

# 480-10/400-05 Taylor Regional Financial Assistance Policy

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ADM. POLICY NO.: 480-10

DEPT. POLICY NO.: FIN/COLLECTION 400-05

DATE: January, 2005

REVIEWED: December 2008, November 2011, April 2015, February 2021

REVISED: December 2010, July 2012, May 2016, June 2017, June 2018, June 2020, June 2021, July 2022, June 2023

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## SUBJECT

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Taylor Regional Financial Assistance Policy

This policy applies to the following Taylor Regional entities:

1. Taylor Regional Hospital

## **POLICY**

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Taylor Regional provides emergency and other medically necessary care to patients, including uninsured and underinsured patients, regardless of their ability to pay for all or part of that care. Medically necessary care does not include any care provided primarily for the convenience of the individual, the individual's caregiver or healthcare provider, or for cosmetic reasons.

## **PURPOSE**

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This Financial Assistance Policy ("FAP") is intended to be an I.R.C. (Internal Revenue Code of 1986, as amended) §501(r)-compliant financial assistance policy to:

1. list the criteria used to determine a patient's eligibility for financial assistance;
2. set forth the method by which patients may apply for financial assistance;
3. provide the basis for calculating amounts charged to eligible patients;
4. affirm that this FAP is widely publicized within the communities we serve;
5. affirm that Taylor Regional will not engage in extraordinary collection actions prior to making reasonable efforts to determine a patient's eligibility under this FAP and;
6. affirm that FAP-eligible patients will not be billed more than amounts generally billed to other patients who have insurance covering such care.

This FAP applies to all patients with a demonstrated inability to pay (as opposed to an unwillingness to pay, which is considered bad debt). It is the responsibility of the patient to actively participate in the financial assistance screening process and to provide all requested information on a timely basis, including without limitation, providing Taylor Regional with information concerning actual or potentially available health benefits coverage (including available COBRA coverage), income, assets, and any other information that is necessary for Taylor Regional to make a determination regarding the patient's financial and insured status.

In order to manage its resources responsibly and to allow Taylor Regional to provide the appropriate level of assistance to the greatest number of persons, Taylor Regional establishes the following guidelines for the provision of patient financial assistance.

## **PROCEDURE**

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### **Definitions**

Taylor Regional offers different types of financial assistance to meet the needs of its patients. When determining the appropriate adjustment to the patient's account and for the purpose of this policy, the terms below are defined as follows:

1. Indigent Care: Healthcare services that have been or that will be provided without cost to individuals who meet the criteria established by the Commonwealth of Kentucky for eligibility in the KHCP (Kentucky Hospital Care Program) sometimes referred to as the Disproportionate Share Program or DSH program.
2. Charity Care: Healthcare services that have already been or that will be provided that are never expected to result in the recovery of costs. Charity care results from Taylor Regional's policy to provide healthcare services free to individuals who meet the established criteria.
3. Financial Discount Care: Healthcare services that have been or will be provided to individuals who have some resources to pay for that care but do not have the resources to pay the full charges. Financial Discount care results from Taylor Regional's policy to provide healthcare services at a discount to individuals who do not meet the qualifications for Indigent or Charity Care but who meet the established criteria to have a portion of their bills reduced.

4. Family: A group of two or more people who reside together and who are related by birth (including grandparent(s) with legal custody), marriage, or adoption. Accordingly, if the guarantor claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
5. Family Income: Taylor Regional calculates "Family Income" by totaling each family member's money income before taxes excluding child support, capital gains, and noncash benefits (such as public housing, Medicaid, and food stamps). Money income is earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor's benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, assistance from outside the household, and other miscellaneous sources.
6. Uninsured: The patient has no level of insurance or third party assistance to help with meeting his/her payment obligations.
7. 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.
8. Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

## **Procedures that require a prepaid deposit**

Procedures that require a prepaid deposit:

