



# FINANCIAL ASSISTANCE POLICY

## **POLICY:**

Lake Health is a tax-exempt charitable organization within the meaning of §501(c)(3) of the Internal Revenue Code and charitable institution under Ohio law. It is the policy of Lake Health that "medically necessary" and "emergency" health care services should be available to all individuals, regardless of their ability to pay. This policy shall apply to uninsured Ohio residents or individuals who are in the process of applying for Medicaid but do not have Medicaid coverage or Medicaid PE, including accounts that say "Medicaid pending." The Financial Assistance Policy does not apply to non-Ohio residents, individuals with insurance, Medicaid or Medicaid PE. Lake Health will assist uninsured individuals with financial need by waiving all or part of the charges for services provided by Lake Health in accordance with this policy.

Charity care is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Lake Health's procedures for obtaining charity or other forms of payment or financial 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 personal assets.

This policy provides generally accepted guidelines used by Lake Health; however, each individual situation will be reviewed independently and allowances may be made for extenuating circumstances. See Financial Assistance Policy Addendum 1 for a list of providers covered by the Lake Health Financial Assistance Policy and providers excluded from this policy.

## **PROCEDURE:**

### **Financial Assistance Overview**

1. Financial assistance is secondary to all other financial resources available to the patient, including insurance, government programs, third-party liability and assets. Only uninsured Ohio residents or individuals who are in the process of applying for Medicaid but do not have Medicaid coverage or Medicaid PE, including accounts that say "Medicaid pending," will be eligible for financial assistance. Please refer to and pursue the following programs and policies, in the order listed below, provided by Lake Health first before applying this policy:
  - Prompt Pay Discount
  - Loan
  - Extended Repayment Plan
  - Medicaid PE Policy
  - HCAP Policy
  - Programs, third-party liability and assets.
2. Request for financial assistance can be made at any point before, during or after the care is provided. Medically necessary and "emergency" care will never be delayed pending an assistance determination. Patients may re-apply for financial assistance before, during or after Lake Health has assigned the patient to a collection agency if the patient's financial situation has changed.
3. Requests for financial assistance may be proposed by sources other than the patient, such as the patient's physician, family members, community or religious groups, social services or hospital personnel.
4. An individual who chooses not to apply for financial assistance under this policy will not be considered for assistance. Financial assistance will not be considered without a completed Financial Assistance Application unless sufficient information can be obtained that allows for a final determination without an application. In extenuating circumstances where a financial hardship exists, Lake Health may offer financial assistance at its own determination.



5. Any financial assistance will apply to all services received by the patient during the month in which the Financial Assistance Application is received by Lake Health. New admissions and outpatient services beyond the one month timeframe will be screened for changes in eligibility for financial assistance under this policy. For example, if a patient applies for financial assistance for an inpatient admission on October 15, any financial assistance for which the patient qualifies will apply to all inpatient and outpatient services received by the patient during the month of October (October 1 through October 31). The patient would need to reapply for financial assistance for charges incurred by the patient for services outside this time period.
6. Financial assistance will be granted for "medically necessary" health care services only. "Medically necessary" is defined as:
  - Emergency medical services in an emergency room setting.
  - Procedures, items or services that prevent, diagnose, evaluate or treat an adverse health condition such as an illness, injury, disease or its symptoms, emotional or behavioral dysfunction, intellectual deficit, cognitive impairment or developmental disability and without which the person can be expected to suffer prolonged, increased or new morbidity; impairment of dysfunction of a body organ or part; or significant pain and discomfort.
  - Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
  - Such other medically necessary services, evaluated on a case-by-case basis at Lake Health's discretion.

Financial assistance will not be granted for elective cosmetic surgery or special situations, such as an individual who is eligible for insurance, but has refused to apply. A Lake Health financial counselor should be consulted in these special circumstances. Bariatric surgery is considered a cosmetic surgery and is therefore not a procedure for which financial assistance is available under this policy.

7. This policy does not apply to the individual's physician or other health care provider who may not be employed by Lake Health or participate in Lake Health's Financial Assistance Policy.

## Application Process

1. The following steps may be used by Lake Health to determine if an individual is eligible for consideration under the Financial Assistance Policy:
  - A financial counselor may discuss with the patient his/her individual financial position and obtain from the patient information regarding his/her finances. This information will be recorded on the Financial Assistance Application. Patients must sign and complete the Financial Assistance Application in order for it to be evaluated and processed.
  - If the patient qualifies, the financial counselor will work to get the patient's financial counseling appointment scheduled. The patient will be notified of qualification of assistance, the level of assistance provided or ineligibility.
  - Any financial assistance will apply to all services received by the patient during the month in which Lake Health received the Application for Financial Assistance. An eligibility review will be conducted and a new application will be requested for services outside the dates of approval as set forth in Section 5 above.
  - If individuals request information regarding financial assistance by phone or email, Lake Health will mail the Financial Assistance Application to the patient or direct them to Lake Health's website for an online version.
2. Any individual wishing to make application for financial assistance with Lake Health will be given a Financial Assistance Application, which includes written instructions on how to apply.
  - The applicant must fill out a financial disclosure form and provide documentation of proof of income.
  - The applicant must provide evidence of income such as W-2 withholding statements, paycheck stubs, income tax return, forms from Medicaid or other state-funded medical assistance, forms from employers or welfare agencies.
  - The applicant may provide proof that the applicant has other circumstances that indicate financial hardship. Examples include proof of bankruptcy settlement, catastrophic situations (death or disability in family, divorce) or other documentation that shows the patient would be unable to pay medical bills and still be able to pay for other basic necessary expenses.
  - Income shall be annualized from the date of the request, based on the documentation provided and upon verbal information provided by the patient. The annualized amount will also take into consideration seasonal employment and temporary increases and/or decreases to income.
  - If there is a discrepancy between two sources of information, Lake Health may request additional information to support the documentation.

