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<b>Policy Title:</b>	<b>FINANCIAL ASSISTANCE AND PAYMENT</b>
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<b>Process Leader:</b>	Director of Revenue Cycle
<b>Reviewed by:</b>	Finance & Audit Committee
<b>Approved by:</b>	<u><i>Rachelle H. Schultz</i></u> <small>Rachelle H. Schultz (Jan 24, 2023 16:59 CST)</small> President/CEO

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## PURPOSE

To establish policies, procedures, and guidelines for the collection and/or funding of patient balances resulting from services provided by Winona Health. Included in this policy are guidelines for processing and approving charity care as well as setting expectations for the collection of patient balances not eligible for any of Winona Health's financial assistance programs.

## OVERVIEW

Winona Health's commitment to the community includes providing medical services to all individuals without regard to one's ability to pay. As part of that commitment, Winona Health appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

## DEFINITIONS

For the purpose of this policy, terms below are defined as follows:

**Charity Care:** Healthcare services provided at no charge or at a reduced charge to patients who do not have or cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as a patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated, by their actions, an unwillingness to resolve a bill. The granting of charity care shall be based on an individualized determination of financial need, and shall not consider age, gender, race, disability, national origin, social immigrant status, sexual orientation or creed.

### **Family Size and Income:**

Family size is a group of two or more people who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent or is claimed as a dependent on an income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

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

- Includes earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gain or losses; and,
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

**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.

**Medically Necessary:** As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

### **ELIGIBILITY INFORMATION:**

Eligibility for charity care will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The hospital will provide care for emergency medical conditions without discrimination and regardless of the individual's eligibility under the hospital's financial assistance program. The hospital will not engage in actions that discourage individuals from seeking emergency medical care. (See ED-106 for specific EMTALA policy)

Granting of charity care shall be based on an individualized determination of financial need, and shall not consider age, gender, race, disability, national origin, social immigrant status, sexual orientation or creed. Winona Health shall determine whether or not patients are eligible to receive charity care for deductibles, co-insurance, or co-payment responsibilities.

Financial assistance from Winona Health is not a substitute for insurance coverage available from an employer, employer COBRA program, qualified insurance agent, government assistance or Health Insurance Exchange (HIE). It is expected for a patient to exhaust all insurance options and any pre-taxed benefits such as Health Saving Account (HSA), Health Reimbursement Account (HRA) or Flex spending account (FSA) before applying for financial assistance.

Patients have the responsibility to provide all information needed to Winona Health in order for a claim to be filed on the patient's behalf. Winona Health provides financial counselor assistance for our patients to explore and assist with identification of appropriate alternative sources of payment and coverage from public and private payment programs; and to apply for such programs identified.

Winona Health will consider if a patient was denied health insurance coverage due to ineligibility for COBRA benefits through a former employer and/or a pending application for Medicaid or other government assistance program.

The following healthcare services are **eligible** for charity:

- Emergency medical services provided in an emergency room setting.
- Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- Eye glass coverage for basic frames and lens only for a new prescription or every 24 months whichever is sooner.
- Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and,
- Inpatient or Outpatient Service which are medically necessary, evaluated on a case-by-case basis at Winona Health's discretion.

The following healthcare services are **excluded** from the financial assistance Policy:

- Any non-basic glasses and lens, along with contact lens.
- Winona Clinic Pharmacy
- Winona Health Spa Services

- Winona Home Medical Services
- Winona Senior Services (Hospice, Lake Winona Manor, Watkins Manor, Adith Miller Manor and Roger Metz Manor).
- Hearing aids and supplies related to the hearing aid.
- Cosmetic or plastics procedures
- Service deemed not medically necessary as defined by patient's insurance coverage.
- Balances denied due to untimely or no referral/authorizations in place for Winona Health services.
- Balances resulting from claim denials due to missing coordination of benefits with the patient's insurance plan.
- Any balances for professional services provided by non-Winona Health providers who use space within Winona Health.

**NOTIFICATION OF FINANCIAL ASSISTANCE:**

Winona Health shall have information about financial assistance and charity care available by various means, which may include, but are not limited to:

- Notices on patient bills;
- Notices posted in emergency room, admitting and registration areas, cashier and business offices;

The policy and patient friendly summaries available in the facility website ([www.winonahealth.org](http://www.winonahealth.org)) and patient access sites across the organization, and are available when calling our business office at (877) 201-3731 or (507) 457-4579.