1. Taylor Regional requires some cost share by all patients whose income exceeds 150% of the federal poverty level for certain diagnostic tests. This cost share will not exceed the "Amount Generally Billed" (AGB) for patients who qualify under this policy.
2. Taylor Regional requires a deposit amount for PET CT and for MRI procedures before scheduling self-pay patients who do not meet the qualifications for the Indigent Care adjustment (Kentucky Hospital Care Program) or Charity Care adjustment.
3. A patient may be determined to be eligible for Indigent Care or Charity Care after a service is provided and the prepaid deposit is collected. A patient may have made a deposit on their account before the determination of eligibility is made. A person's financial situation may have changed from the date of the prepayment or initial payment.
  1. If a patient qualifies for either Indigent Care or Charity Care for the date of service for which the prepaid deposit or other payment applied, Taylor Regional will refund that deposit.
  2. If a patient qualifies for financial assistance any payment in excess of the "Amount Generally Billed" will be refunded.

## **Eligibility for assistance**

Eligibility for financial assistance will be considered for the uninsured, the underinsured, and who are unable to pay for care based upon a determination of financial need in accordance with this policy. The offer of assistance shall be determined on financial need, and shall not be based on age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

## **How to apply for assistance**

1. Applications for financial assistance may be obtained from any of the following:
  1. Taylor Regional's website at [www.trhosp.org](http://www.trhosp.org).
  2. Taylor Regional Hospital Business Office; or by calling 270-465-3561 ext. 2327 and requesting a copy of the application by mail.
  3. Taylor Regional Medical Group's billing office; or by calling 270-465-3561 ext. 3714 and requesting a copy of the application by mail.
  4. Financial need will be determined in accordance with procedures that involve an individual assessment of the patient's financial need, and may include one or more of the following steps:
    1. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of

- financial need;
2. Include the use of external publicly available data sources that provide information on a patient's or a patient guarantor's ability to pay;
  3. Take into account the patient's available assets and all other financial resources available to the patient;
  4. Include reasonable efforts by the patient and Taylor Regional to explore appropriate alternative sources of payment and coverage from public and private payment programs;
  5. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

## **Assistance with the application process and forms**

1. Assistance is available in completing the application at the following locations: the business office for Taylor Regional Hospital, Taylor Regional Medical Group or by calling one of the telephone numbers listed in Section C above to arrange a time to speak with a financial counselor.
2. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle.

## **Needed documents**

The following documents must be submitted when returning the completed application:

1. A copy of your most recent tax return or a copy of your most recent pay stubs or Form W-2.
2. Documentation of available financial assets including cash, bank accounts, certificate of deposits, stocks and bonds.
3. If you do not have a source of income, a written statement that you have no source of income. This document must be witnessed by two individuals from outside the household or immediate family.

The need for financial assistance shall be re-evaluated at each subsequent time of service if the last financial evaluation was completed more than 6 months prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

Taylor Regional's values of respect and stewardship shall be reflected in the application process, financial need determination, and granting of financial assistance. Requests for financial assistance shall be processed promptly and Taylor Regional shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

## **Presumptive financial assistance eligibility**

There are rare instances when a patient may be eligible for charity care or discounted care and due to extenuating circumstances no financial assistance form or an incomplete application are on file. Available information provided by the patient or information available through other sources, which provides sufficient evidence to support the need for charity care assistance may be used. Absent the documentation required elsewhere in this policy, Taylor Regional may use other sources in estimating income amounts for the basis of determining charity care eligibility or other financial assistance and discount amounts.

In some cases, financial assistance may be approved without an application for:

1. Presumptive Medicaid recipients
2. QMB Medicaid recipients
3. Out-of-state Medicaid recipients
4. Patients who are Medicaid-eligible in the month immediately prior to or following the date of service
5. Patients who have been determined to be FAP-eligible within the preceding six (6) months

If a person is determined to be presumptively eligible for financial assistance, that determination will be for Charity Care.

## **Eligibility criteria and amounts charged to patients**

Discounts under this policy will be made available to the patient on a sliding scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by Taylor Regional Hospital to be eligible for financial assistance, that patient shall not receive any future bills for the covered dates of service based on undiscounted gross charges.