3. An individual has up to two hundred forty (240) days after the issuance of the first billing statement to submit an Application for Financial Assistance. Please note, however, that after the first one hundred twenty (120) days after the issuance of the first billing statement, Lake Health may begin extraordinary collection actions. Please see the Debt Collection Policy for further information. A Financial Assistance Application is not "submitted" until it is Received and is complete (i.e. does not require any additional information). A Financial Assistance Application is "received" when it arrives at Lake Health's Financial Counselor's department. If the application is complete when it is received, it will be deemed submitted. If an Application is incomplete or requires additional information, Lake Health shall notify the applicant and allow for the applicant to complete or provide the requested additional information. Any such additional information must be received within two hundred forty (240) days after the first billing statement has been issued. Only when the application is complete, with any requested additional information if applicable, and received by Lake Health's Financial Counselor, is the application deemed "submitted."
4. Consideration for financial assistance will not occur until the applicant has completed the Financial Assistance Application and provided all supporting documentation.
  - Admission/treatment, if deemed medically appropriate, may be deferred until the application process is complete.
5. Lake Health will use its best efforts to determine whether the individual is eligible for assistance within 30 days of receipt of a completed Financial Assistance Application.
  - In the event the individual is eligible for partial waiver of the bill, any remaining balance will still be the responsibility of the patient, and Lake Health will engage in collection efforts as outlined below. Please note, the patient's responsibility does not need to be paid in full in order to qualify for the Charity Discount under Lake Health Assist.
6. Lake Health will not waive or apply a discount to any fee that is deemed to be the patient's responsibility unless an "exception" applies. Such "exceptions" are outlined below:
  - The entire fee is waived and no insurance carrier is billed any amount for the service rendered.
  - The patient is a self-pay with no health insurance benefits.
  - The patient qualifies for a fee waiver or discount after submission of a completed Financial Assistance Application and supporting documentation. Such information must be included in the patient's medical record and financial/billing records.
7. Any denial of a waiver or discount will be communicated to the patient in writing. If additional documentation of financial need is received and it may qualify the patient for a financial hardship, the additional information should be reviewed and considered in accordance with this policy.
  - Patients who are able to pay for services and are therefore not eligible for financial assistance under this policy may be asked to pay a deposit equal to a percentage of the estimated patient responsibility for either the elective inpatient or outpatient services, prior to being scheduled, and to make arrangements for a payment plan to pay for the remaining balance after services are provided.
8. All information relating to financial hardship requests will be kept confidential.

### **Appeal Process**

1. The responsible party (or guarantor) may appeal a financial assistance determination by providing additional information, such as income verification or an explanation of extenuating circumstances, to Lake Health within 30 days of the date of the written notification. Lake Health will review all appeals within 30 days. The responsible party will be notified of the appeals outcome. Collection efforts on the account will cease during the appeal process.

### **Debt Collection Process**

1. Lake Health has developed policies and procedures for internal and external collection practices (including action Lake Health may take in the event of non-payment such as collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for a waiver or discount from Lake Health.
2. After patient care services are provided; a charge is made by Lake Health.

3. Lake Health will first send a statement to the insurance carrier listing the patient care services provided and the charges for the services for payment. After adjudication by the insurance issuer, the remaining balance will be the responsibility of the patient or guarantor. If the patient is not insured, Lake Health will send a statement to the patient or guarantor listing the patient care services provided and the charges for the services for payment.
  - In the event the individual is eligible for partial waiver of the bill, any remaining balance will still be the responsibility of the patient or guarantor, and Lake Health will engage in collection efforts as outlined in this policy.
  - In the event a patient or guarantor agrees to an extended payment plan or loan program and defaults on such obligation, Lake Health will continue with collection efforts in accordance with this policy.
4. If there is no response within 45 days, the patient will continue to receive up to 3 additional statements every 30 days over a period of 90 days. During such timeframe, the patient may still apply for any of Lake Health's payment programs, including Medicaid PE, HCAP, financial assistance, extended payment plans and loan program.
5. If there is no response or effort to pay the amount owed after such 90-day period, Lake Health will assign the account to a debt collector for collection efforts.
6. Notwithstanding any other provision of this policy or any other Lake Health policy regarding billing and collection, neither Lake Health nor any of its contractors shall engage in "extraordinary collection actions" before it makes reasonable efforts to determine whether an individual who has an unpaid invoice amount from Lake Health is eligible for financial assistance under this policy. "Extraordinary collection efforts" include the following:
  - Selling an individual's debt to a third party.
  - Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
  - Deferring or denying or requiring a payment before providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care covered under Lake Health's Financial Assistance Policy.
  - Actions that require a legal or judicial process, including, but not limited to:
    - o Placing a lien on an individual's property;
    - o Foreclosing on an individual's real property;
    - o Attaching or seizing an individual's bank account or any other personal property;
    - o Commencing a civil action against an individual;
    - o Causing an individual's arrest;
    - o Causing an individual to be subject to a writ of body attachment; and
    - o Garnishing an individual's wages.
7. Lake Health may restrict the scheduling of non-emergent and non-urgent services for individuals with bad debt after a period of 120 days if a patient has not submitted a Financial Assistance Application. If a patient commences a Financial Assistance Application between days 121 and 240, no restriction of services may take place.
  - In addition, Lake Health may request payment up front or require an Extended Payment Plan to be in place as a condition to scheduling non-emergent and non-urgent services for individuals with bad debt.