

<b>MADELIA HEALTH</b>	
SUBJECT: Financial Assistance Policy	REFERENCE:
DEPARTMENT: Business Office	PAGE 1 of 7
POLICY OWNER: Bruce Craven	EFFECTIVE: 06-01-2016
APPROVED BY: Governing Board	REVISED: 01-01-2022

**Purpose:**

This policy is established to provide the framework within which Madelia Health (“Hospital”) will provide financial assistance.

**Definitions:**

Amounts Generally Billed: The average amount billed to an individual who has insurance covering their emergency medical care and other medically necessary care. This “AGB limit” is calculated as explained in this policy.

Total Income: The estimated total income of an individual and all working adults who reside with them. Estimated total income is based on total income from a person’s most recent tax return or the annualized income as calculated from their two most recent pay stubs. If those two sources have a significant difference, the pay stubs will be used to determine Total Income. Hospital reserves the right to adjust this calculation if Hospital obtains evidence that an individual’s current and future income is substantially different than indicated in those documents.

- (a) For an employed individual, the amount reported in Form 1040, Line 22.
- (b) For a farmer, income is total income from Form 1040, Line 22 plus any depreciation claimed in Form 1040, Schedule F.
- (c) For a self-employed individual, income is total income from Form 1040, Line 22 plus any depreciation claimed in Form 1040, Schedule C.

Emergency Medical Care: Treatment of an emergency medical condition as defined in section 1867(e)(1) of the Social Security Act as “a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in

- (a) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,
- (b) Serious impairment to bodily functions, or
- (c) Serious dysfunction of any bodily organ or part;

Or with respect to a pregnant woman who is having contractions,

- (a) that there is inadequate time to effect a safe transfer to another hospital before delivery, or
- (b) that transfer may pose a threat to the health or safety of the woman or the unborn child.”

Medically Necessary Care: All procedures offered by the Hospital are considered medically necessary, except for the following, which Hospital deems not medically necessary: massage, sports physicals, Department of Transportation physicals, direct access lab services, non-prescribed physical therapy, elective procedures, home care, and respite care.

**Policy:**

An individual must have limited income to qualify for financial assistance. Hospital's criteria for financial assistance will follow the Federal Poverty Guidelines ("FPG") issued by the United States government. See Attachment A for the currently applicable Federal Poverty Guidelines. Attachment A will be updated at least annually to maintain accuracy.

- If an individual's adjusted gross income is less than or equal to 100% of Federal Poverty Guidelines, the individual will qualify for 100% financial assistance. The individual's remaining liability will be \$0.
- If an individual's adjusted gross income is greater than 100% of FPG but less than 200% of FPG, the individual will qualify for partial financial assistance. The individual's discount will be calculated using the following formula.  
$$\text{Discount} = 1.75 - [(0.75 \div \text{FPG}) \times \text{Income}]$$
- If an individual's adjusted gross income is greater than 200% of FPG, they will not qualify for financial assistance.

If an individual's household owns recreational vehicles that do not have a business purpose, the household may be required to sell the recreational vehicles to pay the individual's medical liability to Hospital before the individual will qualify for financial assistance. Recreational vehicles include, but are not limited to, motor homes, all-terrain vehicles ("ATV"s), snowmobiles, motorcycles, boats, and jet skis. Hospital may require evidence of a valid business purpose for each recreational vehicle. Hospital will not require a recreational vehicle to be sold if the outstanding debts on a vehicle are greater than its fair market value.

All Hospital charges related to emergency medical conditions and other medically necessary care are eligible for financial assistance. The financial assistance discount will apply to the individual responsibility after any insurance payments. See Attachment B for further information about those providers who are eligible for financial assistance under this policy. Attachment B will be updated at least quarterly to maintain accuracy.

A financial assistance application will be considered complete if it includes all of the following documents.