1. Indigent Care = Free Care. Patients whose family income is at or below 100% of the FPL and who meet the following conditions are eligible for "Indigent Care":
  1. Do not qualify for Medicaid and
  2. Meet the qualifications for "Indigent Care" known as the Disproportionate Share Program (DSH) or KHCP Program.
2. Charity Care = Free Care. Patients whose family income is above 100% but not more than 150% of the FPL and who meet the following conditions are eligible for "Charity Care":
  1. The patient is uninsured and has no level of insurance or third-party assistance available to meet his/her payment obligations.
  2. The patient is under-insured. A determination is made that the person is effectively uninsured even though they may have insurance. The insurance will not pay because of the level of deductible or co-pays, or because of contractually non-covered services.
  3. A determination has been made from the application or the evidence obtained that the patient is unable to pay for their care, based upon a determination of financial need in accordance with this policy.
3. Patients whose family income is above 150% but not more than 200% of the FPL and who meet the qualifications for "a partial financial discount" are eligible to have their charges discounted to the amount generally billed (AGB) on their remaining balances:
  1. A determination has been made from the application or the evidence obtained that the patient is unable to pay for their care, based upon a determination of financial need in accordance with this policy.
4. All private pay patients not covered by any type of insurance are eligible for discounts that can reduce the amount due from the patient regardless of income level.

## **Basis for calculating amounts charged to eligible patients**

### **Emergency or other medically necessary care**

Taylor Regional does not charge FAP-eligible (Family income is less than 200% of the Federal poverty level) patients more than amounts generally billed ("AGB") to those who have insurance covering such care. Rather, Taylor Regional provides emergency or other medically necessary care free of charge or at a discounted rate to any patient who meets the eligibility criteria for financial assistance under this FAP. Taylor Regional uses the look-back method and calculates an AGB percentage for each hospital facility by dividing the sum of all of the amounts of its claims for emergency and other medically necessary care that have been allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during the preceding twelve month period of May through April, by the sum of the associated gross charges for those claims. AGB is determined by multiplying the gross charges for all care provided to the FAP - eligible patient or guarantor, including emergency and other medically necessary care, by the applicable AGB percentage in the following table:

<b>Facility</b>	<b>Percentage</b>
Taylor Regional Hospital	29%
Taylor Regional Medical Group	35%

### **All other medical care**

A FAP-eligible patient will be charged less than gross charges for such care; provided, however, that a billing statement may include the gross charges for such care as a starting point to which various contractual allowances, discounts or deductions may be applied in order to arrive at the less-than-gross-charges amount the FAP-eligible patient is expected to pay.

Charges for non-covered services provided to FAP-eligible patients eligible for Medicaid or other indigent care programs (including charges for days exceeding a length of stay limit) can be included in Taylor Regional's total charity care calculation.

### **Widely publicizing the financial assistance policy**

Taylor Regional widely publicizes this FAP, including the FAP applications and plain language summary of this FAP, to patients and those members of the community it serves who are most likely to require financial assistance, at no charge, through conspicuous public displays in its emergency rooms and admissions areas, by offering a plain language summary of the FAP as part of either the intake or discharge process, and by making these documents and information readily obtainable on its website and in paper copies upon request.

Each billing statement will include a conspicuous written notice that notifies and informs the recipient about the availability of financial assistance under this FAP and includes the telephone number of the office or department that can provide information about the FAP and FAP application process, and the direct website address where copies of the FAP documents may be obtained.

### **Taylor Regional Providers**

A patient may receive emergency or other medically necessary care within Taylor Regional Hospital or a Taylor Regional facility from a non-Taylor Regional provider. The care these providers deliver may or may not be covered by this FAP. A list of providers and whether or not the care they deliver is covered by this FAP is available free of charge on Taylor Regional's website or upon request by contacting one of the offices listed above in Section C at the telephone number listed there.

### **Collection Actions**

Taylor Regional will not engage in extraordinary collection actions without first making reasonable efforts to determine a patient's eligibility under this FAP. The actions Taylor Regional may take with respect to non-payment by a patient are described in Taylor Regional's Billing and Collection Policy for:

1. Taylor Regional Hospital;
2. Taylor Regional Medical Group;