

 THE METHODIST HOSPITALS, INC. POLICY AND PROCEDURE SUBJECT: Financial Assistance Policy (Uninsured/Limited Means/Charity)	PREPARED BY: Financial Services	POLICY NO.:	
	ISSUED BY: Financial Services	ORIGINAL DATE ISSUED: 8/14/2007	
	APPROVED BY: Board of Trustees	REVISION DATE: 8/14/2007 12-08-2008	
		REVISION #: 1	PAGE 1 OF 4

I. POLICY

The Methodist Hospitals, Inc. is dedicated to servicing the health care needs of its patients. To assist in meeting those needs, we have established this ‘Indigent Policy’ to provide financial relief to those patients who ask for assistance for medically necessary services and who are unable to meet their financial obligation, including low-income, uninsured, or medically indigent.

The basis of this program is the truthful and accurate provision and submission of financial information from the patient and/or responsible party(ies). Patients and/or responsible party(ies) that intentionally misrepresent their household financial information will be automatically disqualified from any consideration whatsoever with regard to this program. Intentional misrepresentation determination is the sole right of Methodist Hospitals.

GENERAL INFORMATION

“Medically indigent” is defined for those patients whose health insurance coverage, if any, that does not provide full coverage for all of their medical expenses and their medical expenses in relationship to their income, would make them indigent if they were forced to pay full charges for their medical expenses.

II. DEFINITIONS

- A. Charity (indigent):** household income that is equal to or less than 200% of the Federal Poverty Guidelines (FPG). (Qualifying applications will receive 100% relief from their hospital obligations.) Patients/guarantors qualifying for 100% charity write-offs will qualify for Methodist Healthcare for the Indigent (MHCI Plan A and B). This coverage will last for a period of 12 months and the MHCI Plan will be loaded as the patient/guarantor’s primary insurance plan.
- B. Discount:** a sliding scale reduction in billed charges in accordance to take-home pay evaluation for patients who do not qualify for any other financial assistance, who ask for assistance and cooperate fully with the financial need determination process. Patients/guarantors who’s income is between 201-400% of the Federal Poverty Guidelines will qualify for one of the following assistance plans:
- 1.** Helping Heart Financial Assistance Plan 1 (HH90) 201-250% FPG = 90% charity write-off.
 - 2.** Helping Heart Financial Assistance Plan 2 (HH70) 251-300% FPG = 70% charity write-off.
 - 3.** Helping Heart Financial Assistance Plan 3 (HH50) 301-350% FPG = 50% charity write-off.
 - 4.** Helping Heart Financial Assistance Plan 4 (HH30) 351-400% FPG = 45% charity write-off.
- C. Documentation** for income should be included for all patients applying for financial assistance. The order of preferred support for income is as follows:
1. Proof of current financial and/or medical expense assistance by local, state, and/or federal agencies.
E.g., Food Stamps, Township assistance, HUD assistance, etc. (No further income documentation is necessary if patient/guarantor is currently receiving local, state, and/or federal income assistance).
 2. Prior year tax return
 3. Current Pay Stubs – 3 months
 4. Bank Statement

