

Financial Assistance Policy

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Jump to: [navigation](#), [search](#)

Mayo Regional Hospital

Hospital Administrative District #4

Policy Name: Financial Assistance Policy

Policy #: PFS.POL.6

Approval Date: 08-18

Approvers: Board of Directors

Reviewers: Chief Financial Officer, Manager of Patient Financial Services and Budget and Finance Committee

Applicable to: Mayo Regional Hospital

Compliance:

Forms: [PATIENT FINANCIAL ASSISTANCE APPLICATION](#), [MaineCare Application](#), [Mayo Plain Language Summary](#)

PURPOSE

Mayo Regional Hospital is dedicated to making emergency and other medically necessary care accessible to all, regardless of ability to pay.

POLICY

Mayo Regional Hospital will adhere to the rules set forth by the Maine Department of Health and Human Services (“DHHS”), 10-144 C.M.R. Chapter 150, regarding Hospital Free Care Guidelines (the “Free Care Rules”). These rules establish guidelines to be used in determining whether individuals are unable to pay for hospital services provided on or after May 10, 1997. Mayo Regional Hospital shall also comply with Section 501(r)(4)(A) of the Internal Revenue Code and in implementing regulations (26 C.F.R. § 1.501(r) et seq.) by developing and implementing a Financial Assistance Policy (“FAP”).



The Financial Assistance Policy (FAP) provides guidelines for financial assistance and the amounts that may be charged to patients receiving emergency and other medically necessary services based on financial need (full write-off and discounted care). Financial assistance discounts based upon financial need will not be provided for elective procedures, except as may be determined in the sole discretion of the Mayo Regional Hospital on a case-by-case basis. Other forms of assistance, including discounts and payment plans, are offered by Mayo Regional Hospital in accordance with the Billing and Collections Policy (PFS.POL.10) and Discounts Policy (PFS.POL.11).

Mayo Regional Hospital will grant Free Care services to applicants who provide the required documentation, have income at or below 175% of the Federal Poverty Guideline, and meet the other requirements of this Policy. Reduced rate care, defined as up to 35% of the patient responsibility, will be provided to those applicants above 176% to 225% of the Federal Poverty Guideline.

PROCEDURE

A. Definitions

1. Covered services: Emergency services and medically necessary services (health-care services or supplies that are needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine) that are prescribed by a licensed provider. All emergency and medically necessary care may be considered for financial assistance.
2. Maine Resident: An individual living in the state voluntarily with the intention of making a home in Maine. An individual who is visiting or is in Maine temporarily is not a resident.
3. Family: This term shall have the meaning given to “Family” under the State of Maine Free Care Rules. Generally, a family is a group of two or more persons related by birth, marriage or adoption who reside together and among whom there are legal responsibilities for support; all such related persons are considered as one family. (If a household includes more than one family and/or more one or more unrelated individuals, the income guidelines are applied separately to each family and/or unrelated individuals, and not to the household as a whole.)
4. Income: This term shall have the meaning given to “Income” under the State of Maine Free Care Rules. Generally, Family Income means total annual cash receipts before taxes from all sources includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veteran payments, survivor benefits, pension and retirement income. The Free Care Rules exclude certain types of Income.
5. Services covered/non-covered: A list of covered entities covered by the financial assistance policy is can be provided upon request.
6. Extraordinary Collection Actions (ECA): Specifically, the regulations prohibit nonprofit hospitals from engaging in “extraordinary collection actions” for up to 120 days after the patient gets his or her first bill. The regulations define “extraordinary” as:

- a) Reporting a patient's delinquent debt to a credit bureau'
- b) Selling a patient's debt to a third party;
- c) Placing a lien on a patient's property;
- d) Foreclosing on a patient's real property;
- e) Attaching or seizing an a patient's bank account or any other personal property;
- f) Commencing a civil action against a patient;
- g) Causing a patient's arrest;
- h) Causing a patient's to be subject to a writ of body attachment; and,
- i) Garnishing a patient's wages.

