

Policy Title:	Financial Assistance Policy
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I. PURPOSE

Littleton Regional Healthcare (LRH) is a not for profit organization which recognizes its responsibility to provide Emergency Care to patients of its community regardless of their ability to pay. Financial Assistance may also be available for patients who receive Medically Necessary care after reasonable efforts have been made to identify insurance and/or other payment sources. This includes both onsite hospital and physician services, as well as clinic services provided under the name "Alpine Clinic".

This policy provides guidelines to ensure consistent processing of Financial Assistance to patients who qualify as Medically Indigent. Determination of eligibility of a patient for Financial Assistance shall be applied regardless of the source of referral and without discrimination as to race, color, gender, national origin, age, religion, creed, disability, veteran's status, sexual orientation, gender identify or gender expression.

II. DEFINITIONS

- A. **Family Unit Size** – is defined as the applicant (patient, if applicable), spouse, and all legal dependents as allowed by the Internal Revenue Service. If patient/applicant is a minor, the family unit will include parent(s)/legal guardian(s) and any other taxpayer that can claim the patient/applicant as a dependent for income tax paying purposes.
- B. **Family Unit Income** – is defined as gross income for all members of the family unit for the last four months (annualized) or the last calendar year, whichever is the lesser amount. Examples of income are retirement, veteran's administration, workers compensation, sick leave, disability compensation, welfare, social security retirement, alimony, child support, stock/certificate dividends, interest, or income from property.
- C. **Medically Indigent** – is defined as an uninsured person who is not eligible for other health insurance coverage such as Medicare, Medicaid, or other private insurance. Those that are "medically indigent" make too much to qualify for Medicaid but too little to purchase health insurance or health care.
- D. **Presumptive Eligibility** – is defined as approved financial assistance based upon a patient's indigent status, determined using criteria-based methods, such as propensity to pay scoring, evidence of participation in low income government assistance programs, such as state funded prescription programs, Women, Infants and Children program (WIC).
- E. **Emergency Care** – is defined as care provided for an emergency medical condition. An Emergency Medical Condition means a medical condition manifesting itself by acute symptoms of sufficient severity (including acute severe pain, psychiatric disturbances and/or symptoms of substance abuse) such that the absence of immediate medical attention might reasonably result in either:

1. Placing the health of the individual in serious jeopardy (or, with respect to a pregnant woman, the health of the woman or her unborn child)
 2. Serious impairment to bodily functions.
 3. Serious dysfunction of any bodily organ or part.
 4. With respect to a pregnant woman who is having contractions:
 - a. that there is inadequate time to effect a safe transfer to another hospital before delivery; or
 - b. that transfer may pose a threat to the health or safety of the woman or her unborn child.
- F. **Medically Necessary Care** - Care that is deemed medically necessary by an examining physician's determination. Such care is also based upon generally accepted medical practices in light of conditions at the time of treatment which is appropriate and consistent with the diagnosis and the omission of which could adversely affect or fail to improve the patient's condition.
- G. **Extraordinary Collection Actions (ECAs)** – is defined as actions that require a legal or judicial process or involve reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus (collectively, “credit agencies”).
- H. **Application Period** – is defined as the period beginning on the date care is provided and ending 240 days after the date of the first post-discharge billing statement.
- I. **Gross Charges** – is defined as the total amount of charges for services rendered, listed at published rates before deductions are applied.
- J. **Amounts Generally Billed (AGB)** – is defined as the amount that LRH generally receives as a percentage of Gross Charges, which is calculated using the “Look-Back Method” as defined by IRS regulations, reflecting the effective rate of reimbursement for Medicare fully adjudicated claims. This rate will be updated on an annual basis, and is currently **42%** for Fiscal Year 2021.
- K. **Federal Poverty Income Guidelines (FPG)** – is defined as the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. (<https://aspe.hhs.gov/poverty-guidelines>)

III. POLICY STATEMENT

- A. Financial assistance applications will be accepted for Emergency Care as well as for Medically Necessary care. LRH shall allocate financial resources as part of its annual budget process, and provide financial assistance based on the use of appropriate criteria to determine eligibility.
- B. LRH will provide Emergency Care to all patients (within the meaning of the Emergency Medical Treatment and Active Labor Act (EMTALA) to individuals regardless of whether they are eligible for Financial Assistance. LRH will refrain from engaging in debt collection activities that interfere with the provision of Emergency Care. However, after medical screening and stabilization services have been rendered as required by

EMTALA, LRH may then request insurance status and review applicable estimates of patient financial liability (e.g., deductibles, co-insurance and co-payments).

IV. GOVERNANCE

The Financial Assistance Policy is administrated by the Revenue Cycle Department with authority and approval from the LRH Board of Trustees.

V. FEDERAL COMPLIANCE

- A. This policy, in conjunction with the LRH Credit and Collections Policy, is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code of 1986, as amended, and the regulations there under.
- B. LRH will make concerted efforts to promote the Financial Assistance Program. The program is promoted through a plain language summary offered directly to all patients upon registration, on the hospital web site, and through the conspicuous display of signs at principal entry points. In addition information regarding the plain language summary is provided on a periodic basis to physician offices, human service agencies, and other community organizations.
- C. The plain language summary includes a brief description of eligibility requirements, brief summary of how to apply, website and physical location where an application and copy of the Financial Assistance Policy may be obtained, how to get an application by mail and contact and assistance information.
- D. LRH shall make the Financial Assistance Policy, the plain language summary and the Financial Assistance application available in English and in the primary language of any populations with limited proficiency in English that constitute a minimum of 5% or 1000 persons, whichever is less, of the residents in the LRH service area.

VI. PROCESS

A. Application Process

1. All patients who wish to be considered for financial assistance must complete the LRH Financial Assistance application, disclosing financial information that is considered pertinent to the determination of the patient's eligibility for financial assistance.
2. Financial Assistance applications can be completed in writing, or by speaking with a Financial Counselor. The patient will authorize the hospital to make inquiries of employers, banks, credit bureaus, and other institutions for the purpose of verifying statements made by the patient in applying for assistance.
3. The application may be obtained by calling or by visiting any hospital Financial Counselor or by printing online at https://littletonhealthcare.org/pfs_assistance.php.

4. When returned, the application shall be accompanied by one or more of the following types of documentation:
 - a. Evidence of participation in a State or Federal program which utilizes Federal Poverty Guidelines as criteria for approval may be accepted in lieu of income documentation and considered as Presumptive Eligibility. Littleton Regional Healthcare will recognize decisions made by the following assistance programs without requesting copies of applications. Littleton Regional Healthcare reserves the right to accept or deny decisions made outside these guidelines. All applicable co-pays or other patient responsibility amounts should be requested in accordance with requirements of such programs.
 - NH Health Access Network Card for insured patients only
 - Ammonoosuc Community Health Services, Inc.
 - Current Medicaid eligibility if not retroactive to cover past services
 - Deceased patient with no estate (as confirmed by executor or state)
 - b. Proof of household income must be at least one of the following:
 - a) A copy of four most recent pay stubs of all employed in the household. If no pay stub available, please provide a notarized letter from employer.
 - b) Current year W-2 and/or recent year tax return.
 - c) Social Security Award Letter.
 - d) Proof of workers compensation, sick leave, disability compensation, welfare, or social security retirement.
 - e) If you have no income at this time, a notarized signature is required from the person who provides food, shelter, clothing, etc. for you and your family, if applicable, using our "No Income and Support Verification Form".
 - c. Proof of assets as follows:
 - a) Copies of your 3 most recent statements for all banking, investment and/or retirement accounts.
 - b) If banking information is not available, your notarized signature is required on our "No Bank Account Information Form".
 - d. Proof of residence must be at least one of the following:
 - a) Valid New Hampshire or Vermont driver's license.
 - b) Valid New Hampshire or Vermont identification card.
 - c) Current utility bill.
 - d) Lease or rent records showing evidence of county of residence.
 - e) County property tax assessment.
 - f) County food stamp letter.
 - g) Voter registration card.
 - e. The following documents may be required if applicable:
 - a) If you are not married but there are children in common, you must provide entire household income. Any child support or alimony received must also be included.
 - b) If you are still legally married but separated, you must provide legal documentation of separation or spouse's income.

- c) Written verification from public welfare agencies or other government agencies which can attest to the Patient's Gross Income status for past 12 months.
 - d) Most recent bank statements for personal and business checking and savings accounts
 - e) Verification of Pension or Retirement Income.
 - f) Verification of student status which is defined as a copy of current class schedule, registration information and a copy of student photo ID.
 - g) If you lost your job within the last three months, you are required to provide a separation letter from your past employer. Additionally, you must documentation specifying whether or not you are receiving unemployment benefits.
 - h) If you have listed any children on your application other than biological or stepchildren, you must provide legal documentation to this effect.
- f. Income shall be annualized, when appropriate, based upon documentation provided and upon verbal information provided by the patient. This process will take into consideration seasonal employment and temporary increases and/or decreases of income.
- g. All applications, supporting documentation, and communications will be treated with proper regard for patient confidentiality.
- h. In situations where the information provided by the patient or guarantor does not match the "Criteria Based Method", the Criteria Based information will be considered in the eligibility determination.
- i. Approval can only be considered for complete applications. In the event that LRH receives an incomplete application, a notification will be sent to inform patients of the status of their application, and with instructions on how to obtain assistance to complete the application.
- j. Complete applications will be accepted up to the end of the application period, as defined above.

B. Eligibility Criteria

1. Financial assistance will be provided to patients when net available assets are not sufficient and gross family income is between 0 and 300 percent of the Federal Poverty Guidelines adjusted for family size, and either in full or in part in accordance with the LRH Sliding Scale (see further below).
2. Financial assistance eligibility may occur at any time during the Application Period. If the completed application is received after extraordinary collection efforts have commenced, but within the application period, the application processing will be expedited and all ECAs will cease during processing.
3. Following the initial request for financial assistance, LRH will continue to make reasonable efforts to identify other sources of funding, including Medicaid and/or other options.

4. Financial Assistance is secondary to all other financial resources available to the patient.
5. The financial obligations that remain once the financial assistance adjustment has been applied may be paid in a lump sum or the patient may arrange a payment plan subject to the conditions of the LRH Credit and Collection Policy.
6. Financial Assistance will remain in effect for a period of twelve (12) months from the date of approval for Medicare patients, and six (6) months from the date of approval for all other patients.
7. If the patient/responsible party's financial situation changes after Financial Assistance has been approved and awarded, LRH reserves the right to terminate future eligibility at the discretion of the Director of Revenue. Examples include but are not limited to publically obtained information regarding proceeds from court settlement, lottery winnings, etc.

C. Approval Calculation and Sliding Scale Determination

1. For qualifying applications, gross charges will first be adjusted by the Amount Generally Billed (AGB) as defined previously in this policy. The remaining balance may qualify for a financial assistance on a sliding scale as follows:
 - a. Up to 200% of federal poverty guidelines will receive 100%
 - b. 201%-225% of federal poverty guidelines will receive 75%
 - c. 226%-275% of federal poverty guidelines will receive 50%
 - d. 276%-300% of federal poverty guidelines will receive 25%
2. Assets will be taken into consideration, including but not limited to: savings, checking, certificates of deposit, investments and retirement accounts.

Assets will be excluded subject to the following limits in determining eligibility for financial assistance:

- a. Savings, checking, certificates of deposit or other investments up to 100% of Federal Poverty Limit for Income.
- b. Retirement Accounts up to \$100,000.
- c. Primary residence is fully excluded.

Please note that this asset test does not apply to Rural Health Clinic balances.

3. Example of the calculation based on the following assumptions:
 - a. Gross Charges for services are \$1,000,
 - b. Patient qualifies based on FPG and sliding scale for 50% financial assistance
 - c. Gross Charges are first reduced by AGB leaving a balance of \$420
 - d. Remaining balance is approved at 50%, leaving a patient financial responsibility of \$210.

D. Notification of Approval

1. The hospital will make reasonable efforts to notify the patient of the final determination within thirty (30) working days of having received a complete application.
2. The notification will include the calculation of the approved amount including the application of the AGB, and the determination of the amount for which the responsible party will be financially responsible, if applicable.
3. Applications that are deemed to not qualify will be communicated in writing as to why the application did not qualify, and will include instructions for appeal.
4. If the application is approved, any prior payments made by the patient on accounts that are covered by the approved application will be refunded if the excess is greater than \$9.99.

E. Appeals Process

1. The responsible party may request reconsideration of eligibility for financial assistance by providing additional documentation within the application period. Any such request will be reviewed for reconsideration within 30 days of having received an amended complete application, and notifications will be processed as per above.

F. Authority to Approve

1. Applications will be reviewed for completeness by staff members of the Patient Financial Services department. The Director of Revenue Cycle shall have the authority to approve applications for qualifying adjustments that are less than \$5,000. Qualifying adjustments that are greater will be reviewed for approval by the CFO or CEO.
2. All appeals will be reviewed by the CFO or CEO.

G. LRH Service Area

This policy is applicable only to residents of New Hampshire and Vermont.

VII. SUPERSEDED

This policy rescinds and supersedes the Financial Assistance Programs Policy (PFS11) effective February 1, 2017, and revised on January 1, 2019.

Responsible Owner/Author:	Chief Financial Officer	Contact(s):	
Regulatory standard (as applicable)	N/A		
Approved By:	LRH Board Finance Committee LRH Board of Trustees	Version#	1
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Related Procedures, Protocols, Guidelines, Job Aids:	