- D. Family:** The patient, his/her spouse (including a legal common law spouse) and his/her legal dependents according to the Internal Revenue Service rules. Therefore, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
- E. Family Income:** Gross wages, salaries, dividends, interest, Social Security benefits, workers compensation, training stipends, regular support from family members not living in the household, government pensions, private pensions, insurance and annuity payments, income from rents, royalties, estates and trusts.
- F. Income verification:** Patients that are currently receiving financial assistance by Trustee, County, State and/or Federal assistance, with appropriate proof of such, need not provide the hospital with other income information. Municipalities that qualify patients for income assistance and healthcare assistance are recognized as qualifying agencies and no further income information will be necessary.
- G. Limited Means:** an inability to pay full charges of the hospital obligations. The guarantor must request financial assistance, be ineligible for Charity and have income between 201%-400% of the Federal Poverty guidelines.
- H. Methodist Healthcare for the Indigent (MHCI):** Patients/guarantors qualifying for 100% charity write-offs will qualify for Methodist Healthcare for the Indigent (MHCI). This coverage will last for a period of 12 months. Patient's must verbally update all demographic and income data upon readmissions during the 12 month period. Patients/guarantors failing to comply with the guidelines as set out in this policy will not be eligible for any charity considerations or write-offs.
- I. Methodist Hospital Helping Heart Plans:** Patients/guarantors qualifying for less than 100% charity write offs may fall into one of the Methodist Hospital Helping Heart Plans. See Table XYZ for appropriate plan. This coverage will last for a period of 12 months. Patient's must verbally update all demographic and income data upon registration during the 12 month period. Patients/guarantors failing to comply with the guidelines as set out in this policy will not be eligible for any charity considerations or write-offs.
- K. Medically Necessary Service:** Any inpatient or outpatient hospital service that is covered by and considered to be medically necessary under Title XVIII of the Federal Social Security Act and based on the clinical judgment of the provider. Medically necessary services do not include any of the following:
- a. Non-medical services such as social and vocational services.
 - b. Cosmetic surgery.
 - c. Private room charges

III. PROCEDURE

Financial Assistance Guidelines and Eligibility Criteria (see Attachment 1)

- A. Screening patients for Federal, State and Local Program Eligibility, charity care and financial assistance. An uninsured patient and/or responsible party will be screened for financial assistance in the following manner:
- a. Eligibility for Medicaid, Medicaid disability, Social Security disability and other Federal, State, and/or local healthcare programs and/or grants.
 - b. MHCI adjustments for those patients with documented income levels less than or equal to 400% of the HHS Poverty Guidelines (see Financial Assistance Income Verification Worksheet 2007).
 - c. Uninsured patients with income determination greater than 400% of the HHS Poverty Guidelines (considered to have a "means to pay") will be eligible for a discount from total charges of 40% at the time of final billing. If the patient pays for services before or at the time of service, they are eligible for an additional prompt pay discount of 5% for a total discount of 45%. This discount from total charges will be considered an Administrative adjustment and should be applied to the account with the appropriate transaction code.
- B. To be eligible for a 100 percent reduction from charges (i.e. full write-off) the patients' household income must be at or below 200 percent of the current Federal Poverty Guidelines.

- C. Patients with household income that exceeds 200 percent but is less than 401 percent of the Federal Poverty Guidelines will be eligible for a sliding scale discount. See Financial Assistance Income Verification Worksheet 2007.
- D. Patients and/or responsible parties must apply for the programs and fulfill the application requirements for such programs within 30 days of registration and/or discharge to Methodist Hospitals. If patients and/or responsible parties fail to apply for assistance within 30 days their account(s) will be processed as any other self-pay account and will be subject to all collection activities. Accounts that have been forwarded to bad debt will not be eligible for charity adjustments. If a patient is incapacitated with an inpatient stay and not able to complete and submit a complete application consideration will be given to extend the 30 day application process.
- E. Evaluation of Applications – This program is primarily income based. However, extraordinary assets will be valued and added to the household or family unit’s total income.
 - 1. Extraordinary assets are defined as those items over and above the basic needs of housing and transportation required for self-sufficiency. Examples of an extraordinary asset are: large savings accounts, motorcycle (in addition to automobile), boat, and four-wheeler, second home or additional land that is not used as part of a business or to provide income.
 - 2. Expenses that exceed 25% of patient’s disposable income will also be given extra consideration for account adjustments.

Automatic updates to this Policy and Procedure will occur annually and will coincide with the release of the current Federal Poverty Guidelines.

IV. REFERENCE:

["Click here to start typing Reference."](#)

V. DOCUMENT INFORMATION

A. Prepared by

<u>Dept. & Title</u>	<u>Date</u>
Financial Services Manager	08/14/2007

B. Review and Renewal Requirements

This policy will be reviewed every three years and as required by change of law, practice or standard.