B. Basis for Calculating Amounts Generally Billed (AGB) to FAP-Eligible Patients

The hospital has adopted a "prospective method" of calculating Amounts Generally Billed (AGB) charges to FAP eligible patients pursuant to 26 C.F.R. § 1.501(r)-5(b)(4). Mayo Regional Hospital shall determine AGB by using the billing and coding process Mayo Regional Hospital would use if the FAP-eligible individual were a Medicare beneficiary and setting AGB for the care at the amount Mayo Regional Hospital determines would be the total amount Medicare would allow for the care (including both the amount that would be reimbursed by Medicare and the amount the beneficiary would be personally responsible for paying in the form of co-payments, coinsurance, and deductibles).

This policy establishes financial assistance rates that ensure that at no time will a FAP-eligible individual be charged more for emergency or other medically necessary care than the lower of AGB or gross charges. For purposes of this Section, "charged" means the amount the individual is personally responsible for paying after all deductions, discounts (including discounts available under the FAP), and insurance reimbursements have been applied.

C. Notification: The FAP will be made available to the public by utilizing the following methods:

1. Website The FAP and plain language FAP will be posted and made freely available on the Mayo Regional Hospital.org website without requiring special computer hardware or software, without needing to pay a fee, and without needing to create an account or otherwise be required to provide individually identifiable information.

2. Posted Notice: The FAP and plain language FAP will be posted in locations within the Hospital and doctor's offices at which members of the public generally transact business or present themselves to receive or request hospital services, including, at a minimum, the emergency department, office waiting areas, and admissions areas. In addition, such posted notices will include the following information:

- a) Mayo Regional Hospital offers financial assistance under a FAP
- b) How or where to obtain more information about the FAP and FAP application process; and
- c) How or where to obtain copies of the FAP, FAP application form, and plain language summary of the FAP.

3. Availability of Copies: Additionally, paper copies of the FAP, the FAP application form and plain language summary of the FAP will be made available upon request and without charge, both by mail and in public locations within Mayo Regional Hospital and its doctors offices, including, at a minimum, in the emergency department and all registration areas.

4. Individual Notice:

- a) The FAP and plain language summary of the FAP will be provided with each inpatient admission. The financial assistance notification will accompany the original bill to patients without insurance coverage.
- b) At time of outpatient registration, a plain language summary of the FAP will be offered to each patient.
- c) A conspicuous written notice on billing statements will be included and state the following:
 - i. Mayo Regional Hospital offers financial assistance under a FAP
 - ii. How or where to obtain more information about the FAP and FAP application process, and how or where to obtain copies of the FAP, FAP application Form, and plain language summary of the FAP,
 - iii. A telephone number of the Mayo Regional Hospital, office or department that can provide information about the FAP and application process.
 - iv. The website address where the copies of the FAP, FAP application, and plain language summary of the

FAP may be obtained.

5.) Communication of Notice: Mayo Regional Hospital shall make reasonable effort to communicate the FAP and plain language FAP contents of the written notice to persons it has reason to believe cannot read the notice. Mayo Regional Hospital shall make translations of the FAP, FAP application, and plain language summary of the FAP into the primary language spoken of a population that has limited English proficiency if that group constitutes the lesser of:

- i. 1,000 individuals, or
- ii. 5% of the community served by Mayo Regional Hospital or the population likely to be affected or encountered by Mayo Regional Hospital.

6.) Community Notice: Annually, Mayo Regional Hospital will provide a plain language FAP notice in the local papers or communication vehicles that will reach the community members in need of financial assistance. Such notice will inform the community that Mayo Regional Hospital offers financial assistance under a FAP and where to obtain more information about the FAP and application process and to obtain copies of the FAP, FAP application form, and plain language summary of the FAP.

D. Free care and reduced cost service application

1.) Availability: Mayo Regional Hospital shall provide an opportunity for each person seeking financial assistance according to this FAP to make application on forms provide by Mayo Regional Hospital. Application forms are available in the office of the Patient Financial Counselor Monday through Friday



from 8:00 am until 4:30 pm except holidays, at the Hospital front desk, and in Hospital and physician office registration areas, and as provided under Section C, or by contacting Carol Blethen, Financial Counselor at 207-564-1615 or David Brown, Revenue Cycle Director at 207-564-4305.

2.) Content: Mayo Regional Hospital may require an applicant to furnish any information that is reasonably necessary to substantiate the applicant's identity and income or the fact that the individual is not covered by insurance or eligible for coverage by state or federal programs of medical assistance.

