

## **FINANCIAL ASSISTANCE POLICY:**

Baxter Regional Medical Center will provide services without charge, or at amounts less than our established rates, to patients who meet the criteria for financial assistance through our uncompensated care program. In an effort to improve clarity BRMC refers to Healthcare Financial Management Associations (HFMA) amended Statement No. 15, *Valuation and Financial Statement Presentation of Charity Care*, as a part of our Financial Assistance review process.

The criteria for financial assistance is based on household income, net worth, and extent of financial obligations paid to healthcare providers over the past 12 months. Discounts are provided on a sliding scale based on the "Federal Poverty Level Guidelines." With the limitation of not requiring a patient to pay more than 50% of the households annual income. Eligibility criteria for financial assistance may include, but not limited to the following factors:

1. Individual or Household income and/or Individual or Household net worth; taking into account family size, however family income are not the exclusive criteria for determining the appropriate amount of financial assistance. Assets may be considered as a possible source of income.
2. Employment Status – the likelihood of future earnings sufficient to meet the healthcare-related financial obligations within a reasonable length of time.
3. Other Financial obligations – i.e., living expenses of a necessary nature.
4. Potential for Medical Indigence (sometimes referred to as a medical hardship) The history of past service provide by BRMC and the need for future service with BRMC may be considered. For these cases, a separate determination of the financial assistance for which the patient is eligible is made on each occasion of service.
5. Financial Information must be provided every 6 months, confirming and updating all the required information as applicable.
6. Other Financial Resources available to the patient, such as Medicaid and other public assistance programs, will effect the determination of the appropriate amount of financial assistance, i.e. *Patient's who refuse care from other available providers (i.e. PCP-Primary Care physician, VA Facility, etc) where service would be free or otherwise covered by other carriers (i.e. Medicaid, VA, etc.), will not be eligible for Financial Assistance through the BRMC's Uncompensated Care Program.*

**When Sufficient Information as previously outlined is not available, Financial Counselors can determine financial assistance-** BRMC Financial Counseling staff may refer to external sources such as: Medicare\Medicaid eligibility, current Medicaid eligibility, etc. to help support the qualification criteria for financial assistance determinations. If the patient meets at least three (3) of the following criteria they will be considered indigent and be eligible for an uncompensated care write\off:

- 1) Ineligible for Medicaid and/or will not cooperate with Medicaid guideline and/or complete paperwork, won't respond to contact attempts
- 2) Guarantor is between the ages of 18 & 25

- 3) Unemployed
- 4) No known address - pt is a skip
- 5) DX (ie. mental disorder, suicidal, terminal illness)
- 6) Previous bad debt history with hospital (ie. 5 bad debts unpaid)

**Exception:** If under careful consideration of extenuating circumstances, BRMC's Patient Account Manager, PFS Director and/or CFO may determine a patient is eligible for financial assistance if at least a minimum of 2 of the criteria out lined are met.

**Presumptive Charity Allocation Determination –**

BRMC Recognizes that some patients will be unresponsive to the charity care application process due to:

- a. Lack of the educational level to understand and complete a traditional charity care applications
- b. Lack of documentation required to comply with the traditional charity care application requirements
- c. Fear that information gathered during the application process will be used in the collection process in the event that the application is denied

In the absence of information provided by the patient or in cases where the information provided by the patient is incomplete, an assessment process utilizing a predictive model will be deployed to qualify patients for charity care. The predictive model incorporates income and household size estimates, a socio-economic need factor, as well as, information on home ownership.

This is public record data and may include private credit data. And the program has been calibrated to emulate our hospital's charity care guidelines and local economic factors.

The application of the predictive scoring process and presumptive charity rules will be deployed for all patients that have not applied for charity care and have not made a payment on their account prior to bad debt assignment.. The patient must not be qualified for other funding sources, and has not been deemed eligible or otherwise indicated qualification for Medicaid.

BRMC is not obligated to notify the patient that they have received presumptive charity care.

The account

**will be adjusted according to charity policy to reflect the presumptive charity care discount or adjustment.**

**BAD DEBT ACCOUNTS – accounts already referred to third party collection agency:**

The First Placement collection agency can provide debtors with a Baxter Regional Financial Statement for completion, if the following criteria applies:

- 1) The patient\debtor has not already obtained assistance through the hospital.
- 2) The patient\debtor indicates a financial need within 30 days of the account being referred to the collection agency. If the patient\debtor does not communicate with

the hospital or collection agency prior to the 30 day window, eligibility for assistance comes to an end.