C. Review / Revision History

Reviewed on: 08/15/2007

Revised on: ["Type Date \(mm/yyyy\)."](#)

D. Approvals

- 1. This Policy & Procedure has been reviewed and approved by the Vice President(s) of the Service Group(s):

<u>Vice President(s)</u>	<u>Date</u>

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"Type Vice President."	"mm/dd/yyyy"
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2. This Policy & Procedure has been reviewed and/or approved by the following committee(s):

Committee(s)	Date
"Type Committe."	"mm/dd/yyyy"

REVISION HISTORY: 08/16/2007

The Methodist Hospitals
2008 Financial Assistance Calculation Table

Patient Name _____
Account Number _____
Discharge Date _____ App. Date _____

Hospital Based Inpatient & Outpatient Services

HELPING HEART - Financial Assistance Program						Uninsured with Means to Pay
Household Size (circle)	200%	to 250%	to 300%	to 350%	to 400%	>400%
1	\$ 20,800	\$ 26,000	\$ 31,200	\$ 36,400	\$ 41,600	
2	\$ 28,000	\$ 35,000	\$ 42,000	\$ 49,000	\$ 56,000	
3	\$ 35,200	\$ 44,000	\$ 52,800	\$ 61,600	\$ 70,400	
4	\$ 42,400	\$ 53,000	\$ 63,600	\$ 74,200	\$ 84,800	
5	\$ 49,600	\$ 62,000	\$ 74,400	\$ 86,800	\$ 99,200	
6	\$ 56,800	\$ 71,000	\$ 85,200	\$ 99,400	\$ 113,600	
7	\$ 64,000	\$ 80,000	\$ 96,000	\$ 112,000	\$ 128,000	
8	\$ 71,200	\$ 89,000	\$ 106,800	\$ 124,600	\$ 142,400	
Discount	HH -100%	HH -90%	HH -70%	HH -50%	HH -45%	45% Prompt Pay
Discount Application	1) Financial Assistance for the uninsured and Means to Pay discount is based on total charges. 2) Insured discount is based on patient liability or balance due.					

Household Income _____
Gross Charges _____
Percent of Write-off _____
Classification: _____

Household Size (please circle)

Financial Worksheet Completed by: _____
(please print complete name)

Date coverage applied/denied _____ Date of change: _____

Service Area Definition

Source: Strategic Planning Department - Bryan Smith 886-6982

Service Area	Zip	City
Northlake Primary Service Area	46402	GARY
Northlake Primary Service Area	46403	GARY
Northlake Primary Service Area	46404	GARY
Northlake Primary Service Area	46406	GARY
Northlake Primary Service Area	46407	GARY
Northlake Primary Service Area	46408	GARY
Secondary Lake County	46303	CEDAR LAKE
Secondary Lake County	46311	DYER
Secondary Lake County	46312	EAST CHICAGO
Secondary Lake County	46319	GRIFFITH
Secondary Lake County	46320	HAMMOND
Secondary Lake County	46321	MUNSTER
Secondary Lake County	46322	HIGHLAND
Secondary Lake County	46323	HAMMOND
Secondary Lake County	46324	HAMMOND
Secondary Lake County	46327	HAMMOND
Secondary Lake County	46356	LOWELL
Secondary Lake County	46373	SAINT JOHN
Secondary Lake County	46375	SCHERERVILLE
Secondary Lake County	46394	WHITING
Secondary Porter County	46304	CHESTERTON
Secondary Porter County	46341	HEBRON
Secondary Porter County	46347	KOUTS
Secondary Porter County	46368	PORTAGE
Secondary Porter County	46383	VALPARAISO
Secondary Porter County	46385	VALPARAISO
Southlake Primary Service Area	46307	CROWN POINT
Southlake Primary Service Area	46342	HOBART
Southlake Primary Service Area	46405	LAKE STATION
Southlake Primary Service Area	46409	GARY
Southlake Primary Service Area	46410	MERRILLVILLE