List of required documents for a complete application are:

- a) Proof of identity
- b) Proof of Maine Residency
- c) Fully completed and signed application
- d) Proof of all sources of income
- e) MaineCare denial, if applicable

3.) Receipt of Application: An application is considered complete when it is received and is completed, dated, signed and is accompanied with supporting documentation of the applicant's income and family size. Completed application for financial assistance must be received within 240 days of the first post discharge billing statement. Mayo Regional Hospital must make a determination and send notification of the determination to patients within 30 days of the receipt of a completed application. Mayo Regional Hospital will take the following actions for the following application statuses:

- a. Completed application: If a completed application is received within the required period, Mayo Regional Hospital will suspend any collection efforts relating to that account until a determination has been made. See Billing and Collections Policy (PFS.POL.10) for more information.
- b. Incomplete application: If an incomplete application is received, Mayo Regional Hospital will suspend any external collection efforts and inform the individual how to complete the application. The completed application must be received within the periods listed above. If no application is submitted, the hospital may proceed with ECAs as provided under the Billing and Collections Policy.

E. Determination

1.) Methods: Eligible persons will receive financial assistance on emergency and medically necessary services according to the following schedule:

- a) Discounts of 100% on gross charges, known as "free care", are available for individual or family income at or below 175% of the most current Federal Poverty Guidelines.
- b) Discounts of 65% on gross charges, known as "reduced cost care", are available for individual or family incomes between and including 176% and 225% of the most current Federal Poverty Guidelines.

In order to qualify for financial assistance the applicant(s) must meet all of the following conditions.

- i. The applicant's income is not more than the current applicable Federal Poverty Guideline as calculated by either of the following methods:
 - a) Multiplying by four the person's family income in the three months preceding the determination of eligibility, or
 - b) Using the person's actual family income for the 12 months preceding the determination of eligibility.
- ii. The applicant is not covered by insurance and is not eligible for coverage by state or federal programs of medical assistance; and
- iii. The services rendered are emergent or medically necessary; or
- iv. If Mayo Regional Hospital determines that the applicant meets the income guidelines but is covered by insurance or by state or federal programs of medical assistance, any amounts remaining due after payment by the insurer or medical assistance program shall be considered for financial assistance.

2.) **Validity:** If an individual is considered eligible for financial assistance, this determination is valid for a period of 12 months for emergency and medically necessary services unless Mayo Regional Hospital has reason to believe that the eligible individual's income or family size and income has changed. In that case, Mayo Regional Hospital may ask the eligible individual to reapply during the 12 months when that person requests financial assistance.

3.) **Deferral:** A determination of qualification for an applicant may be deferred up to 60 days from the date of the notice of deferral sent to the applicant for the purpose of requiring an applicant to obtain the present evidence of ineligibility for medical assistance programs or to verify that the services in question are not covered by insurance under the following conditions:

- a) If the applicant meets the income requirements and is not covered under any state or federal program of medical assistance, a determination of qualification for financial assistance shall be deferred if the applicant meets any of the following criteria:
 1. age 65 or older
 2. blind
 3. disabled
 4. the applicant is a member of a family in which a child is deprived of parental support or care due to one of the following causes
 - i. death of a parent
 - ii. continued absence of parent(s) from the home due to Incarceration in a penal institution, confinement in a general, chronic, or specialized medical institution, deportation to a foreign country, divorce, desertion or mutual separation of parents, or unwed parenthood;
 - iii. disability of a parent; or
 - iv. unemployment of a parent who is the principal wage earner
- b) If the applicant does not meet the criteria under a) above and Mayo Regional Hospital is unable to determine the coverage of the applicant, Mayo Regional Hospital may defer the determination when it has a reasonable basis for believing that the individual may be covered by insurance or may be eligible for federal or state assistance programs.