This policy, any notices and the patient friendly summary information shall also be provided in the primary language spoken and any other language spoken by 5% of the community population serviced by Winona Health.

The Federal Income Poverty Guidelines will be used in determining a sliding fee scale for the financial assistance adjustment for charity care eligible services. (See appendix B for specific income eligibility based on family size).

**APPLYING FOR FINANCIAL ASSISTANCE:**

Financial assistance will be determined through an application process in which the patient or the patient's guarantor is required to cooperate and supply personal, financial, and other documentation for Winona Health to decide financial need. The patient must submit the following items for an application to be complete:

- A completed Financial Assistance Application which may include the following:
  - Name, address, and date of birth of applicant and spouse
  - Marital status and list of dependents
  - Monthly Household Income, including but not limited to examples below:
    - Employment (Gross/Net Pay)
    - Social Security/Disability amounts/Veteran Pension/Retirement payments
    - Unemployment Compensation/Workers Compensation payments/settlements
    - Alimony/Child Support
    - Interest Income/Investment Income
  - Assets, including but not limited to examples below:
    - Cash on hand/Bank/Savings/Inheritance/Bonds
    - Investments/CD's (Market value)
    - Loans to Others
    - Loan/Cash value of Life Insurance
    - Inheritances/Settlements Pending
  - Tax-Advantaged Accounts, including but not limited to examples below:

- Health Saving Account (HSA)
- Health Reimbursement Account (HRA)
- Flexible Spending Account (FSA)
- Documentation of their financial status, furnished by providing a copy of last year's tax return of the patient and of whoever claims the patient as a dependent and/or evidence of the last three months' incomes; along with most current bank statements for checking, savings and investment account balances for validation of income and assets. For those patients who do not file income taxes, evidence of the last three months' incomes is required
- Applications for Charity Care must be made for eligible visits within 240 days of the first billing statement or within 30 days after a written notice has been given to a patient, whichever is greater from the time of first billing.

#### **FINANCIAL ASSISTANCE DETERMINATION AND COLLECTIONS:**

Winona Health will provide a discount for all patients with no insurance coverage with health insurance or other third-party payer as regulated through the Minnesota Attorney General's Agreement (see rate per Appendix C).

Winona Health will suspend any extraordinary collection actions any time a financial assistance application is received.

- For Incomplete Applications, Winona Health will:
  - Provide patients with a list of missing information and/or documentation needed to make a financial assistance determination.
  - Provide facility representative contact information for patients who need to have assistance in completing or have questions regarding the financial assistance application.
  - Deny any application for which incomplete information was not returned within 30 days from when the letter of missing information/documentation was generated.
- For Complete Applications, Winona Health will:
  - Provide patients a written notice of the level of assistance patients are eligible for, including the basis for the determination, within 30 (thirty) days of receiving the complete application.
  - Send an updated statement that includes the charges, insurance payment, insurance adjustments, ABG discount and the calculated discount for financial assistance.
  - After eligibility for assistance is determined, previous payments may result in a patient credit on their account. All credits greater than \$4.99 will be returned to patient after a determination is made and a determination letter has been sent.
  - Grant the patient eligibility for 6 (six) months of financial assistance from determination date at the same level of assistance which was approved. Loss of insurance coverage will result in loss of financial assistance coverage; a patient would need to reapply within the eligibility guidelines for a redetermination once insurance is obtained.

There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. In the event there is no evidence to support a patient's eligibility for charity care, Winona Health may use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs.
2. Homelessness or having received care from a homeless clinic.
3. Participation in Women, Infants and Children programs (WIC).
4. Food stamp eligibility.
5. Subsidized school lunch program eligibility.
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down).
7. Low income/subsidized housing is provided as a valid address.
8. Patient is deceased with no known estate.

