other Medically Necessary Care within the Hospital facilities and identifying which are and are not covered

by this Financial Assistance Policy may be obtained by contacting the Patient Financial Services Department at (812) 238-7621.

**VIII. EXCEPTIONS:**

Any exceptions to the policy require approval by the Financial Assistance Committee and appropriate account documentation.

**IX. RESPONSIBILITY:**

System Director, Patient Financial Services