4.) **Notification of application status:** Within 30 days of the receipt of a completed application Mayo Regional Hospital will communicate the application status according to the following guidelines:



a) Favorable Determination

- a. Mayo Regional Hospital shall notify the applicant in writing when a determination is favorable and the
- b. notice shall contain at minimum the following:
 1. Level of financial assistance received and the date of determination.
 2. The account number(s) and date(s) on which services were provided or the date that services are anticipated to be provided.

b) Denial

Mayo Regional Hospital shall notify the applicant in writing when a denied application has been received and the notice shall contain at a minimum the following:

1. A written and dated letter of the reasons for denial. When the reason for denial is failure to provide required information after a 60-day deferral period under Subsection E (3) above, the applicant shall be informed that they may reapply for financial assistance if the required information can be furnished to Mayo Regional Hospital. The letter must state
 - (i) that the applicant has a right to a hearing,
 - ii) how to obtain a hearing, and
 - (iii) the name and phone number of the person who should be contacted, should the applicant have questions regarding the notice

c) Notification of Deferral

- a) When an application for financial assistance is deferred under Subsection E (3) (a) above, the applicant will be notified of the deferral. The notification must include the following statement:

“A free care determination has not yet been made. There is reason to believe that you [the applicant] may be eligible for coverage by state or federal medical assistance programs. If you can show that, you are not eligible for coverage by these programs within 60 days of the date of this notice by obtaining a letter or other statement from _____ [insert name of state or federal agency to which applicant has been referred], then you will be considered qualified for financial assistance at the level (to be determined). Even if you are eligible for coverage, financial assistance will be available for any portions of the bill(s) that medical assistance programs (or any insurance that you have) will not pay.”

- b) When an application for free or reduced cost care is deferred under Subsection E(3)(b) above, the applicant will be notified of the reason for deferral, including the Basis of Mayo Regional Hospital’s belief that coverage or eligibility may exist and the Basis of Mayo Regional Hospital’s belief that coverage or eligibility may exist and the notice shall be substantially the same as the notice under Subsection E(4)(c)(1) above, and the last sentence of the above notice must be used.

c) Other Reason for Denial

Mayo Regional Hospital may deny eligibility for Free Care when Mayo Regional Hospital has strong reason to believe that the applicant failed to comply with provisions of their health care insurance coverage when coverage for services does exist. Examples of this would include failure to answer their insurance company’s questions, failure to complete a claim form, failure to obtain a referral or adhere to policy



provisions and when a Mainecare Managed Care patient is denied a referral by their primary care physician. Mayo Regional Hospital cannot deny financial assistance due to applicant's failure to provide information or documentation not specified in this FAP or the application form. Mayo Regional Hospital will use reasonable efforts to determine whether individual is eligible under the FAP before using any extraordinary collection efforts. Please refer to Mayo Regional Hospital policy PFS.POL.10 Billing and Collections.

F. Billing

Based on the financial assistance level approved, an eligible individual can only be billed for any remaining balance after the approved financial assistance percentage has been applied.

G. Reporting and Record Keeping

- 1) Mayo Regional Hospital shall maintain records of the amount of financial assistance provided to eligible individuals for a minimum of seven years in accordance with the Free Care Rules.
- 2) Mayo Regional Hospital shall submit reports to DHHS regarding Free Care in accordance with the Free Care Rules.
- 3) Mayo Regional Hospital shall file and maintain a current copy of its Financial Assistance Policy with DHHS as required.

H. Fair Hearing

Any applicant (or their representative) who is aggrieved by Mayo Regional Hospital's action that denies the request for Free Care may request an Administrative Hearing with DHHS within 60 days of the date of the written notification of denial to the applicant. The applicant or their representative must make requests to DHHS, Administrative Hearings Unit, 11 State House Station, Augusta, ME 04333.

I. Billing and Collections Policy

A copy of the Billing and Collections Policy will be provided to members of the public upon request and without charge. Requests may be made to the Business Office Monday through Friday, 8:00a-4:30p by calling the Revenue Cycle Director at #207-564-4305. This policy will also be posted on Mayo's website.

J. Provision of Emergency Medical Care

Notwithstanding anything to the contrary in this Policy, Mayo Regional Hospital shall provide care for emergency medical conditions, without discrimination and without regard as to whether an individual is FAP-eligible, as required under the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C. § 1395dd, and implementing regulations at 42 C.F.R. § 489.24, as more fully described in Mayo Regional Hospital's Guidelines for Medical Provider Coverage Policy (ED.PRO.26). Mayo Regional Hospital shall not engage in activities that discourage individuals from seeking emergency medical care at Mayo Regional Hospital, such as demanding that emergency department patients pay before-receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care.



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Reviewed (no changes): 08-17

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Next Review Due: 07-19

Date Deleted:

References: