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| **Phelps Health** | Title: **Financial Assistance** | |
| **Keyword(s):**  Financial Assistance Program,  Charity,  Patient Charges | |
| Implemented: **06/1995** | Revisions: **06/1997; 09/2005; 04/2014; 04/2016; 01/2018; 03/2019; 01/2021; 01/2023; 01/2024** |
| Current Version: **01/2024** | Scope: **Phelps Health Hospital, Pain Clinic Providers, Emergency Room Physicians, Anesthesiology Providers, and Non NHSC-designated sites** |
| Section: **Finance (500)** | Chapter(s): **502 Patient Financial Services** |
| Policy Number(s): **502.00003** | Page **1 of 10** (including Cover Page and Appendices) |
| **Associated Policies:**  Medical Clinic Financial Hardship, 404.0314  Sliding Fee Discount Program at NHSC-Certified Sites, 404.03021 | | |
| **Legal References:**  26 CFR 1.501-r-4  26 CFR 1.501-r-6  26 CFR 1.501-r-1 | | |
| **Associated Forms and Appendices:**  Appendix 1: Amounts Generally Billed (AGB) Calculation  Appendix 2: Federal Poverty Guidelines (Most Recent Publication) | | |
| **Executive Committee Review: 01/17/2023** | | |
| **Recommended by:**  Kimberly Bruno, Associate Vice President of Revenue Cycle | | |
| **Approved by:**  Jana Cook, Senior Vice President, Chief Financial Officer | | |
| **Authorized by:**  Phelps Health Board of Trustees (MM/DD/CCYY) | | |

**Purpose:** Guided by the vision and mission of Phelps Health this policy reflects the efforts of the Hospital to improve the human condition of the individuals and communities served, with special concern for the poor and underserved.

**Policy:** Phelps Health will provide medically necessary services to any patient seeking urgent or emergent care (within the meaning of §1867 of the Social Security Act (42 USCS §1395(dd)) without discrimination and without regard to that patient’s financial ability to pay.

**Definition(s):**

**Financial Assistance**: uncompensated or discounted medically necessary services provided to eligible patients who do not have the ability to pay.

**Primary Service Area:** within Missouri, the geographical boundaries of Phelps, Dent, Texas, Pulaski, Maries, Crawford, Osage, Gasconade, Laclede, Camden, and Miller Counties.

**Medically Necessary:** any procedure reasonably determined to prevent, diagnose, correct, cure, alleviate, or avert the worsening of conditions that endanger life, cause suffering or pain, result in illness or infirmity, threaten to cause or aggravate a disability, or cause physical deformity or malfunction, if there is no other equally effector, more conservative or less costly course of treatment available. Phelps Health operates in accordance with all federal and state requirements for the provision of urgent or emergent health care services, including screening, treatment, and transfer requirements under EMTALA. Providers should consult the Phelps Health Emergency Services Policies, EMTALA regulations, and applicable Medicare/Medicaid Conditions of Participation to determine what constitutes an urgent or emergent condition and the procedures followed under each.

**EMTALA:** Emergency Medical Treatment and Active Labor Act

**Financial Ability:** a determination based upon a Patient’s gross income, assets (including checking accounts, savings accounts, Individual Retirement Arrangements (IRA), Certificates of Deposit (CD), retirement savings, investments, second homes, land, business assets, farm equipment, and livestock), household size, and expected income. Recent circumstances leading to significant changes to income will be considered.

**Self-Pay:** any balance remaining on a patient’s account that is the financial responsibility of the patient.

**AGB:** Amounts Generally Billed (AGB) is a percentage derived by taking the sum of claims that have been allowed by health insurers and dividing that total by the sum of the gross charges for those same claims. Phelps Health calculates AGB annually, see **Appendix 1** for the current calculation.