1. Completed and Signed Financial assistance Application
2. Most recently filed Form 1040, 1040A or 1040-EZ
3. Two most recent Pay Stubs, if applicable

Financial assistance applications may be submitted by the patient, a guarantor, or any person acting on behalf of a patient or guarantor. Hospital does not use third-party information to make presumptive determinations of financial assistance eligibility.

Completed financial assistance applications and other documents should be submitted to Patient Financial Services. Acceptable methods of submission are:

- Mail – “Attention: Patient Financial Services”, 121 Drew Ave S.E., Madelia, MN 56062
- In-person delivery – Patient Financial Services, 121 Drew Ave S.E., Madelia, MN 56062
- Fax – “Attention: Patient Financial Services”, (507) 642-5203

If Hospital has reason to believe that information in the financial assistance application is unreliable or incorrect or that the information was obtained under duress or through the use of coercive practices, Hospital will consider the application incomplete. If this occurs, Hospital will provide the individual with a written explanation of why Hospital has made this determination.

Approval of the request will be granted or denied by the Chief Financial Officer, Business Office Manager, or Administrator within 30 days of receipt of a completed application. Hospital will accept a financial assistance application for a specific instance of medical care for 240 days after the first post-discharge billing statement is sent to an individual.

If an individual qualifies for financial assistance, such qualification will apply to all emergency medical care and other medically necessary care received by the individual for eight months prior to and four months following the submission date.

If a patient does not qualify for financial assistance, a letter will be sent indicating that they have not qualified according to hospital guidelines and explaining the basis for the denial.

If an individual qualifies for a financial assistance discount that is less than 100%, Hospital will provide the individual with an updated billing statement that indicates the remaining amount the individual owes, how that amount was determined, and how the individual can obtain information about their AGB limit.

An individual who qualifies for financial assistance will not be required to pay more for emergency medical conditions and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (the “AGB limit”). Hospital will calculate this AGB limit for a patient using the Look-back Method and including individuals covered by Medicare, Medicaid and all commercial payers. The AGB limit will be calculated annually using the 12-month period January 1 – December 31. See attachment C for the AGB limit currently in effect.

Hospital may require co-payment for a non-emergency medical procedure prior to receiving the care. However, in no instance will this pre-payment be more than the AGB limit for the care.

Hospital has a separate Billing and Collections Policy. The Billing and Collections Policy includes the actions Hospital may take in the event of nonpayment of the remaining liability owed by an individual who has qualified for financial assistance. Copies of the Billing and Collections Policy are available to the public through all of the same methods by which this financial assistance policy are available, as stated within this policy.

An individual who has questions about financial assistance or would like help with the application process can contact Patient Financial Services at Madelia Health by calling (507)642-3255 or by visiting 121 Drew Ave S.E., Madelia, MN 56062.

Hospital will inform the public about the availability of financial assistance through the following methods.

- Hospital will have conspicuous public displays that inform patients about the financial assistance program. Such displays will be located in the emergency room and all admissions areas that include the following information.
  - a. Financial assistance is available under Hospital's financial assistance policy.
  - b. Information about how or where to obtain information about the financial assistance policy and application process.
  - c. Information about how or where to obtain copies of this financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application.
- Hospital will offer a paper copy of the plain language summary of this financial assistance policy to all patients as part of the intake and/or discharge process.
- Hospital will include the following information on all billing statements.
  - a. Financial assistance is available under Hospital's financial assistance policy.
  - b. The telephone number of a Hospital office or department that can provide information about the financial assistance policy and process.
  - c. The direct website address (URL) on which this financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application are available.

The written notice on billing statements will be conspicuously placed and of sufficient size to be clearly readable.

- This financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application will be available at all times on Hospital's website.
- Paper copies of this financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application will be made available upon request and without charge by mail, in Hospital's emergency room, and in all admissions areas.
- Hospital will take reasonable efforts to notify and inform community members about this financial assistance policy in a manner that is reasonably calculated to reach those individuals who are most likely to need financial assistance.
- If any population with limited English proficiency comprises more than 5% of the population in Hospital's community or more than 1,000 individuals, then all communication methods described in this policy will also be followed in the primary language of that population.

EFFECTIVE DATE: June 01, 2016

Form: Application for Financial assistance

## Attachment A

### Federal Poverty Guidelines

Federal Poverty Guidelines (“FPG”) are published annually in the Federal Register by the U.S. Department of Health and Human Services. This information is available online at <https://aspe.hhs.gov/poverty-guidelines>.

This table is applicable for calendar year 2022.

<b>Family Size</b>	<b>100% of FPG</b>	<b>200% of FPG</b>
1	\$13,590	\$27,180
2	\$18,310	\$36,620
3	\$23,030	\$46,060
4	\$27,750	\$55,500
5	\$32,470	\$64,940
6	\$37,190	\$74,380
7	\$41,910	\$83,820
8	\$46,630	\$93,260
For each additional person, add:	\$4,720	\$9,440

Last updated: January 1, 2022

Updated by: Kayla McGuire, Business

Office Manager

Approved by: Bruce Craven, CFO

## Attachment B

### Providers That Operate Within Madelia Health

Medical service expenses for a patient can generally be categorized as either hospital fees or provider fees. All hospital fees for emergency medical care and other medically necessary care are eligible for financial assistance under this policy. However, not all provider fees are eligible for financial assistance under this policy.

The following information is provided to assist the public in understanding which provider fees are eligible for financial assistance under this policy. If this information is unclear, you may contact Patient Financial Services at Madelia Health (“Hospital”), by calling (507) 642-3255 for assistance.

Hospital defines a “provider” as a physician or similarly credentialed individual. Providers do not include nurses or technicians.

The following providers are not eligible for financial assistance under this policy. These providers are not eligible since Madelia Health does not bill for their Professional Fees.

- Phillip Benzmilller, M.D.
- Emily Birkholz, M.D.
- Lisa Davidson, M.D.
- Eric A. Evans, M.D.
- Tod Gavin, M.D.
- Gary Goldberg, M.D.
- Megan Griffith, M.D.
- Bhavini Carns, M.D.
- Adriana Escandon Sandino, M.D.
- Dennis Gremel, M.D.
- Steven Haugen, M.D.
- Karl Papierniak, M.D.
- Jason Steinle, M.D.
- Ashley Swaringen, M.D.
- Corey Welchlin, M.D.
- Courtney Whitney, D.O.

Any provider that is not listed here is eligible for financial assistance under this policy.

Last updated: January 01, 2022

Updated by: Kayla McGuire, Business

Office Manager

Approved by: Bruce Craven, CFO

## Attachment C

### Amounts Generally Billed Calculation

An individual who qualifies for financial assistance will not be required to pay more for emergency medical conditions and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (the “AGB limit”).

Hospital uses the Look-back Method as defined in Reg. 1.501(r)-5(b)(3) to calculate the amount generally billed (“AGB”) to individuals who have insurance covering medically necessary care. An individual who is determined to be eligible for financial assistance under this policy shall not be required to pay more than the amounts generally billed to individuals who have insurance covering such care.

Hospital calculates a single AGB limit to apply to all individuals who qualify for financial assistance. The AGB limit currently in effect is 74%, based on an average discount of 26%.

The AGB limit was calculated using the following formula:

$$\frac{\text{Total Allowed Claims and Other Payments}}{\text{Gross Charges}}$$

In the AGB calculation, “Total Allowed Claims” are those claims that have been submitted by Hospital and were paid under Medicare Parts A and B, Medicaid, and all private health insurers over the 12-month period, February 1 – January 31. Hospital uses all claims for medical care in this calculation, rather than just those allowed for emergency and other appropriate hospital-based medical services.

“Other payments” are co-payments, co-insurance, deductibles, and any other payments made in relation to a claim included in Total Allowed Claims.

“Gross Charges” are the total charges of the services for those claims included in Total Allowed Claims.

Last updated: June 1, 2019

Updated by: Monique Hoffmann, CFO

Approved by: Jeff Mengershausen, CEO