

**TITLE:** Financial Assistance Policy

**CATEGORY:** Leadership

**EFFECTIVE DATE:** 1/99

**APPLICABLE FOR:** ALL

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## **POLICY STATEMENT**

Waverly Health Center (WHC) is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation.

## **PURPOSE**

To provide consistent guidelines and criteria for use in both the hospital and clinics to determine whether a Waverly Health Center patient is eligible for financial assistance.

## **DEFINITIONS**

**Amounts Generally Billed (AGB):** The amount WHC usually charges a patient for a particular service determined by either past claims paid by Medicare or Medicare together with all private health insurers.

**Dependent:** A child, parent or other relative who relies on the applicant for necessary financial support.

**Extraordinary Collection Action:** Collection activities requiring legal or judicial process. Extraordinary collection actions may include: liens, foreclosures, attachments or seizing bank accounts, civil actions, writs of attachment, wage garnishment, reports to credit agencies, sale of debt to third party, and other legal actions.

**Family Income:** Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veteran's payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, education assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Does not include noncash benefits such as food stamps and housing subsidies;
- Determined on a before-tax basis;
- Excludes capital gains and losses;
- Includes the income of all family members claimed on the applicant's tax return; does not include non-relatives.

**Financial Assistance:** Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria. Financial assistance may also be referred to as charity care.

**Gross Charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

**Medically Necessary:** As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury); services not covered by Medicare are not considered medically necessary under this policy such as elective procedures, gastric bypass surgery, experimental (including non-FDA approved) procedures and devices or implants, and elective cosmetic surgery.

**Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

## **PROCEDURE**

### Eligibility

1. Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with WHC's procedures for obtaining assistance, and to contribute to the cost of their care based on their individual ability to pay. 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.
  - Financial assistance is available to United States (U.S.) citizens, or non-U.S. citizens who are classified as legal immigrants, international students, temporary residents or legal visitors.
  - Financial assistance may be provided to uninsured or underinsured individuals based on the family income as a percentage of the federal poverty level (FPL).
  - All other sources of payment must be exhausted prior to becoming eligible for financial assistance provided under this policy. Examples of these would be group or private insurance, veterans benefit programs, Iowa Medicaid, other local, state or federal programs, etc.
  - Individuals and families who do not meet the current income guidelines for Medicaid or other state or county programs will be presumed ineligible without the need to complete an application.
  - Financial assistance is available for adult individuals, their spouse and dependents.
  - Free or discounted care is available for services deemed medically necessary for patients who meet the criteria outlined in this policy.
  - Services necessary to screen for and stabilize an emergency medical condition as required by the Emergency Medical Treatment and Active Labor Act (EMTALA) will not be delayed or denied in order to inquire about payment sources or evaluate a patient's ability to pay.
  - Charges for services that are not billed directly by WHC are excluded from the financial assistance policy. This would include professional charges for radiology, pathology, visiting specialists, Rohlf Clinic etc. For a list of medical providers not included see the appendix.

### Amounts Charged to Patients

- WHC determines the amounts charged to uninsured or private pay patients by multiplying the gross charges for the service provided by a fixed percentage determined by amounts generally billed (AGB) to individuals who have insurance. This percentage is calculated based on all the

claims allowed by Medicare, Medicaid and private insurers over a 12-month period (look-back method) divided by the associated gross charges for those claims. The current AGB is 51% for services received for the time period July 2020 through June 2021.

- Any uninsured individual who is deemed to be eligible for financial assistance will receive either the applicable financial assistance discount or the AGB discount, whichever is greater.
- Any insured individual who is deemed to be eligible for financial assistance will receive the financial assistance discount.
- No uninsured individual who is deemed to be eligible for financial assistance will be charged more for emergency or other medically necessary care than the AGB.
- Income guidelines for determining eligibility will follow the current year FPL as published annually in the Federal Register. These will be updated each year when the new rates are released.
- The following discounts are available to individuals eligible for financial assistance:

Income % of FPL	Financial Assistance %
0-150%	100%
151-175%	90%
176-200%	80%
201-225%	70%
226-250%	60%
251-275%	50%
276-300%	40%
301-325%	30%
326-350%	20%
351-400%	10%

- Once an individual has been deemed eligible for financial assistance and a discount determined, it will be valid for a period of 12 months from the date of the application without the need for a new application. A new application will be required in order to change the discount rate.
- Authority for approving the initial financial assistance discount that meets eligible criteria (other than AGB) will be as follows:

Discount	Approval Required
< \$1,000	Business Office Manager
\$1,000 > \$5,000	Chief Financial Officer
\$5,000 > \$10,000	Chief Executive Officer
> \$10,000	Board of Trustees

Method to Apply

- It is preferred that a request for financial assistance 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. The need for assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than one

year prior, or at any time additional information relevant to the eligibility of the patient for assistance becomes known.

- Any individual or family who is interested in applying for financial assistance is required to complete the Application for Financial Assistance in order to be considered. This application, along with instructions for completion, may be found on the health center website at [www.waverlyhealthcenter.org](http://www.waverlyhealthcenter.org), by contacting the patient financial counselor at (319) 352-4928 or may be picked up at the Green Entrance or any of the WHC clinics.
- For applicants with income that is less than 200% of the FPL the Medicaid application or Presumptive Medicaid application may be accepted along with a shortened version of the WHC application in lieu of the full WHC application.
- An applicant has 12 months from the date of service to submit an application for consideration of financial assistance. Dates of service prior to 12 months from the application date are not eligible.
- Other documents required to be submitted with the application include:
  1. A copy of the most recently filed Federal Income Tax Return or verification that the individual did not meet the federal filing requirements. WHC has the right to hold the application from processing pending filing of a current tax return.
  2. Last 3 bank statements for all accounts owned by the applicant and adult dependents.
  3. If employment or source of income has changed since the last tax return was filed, copies of the most recent paycheck or other documentation to support the changes.
  4. If the patient is unemployed, a copy of the last paycheck received along with a statement of unemployment benefits showing the benefit amount and duration.
  5. A copy of any denial letter from county or state government assistance programs which may be applicable to the individual or family's situation. This requirement is waived for individuals or families who have been presumed ineligible based on income.
- Other evidence of eligibility or attestation by the applicant may be deemed acceptable in lieu of the items required above in extenuating circumstances. This determination will be made by the business office manager and/or chief financial officer.
- Waverly Health Center has the right to deny financial assistance to any individual who does not submit a completed application or does not provide proof of income for financial assistance determination.

#### Presumptive Eligibility

- There are instances when a patient may appear eligible for financial assistance but there is no application on file or there is a lack of supporting documentation, there may be other information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with presumptive financial assistance. WHC could use information from outside agencies in determining estimate income amounts for the basis of determining eligibility and discount amounts. WHC will attempt to obtain a completed and signed application but exceptions may be made on an individual case basis.
  1. Patient is deceased with no known estate or no funds available to pay medical bills
  2. Eligibility for other state or local assistance programs that are unfunded (e.g. Medicaid spend-down)
  3. Homeless or received care from a homeless clinic;
  4. Participation in Women, Infants and Children Program (WIC)

5. Food stamp eligibility (SNAP program)
6. Eligibility for subsidized school lunch program
7. Resides in low income/subsidized housing based on valid address
8. Eligible for state funded prescription programs

#### Failure to Pay

- WHC will not impose extraordinary collection actions (as previously defined) without first making reasonable efforts to determine whether the patient is eligible for financial assistance under this policy. Reasonable efforts shall include:
  - Notifying the patient or patient's guarantor of financial assistance from the date of service to 120 days after WHC provides the patient or guarantor with the first billing statement for the service provided. This notification will include but not be limited to, a plain language summary of the financial assistance policy on the first billing statement.
  - Validating the patient owes unpaid bills and that all third party sources have been identified and billed.
  - Documenting that WHC has offered or attempted to offer the opportunity to apply for financial assistance.
  - Documenting that the patient has been offered a payment plan but has not honored the terms of that plan.

In the event WHC receives an incomplete financial assistance application within 120 days after the first billing statement, WHC may:

- Suspend all extraordinary collection actions.
- Provide written notice of the information necessary to complete the application.
- Provide written notice of extraordinary collections actions WHC may take if information is not submitted or amounts are not paid within 240 days of the first billing statement.

#### Other Discounts

- Any patient, regardless of income or insurance, will be eligible to receive a "catastrophic discount" for any out of pocket medical bills at WHC for services in any three month rolling period, including but not limited to WHC that exceed 40% of their household annual gross income. This discount will be 100% of the amount owed to WHC for services provided in the 90 day period ending on the approval date. Future services will be discounted at the rate approved through the regular application process. This will require approval authority as documented above in Section 2.

Consistent with its mission to deliver compassionate, high quality, healthcare services, WHC, strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

WHC will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Waverly Health Center complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

**ATENCIÓN:** si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-319-483-4017.

**注意：**如果您使用繁體中文，您可以免費獲得語言援助服務。請致電1-319-483-4017。

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<b>APPENDIX</b>	Financial Assistance Program Materials - <a href="https://www.waverlyhealthcenter.org/patients-visitors/after-your-visit/fap/">https://www.waverlyhealthcenter.org/patients-visitors/after-your-visit/fap/</a>
<b>OWNER</b>	Administration
<b>SOURCES</b>	HFMA Best Practices
<b>REVISIONS</b>	4/01, 9/02, 1/04, 9/06, 11/08, 7/16, 12/16, 7/17, 7/18, 6/19, 6/20, 7/20, 8/20
<b>REVIEWS</b>	10/13, 11/14, 11/15
<b>REVISION SUMMARY</b>	Expanded policy statement; added definition of family income and medically necessary; revised method to apply section; expanded presumptive eligibility.