Winona Health's management shall develop policies and a procedure for internal and external collection practices including actions that Winona Health may take in the event of non-payment after a financial assistance determination (i.e., collections action and reporting to credit agencies) which consider:

1. The extent to which the patient qualifies for charity care;
2. A patient's good faith effort to apply for a governmental program or for charity from Winona Health;
3. A patient's good faith effort to comply with his or her payment agreements with Winona Health;
4. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted bill, Winona Health may offer extended payment plans and will not send unpaid bills to outside collection agencies, and will cease all collection efforts if patient has not defaulted on payment terms.

Winona Health will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy for at least 120 days following the first billing statement. Reasonable efforts shall include:

1. Validation that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that Winona Health has offered or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements;
3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

In implementing this Policy, Winona Health's management shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy. Winona Health reserves the right to revise, modify or change this policy as appropriate.

**APPEALS:**

Appeals must be received in writing within 30 days from the date of the original determination. Appeals should be sent to:

Winona Health Services  
Attn: Patient Account Specialist  
P.O. Box 5600  
Winona, MN 55987

Appeals are reviewed by the Patient Account Specialist and Business Office Management. If the appeal is denied, the patient will be notified by letter with payment options listed.

**PATIENT CONFIDENTIALITY:**

Any information submitted for consideration for financial assistance will be treated as protected health information under the Health Insurance Portability and Accountability Act (HIPAA).

**Attachments: Appendices A, B and C**

**Appendix A: AMOUNT GENERALLY BILLED (AGB):**

Amount generally billed (AGB) will not be more than the amount generally billed to individuals with insurance. Winona Health has chosen to calculate the AGB annually using a look-back method based on the previous fiscal year's (October to September) contractual rates for Medicare and all private health insurers, divided by total gross revenue.

The calculations for the AGB rate through 10/31/23 will be a 45.9% (percent) discount to the charges billed to the patients eligible for financial assistance based on Winona Health's Fiscal Year 2022.

## Appendix B: Financial Assistance Guidelines

### Summary:

Winona Health provides medical services to all individuals without regard to one's ability to pay. Early efforts are encouraged to work with patients, establish insurance coverage, resolve billing problems, discuss, counsel, and arrange for payment. Winona Health is committed to providing financial assistance to any patient demonstrating a financial need for services that are deemed medically necessary.

### Income Guidelines:

Yearly poverty guidelines are published in the Federal Register. The table below is for Calendar year 2023.

% Patient Responsibility	Family Size							
	1	2	3	4	5	6	7	8
0%	\$ 14,580	\$ 19,720	\$ 24,860	\$ 30,000	\$ 35,140	\$ 40,280	\$ 45,420	\$ 50,560
	\$ 29,160	\$ 39,440	\$ 49,720	\$ 60,000	\$ 70,280	\$ 80,560	\$ 90,840	\$ 101,120
10%	\$ 29,160	\$ 39,440	\$ 49,720	\$ 60,000	\$ 70,280	\$ 80,560	\$ 90,840	\$ 101,120
	\$ 34,992	\$ 47,328	\$ 59,664	\$ 72,000	\$ 84,336	\$ 96,672	\$ 109,008	\$ 121,344
20%	\$ 34,992	\$ 47,328	\$ 59,664	\$ 72,000	\$ 84,336	\$ 96,672	\$ 109,008	\$ 121,344
	\$ 37,908	\$ 51,272	\$ 64,636	\$ 78,000	\$ 91,364	\$ 104,728	\$ 118,092	\$ 131,456
30%	\$ 37,908	\$ 51,272	\$ 64,636	\$ 78,000	\$ 91,364	\$ 104,728	\$ 118,092	\$ 131,456
	\$ 40,824	\$ 55,216	\$ 69,608	\$ 84,000	\$ 98,392	\$ 112,784	\$ 127,176	\$ 141,568
40%	\$ 40,824	\$ 55,216	\$ 69,608	\$ 84,000	\$ 98,392	\$ 112,784	\$ 127,176	\$ 141,568
	\$ 43,740	\$ 59,160	\$ 74,580	\$ 90,000	\$ 105,420	\$ 120,840	\$ 136,260	\$ 151,680
50%	\$ 43,740	\$ 59,160	\$ 74,580	\$ 90,000	\$ 105,420	\$ 120,840	\$ 136,260	\$ 151,680
	\$ 46,656	\$ 63,104	\$ 79,552	\$ 96,000	\$ 112,448	\$ 128,896	\$ 145,343	\$ 161,791
60%	\$ 46,656	\$ 63,104	\$ 79,552	\$ 96,000	\$ 112,448	\$ 128,896	\$ 145,343	\$ 161,791
	\$ 49,572	\$ 67,048	\$ 84,524	\$ 102,000	\$ 119,476	\$ 136,951	\$ 154,427	\$ 171,903
70%	\$ 49,572	\$ 67,048	\$ 84,524	\$ 102,000	\$ 119,476	\$ 136,951	\$ 154,427	\$ 171,903
	\$ 52,488	\$ 70,992	\$ 89,496	\$ 108,000	\$ 126,504	\$ 145,007	\$ 163,511	\$ 182,015
80%	\$ 52,488	\$ 70,992	\$ 89,496	\$ 108,000	\$ 126,504	\$ 145,007	\$ 163,511	\$ 182,015
	\$ 55,404	\$ 74,936	\$ 94,468	\$ 114,000	\$ 133,531	\$ 153,063	\$ 172,595	\$ 192,127
90%	\$ 55,404	\$ 74,936	\$ 94,468	\$ 114,000	\$ 133,531	\$ 153,063	\$ 172,595	\$ 192,127
	\$ 58,320	\$ 78,880	\$ 99,439	\$ 119,999	\$ 140,559	\$ 161,119	\$ 181,679	\$ 202,239

- For Families with more than 8 people, add \$5,140 per each additional person.
- Patients whose family income exceeds 400% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Winona Health management.

## **Appendix C: Patient Payment Policy/Guidelines**

### **Summary:**

Early efforts are encouraged to work with patients to establish insurance coverage, resolve billing problems, discuss, counsel, and arrange for payment. *All collection related activities will follow applicable regulatory and best practice guidelines, including the Minnesota Attorney General's Agreement.*

### **Winona Health Responsibilities:**

- Winona Health will file all insurance claims as a courtesy to our patients, however insurance information must be received within timely filing limitations of the patient's plan.
- Winona Health will notify patients via a statement or personal contact of the patient amount due.
- Winona Health has established the following bill payment assistance programs:
  - Financial Assistance Programs (see separate Winona Health Financial Assistance Policy)
  - Financial Counseling services to assist patients in finding all types of 3<sup>rd</sup> Party coverage
  - A 14% Uninsured Discount for patients with no insurance coverage
- Winona Health will work with patients to explore all viable options for bill payment assistance including, but not limited to, providing financial counseling services and working with patients and third parties (i.e., financing programs) in efforts to obtain funding for amounts due.
- Winona Health will provide good faith pricing estimates when requested by patient.
- Winona Health will review and reply to any billing dispute identified by patient within 14 days.

### **Patient Responsibilities:**

- Provide complete and accurate demographic and insurance information at point of first contact.
- Respond to all information requests from Winona Health and Insurance within stated turnaround times.
- Comply with the Winona Health bill payment terms noted below.
- Notify Winona Health of any disputes within 60 days of receipt of bill.

### **Collection Payment Term Summary:**

- Patient balances are due within 21 days of notice unless extended payments have been approved or a financial assistance application is pending.
- Extended Payment Plan program is available for patients with demonstrated financial need
  - Requires approval of Winona Health Business Office
  - Plan may not exceed 10 months in term and in all cases the amount due each month will be the greater of the *minimum* of 10% of the total amount owed or \$25/month.
- Non-compliance with payment terms above will result in referral to a 3<sup>rd</sup> Party Collection Agency and all future communication regarding the debt will need to be directed to the 3<sup>rd</sup> Party agency.
- Scheduled elective services require 50% down with the remaining 50% due within 30 days of the date of the first billing statement.
- Prepayment for non-emergent services may be required if patients have non-compliant payment history.

### **Please direct any questions or disputes you may have regarding Winona Health's collection practices to:**

- Phone: (877) 201-3731 or (507) 457-4579
- Email: [businessoffice@winonahealth.org](mailto:businessoffice@winonahealth.org)
- Online: at [www.winonahealth.com](http://www.winonahealth.com)
- Mail: Winona Health Business Office, P.O. Box 5600, Winona, MN 55987
- Winona Health Cashier's Office – Clinic Entrance