**Procedure:**

1. **Eligibility.** Eligibility for Financial Assistance will be determined considering the following criteria:
   1. The service or procedure was deemed Medically Necessary by the treating physician who is a:
      1. Pain Clinic Provider;
      2. Emergency Room Physicians;
      3. Anesthesiology Provider;
      4. Provider at a Phelps Health Medical Group site that is **not** NHSC-designated.
   2. Patients applying for Financial Assistance under this section must be a lawful Missouri resident who:
      1. Lawfully resides in the Primary Service Area, and;
      2. Was not claimed as a Dependent on another person’s taxes during the most recent filing period, and;
   3. The Patient is not insured or is underinsured.
   4. The Patient has no third-party liability or indemnity.
   5. The Patient’s Financial Ability meets the criteria established by Phelps Health. A copy of these criteria is available free of charge by contacting the hospital at (573) 458-7715.
      1. Phelps Health may provide discounted care for Patients whose Financial Ability is less than 225% of the Federal Poverty Guidelines, found in **Appendix 2**
      2. Lesser discounts, using the sliding scale found in the Medical Clinic Financial Hardship Policy, may be available for patients who receive treatment at Phelps Health Medical Clinics
   6. The Single-Billing Office (“SBO”) will review Financial Ability and recommend Financial Assistance for qualified applicants to the Director of SBO, who will have final approval.
   7. Special circumstances outside of Financial Ability may be considered but must be approved by the Director of SBO, the Associate Vice President of Revenue Cycle, or the Chief Financial Officer.
   8. Phelps Health reserves the right to exclude elective services from this policy. Phelps Health shall determine which services are deemed elective.
2. **Applying for Financial Assistance.** 
   1. Patients wishing to apply for Financial Assistance may request a Financial Assistance packet by:
      1. Telephoning the hospital at (573) 458-7715 and requesting that a Financial Assistance packet be mailed to the Patient’s address, or;
      2. Picking up a Financial Assistance packet in person at the Phelps Health Cashier’s Office at 1000 West 10th Street, Rolla, MO 65401, or;
      3. Downloading and printing the Financial Assistance packet from the Phelps Health website, <http://phelpshealth.org>, or;
      4. Utilizing the Patient Portal to request Financial Assistance, or;
      5. Requesting Financial Assistance at the time of registration.
   2. The Financial Assistance Application will be applied to present accounts and to accounts for the previous 240 days from the first patient statement.
   3. Upon approval, a refund will be issued if any personal payments made and the amount of Financial Assistance received would create a credit balance on the account.
3. **Presumptive Financial Assistance.** There may be circumstances under which a patient’s qualification for Financial Assistance is established without completing a formal assistance application.
   1. Phelps Health may utilize other sources of information to estimate the Financial Ability of an otherwise non-responsive patient.
   2. Phelps Health may use external sources or other program enrollment resources to establish Presumptive eligibility when:
      1. Patient is homeless or receiving housing from a homeless shelter;
      2. Patient is deceased with no known estate;
      3. Patient is incarcerated and not expected to be released within the next twelve months;
      4. Patient is mentally incapacitated and not eligible for Medicaid or Medicare.
   3. When Presumptive Eligibility is granted to a patient, the highest discount of full free care will be granted for eligible services for retrospective dates of service only.
   4. Patient Accounts granted Presumptive Eligibility will be reclassified under the Financial Assistance Policy, and the account:
      1. Will not be sent to collection;
      2. Will not be subject to further collection actions;
      3. Will not be notified of their qualification, and;
      4. Will not be included in the hospital’s bad debt expenses.
   5. If a patient does not qualify under Presumptive Eligibility, the patient may still be considered under the traditional Financial Assistance application process. Phelps Health will provide the patient with written notice informing the patient that:
      1. Financial Assistance is available, and;
      2. A plain language summary of this policy, and;
      3. Actions Phelps Health will take if no application for Financial Assistance is submitted or if the outstanding balance remains unpaid.
4. **Amounts Generally Billed (AGB).** Please see **Appendix 1** for the most recent calculation of the Phelps Health AGB. A copy of the AGB Summary document is available to patients and the general public at no charge by contacting Phelps Health, Director of SBO at (573) 458-7725.
5. **Self-Pay.** All self-pay patients must agree to be screened for benefits by completing a financial statement and/or related paperwork in order to qualify for discounts under this Section.
   1. Self-Pay Patients are required to work with the hospital liaison to determine qualification for healthcare coverage under any public or private program (i.e. Medicare, Medicaid, county assistance programs, Affordable Care Act, etc.).
   2. Self-Pay Patients must obtain and fill out a Patient Financial Assistance Application and return the completed form within fourteen (14) days.
      1. Financial Assistance Applications are good for 120 days from the date of submission;
      2. Self-Pay Patients qualifying at less than or equal to 225% of the Federal Poverty Guidelines (see **Appendix 2**) will receive a minimum discount equal to the AGB. Discounts greater than the AGB may be offered.
   3. Any Financial Assistance case will be identified as soon as practical so to reduce the determination timeframe and avoid unnecessary collection efforts.
      1. SBO staff will discuss the Phelps Health Financial Assistance Policy and provide an application to the patient for Financial Assistance.
      2. The patient will have fourteen (14) days to return the application, all supporting documents, and requested information for consideration.
   4. Upon approval and crediting of Financial Assistance to the patient account, any remaining balance is the responsibility of the patient, which will be no more than the AGB (see **Appendix 1**).
6. **Collections.** When pursuing collection of all patient account balances (whether self-pay or otherwise), Phelps Health, collection agencies, and third-party bill handlers working accounts on behalf of Phelps Health, shall not employ debtors’ prison, or writs of body attachment arrests.
   1. Liens on any appropriately attached assets may be exercised through garnishments or other means as permitted by law.
   2. Collection actions taken by Phelps Health in the event of non-payment are governed by the Phelps Health AR Management Policy.
   3. Copies of the AR Management Policy can be obtained by contacting the Single-Billing Office at (573) 458-7715.
7. **Application of this Policy.**
   1. This Financial Assistance Policy applies to the following:
      1. Phelps Health Hospital;
      2. Pain Clinic Providers;
      3. Emergency Room Physicians;
      4. Anesthesiology Providers, and;
      5. Provider-based clinics.
   2. This Financial Assistance Policy **DOES NOT** apply to the following:
      1. Any non-hospital Phelps Health affiliate or related entity;
      2. USA Radiology Management Solutions, LLC;
      3. Mallinckrodt Institution of Radiology;
      4. Medical Lab (Pathologists), and;
      5. Phelps Health Medical Group NHSC-designated sites or Phelps Health Medical Group.
   3. The Director of the Single-Billing Office is responsible for the implementation and applicability of this Financial Assistance Policy and Program.

**Amounts Generally Billed (AGB Calculation)**

Phelps Health provides financial assistance to patients that qualify and meet the eligibility guidelines set forth in the Financial Assistance Policy. No individual determined eligible for financial assistance will be charged more for emergency and medically necessary treatment than amounts generally billed (AGB) to individuals with insurance covering such care. The AGB is a percentage of Phelps Health full, undiscounted charges for such care.

Phelps Health will use the Look-Back Method to calculate the AGB percentage, which is calculated as follows:

**AGB % = Sum of Claims Allowed Amount $ / Sum of Gross Charges $ for those claims**

1. The AGB is calculated annually at the end of each fiscal year for the past twelve (12) month period. It will be calculated by reviewing all past claims allowed by both private and health insurers (including Medicare Advantage/Managed Care) and Medicare (Traditional) for both inpatient and outpatient services having discharge dates from January 1 through December 31 of each year. This calculation will be used for the next fiscal year. It can also include coinsurance, copayments and deductibles.
2. Allowed Amount = Total hospital charges less Contractual Adjustments
3. Excluded Payers: Self Pay, Medicaid and Medicaid Managed Care Plans

**Effective January 1, 2024: AGB % Amount is 27.5%**

The following table represents discounts which may be available to patients whose annual income, as taken from HHS Notice issued on the date below:

| 2024 Poverty Guidelines for the 48 Contiguous States and the District of Columbia | | | | | |
| --- | --- | --- | --- | --- | --- |
| **Household Size** | **Percent of Federal Poverty Guidelines** | | | | |
| **100%** | **150%** | **175%** | **200%** | **225%** |
| *Percent of Reduction if Income and HH size is less than below* | | | | |
| *100%* | *100%* | *80%* | *75%* | *75%* |
| 1 | $15,060 | $22,590 | $26,355 | $30,120 | $33,885 |
| 2 | $20,440 | $30,660 | $35,770 | $40,880 | $45,990 |
| 3 | $25,820 | $38,730 | $45,185 | $51,640 | $58,095 |
| 4 | $31,200 | $46,800 | $54,600 | $62,400 | $70,200 |
| 5 | $36,580 | $54,870 | $64,015 | $73,160 | $82,305 |
| 6 | $41,960 | $62,940 | $73,430 | $83,920 | $94,410 |
| 7 | $47,340 | $71,010 | $82,845 | $94,680 | $106,515 |
| 8 | $52,720 | $79,080 | $92,260 | $105,440 | $118,620 |

For families/households with more than 8 persons, add $5,380 for each additional person.

Dated: January 17, 2024

Source: U.S. Department of Health and Human Services

Citation: 88 FR 3424