

**CITIZENS MEDICAL CENTER, INC.**  
**Colby, Kansas**

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Policy #: 82.1

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Approval:

Department: Billing

Subject: Financial Assistance

**POLICY:**

It is the policy of Citizens Medical Center (CMC) to provide full or partial financial assistance to patients and/or guarantors, within the limits of Citizens Medical Center resources, based on the patient and/or guarantor's current financial situation and ability to pay.

The financial assistance process will be carried out with respect and with regard for the dignity of the applicant. Application of the policy will be made regardless of race, color, religion, creed, sex, national origin, age, disability, or sex (individual's sex assigned at birth, gender identity, or gender otherwise recorded is different from the one to which such services are ordinarily or exclusively available).

**PURPOSE:**

It is the purpose of this policy to establish financial assistance guidelines for patients and/or guarantors to assist in determining eligibility for financial assistance to those who are unable to meet the financial obligations incurred at Citizens Medical Center for health care.

**OVERVIEW:**

In compliance with section 501(r) (6) of the Internal Revenue Code (IRC). Citizens Medical Center will inform their patients and/or guarantors of the financial assistance policy (FAP) and will make reasonable efforts to determine a patient's and/or guarantor's eligibility for financial assistance. If the determination is made that an individual is eligible for assistance, CMC will reverse, when possible, adverse results of any collection efforts and will refund any over-paid amounts to the individual. CMC will also issue a new billing statement which represents the amount generally billed to individuals with insurance. This amount will be calculated using the "look-back" method, based on actual past claims paid to CMC by Medicare and by other private insurers'.

**PROCEDURE:**

- I. Any patient seeking urgent or emergent care (within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd and the 42CFR 489.24 interpretative guidelines) at CMC shall be treated without discrimination and without regard to the patient's ability to pay for care. CMC shall operate in accordance with all federal and state requirements for the provision of urgent or emergent health care services, including screening, treatment and transfer requirements under the federal Emergency Medical Treatment and Active Labor Act (EMTALA). CMC shall consult and be guided by its emergency services policy, EMTALA regulations and applicable Medicare/Medicaid conditions of Participation in determining what constitutes an urgent or emergent condition and the processes to be followed with respect to each.
- II. The Financial Assistance Application (Attachment #1) will be forwarded to a patient and/or guarantor, upon request. The Financial Assistance Application must be completed in its entirety.
  - A. The requested information includes copies of prior three months' pay stubs, Social Security Benefit Statement (if applicable), prior three months' bank checking and/or savings account statements, and a copy of the latest income tax return. This requested information must be returned to the Patient Financial Advisor within ten business days from receipt of request. CMC reserves the right to check the accuracy of the information submitted.
  - B. If an incomplete questionnaire is returned, a letter will be sent requesting the missing information and an additional ten more days will be allowed to provide the information. If that requested information is not returned the request will be denied.
  - C. Until the application is completed and returned to CMC, the account balance will remain the patient's and/or guarantor's responsibility and will be subject to all standard collection procedures. If the application is incomplete, it cannot be considered for approval.
  - D. Upon receipt of the completed application and supporting documents, the account will be reviewed and the application will be processed in accordance with the eligibility criteria and program administration set forth in this policy. A letter will be sent to the patient or guarantor advising them of the determination. Basis for determination will be included in the letter.
  - E. A patient may download an application from the CMCI website, [www.cmciks.com](http://www.cmciks.com).
- III. Determination of Eligibility:

- A. The level of assistance to be provided, total or partial, will be determined by an evaluation and analysis of the patient's income and other income resources. The Federal Poverty Guidelines (FPG) issued by the Department of Health and Human Services will provide the initial framework to determine an individual's ability to pay. Other factors to consider include, but are not limited to:
  - 1. The situation of working poor families who may have adequate incomes to "get by" on a day-to-day basis, but for whom medical expenses are unaffordable due to minimal discretionary income.
  - 2. The situation of those with moderate incomes but who incur significant health expenses beyond their insurance coverage or own ability to pay.
  
- B. Patient eligibility will be based on the following:
  - 1. Payment from all other sources must be exhausted including resources from savings and checking accounts, certificates of deposit, stocks, bonds, real estate, etc.
  - 2. Assistance is applied only to the self-pay/patient liability portions of a patient's bill.
  - 3. Financial need is based on income guidelines established by the Federal Government.
  - 4. Financial assistance will be provided only for those procedures considered to be medically necessary.
  - 5. Applicant must provide copies of prior three months' pay stubs, prior three months bank checking and/or savings accounts, latest income tax return. Additional information may be requested.
  - 6. Applicant must complete Citizens Medical Center's Financial Assistance Application form.
  
- C. Once the applicant is deemed eligible for assistance, the actual level of assistance will be determined, in part, by comparing the applicants' income to the FPG, as follows:
  - 1. 100% discount if income is 0 percent (%) to 130% of FPG.
  - 2. 50% discount if income is 131% to 250% of FPG.
  - 3. 30% discount if income is 251% to 400% of FPG.
  - 4. Partial discount if income is over 400%.
  
- D. Catastrophic medical expenses will also be a factor in determining eligibility for financial assistance.
  
- E. After the application has been reviewed, a determination of eligibility, or non-eligibility, will be made and the applicant will be notified of the decision.
  
- F. In the event of non-payment of any amount determined to be the responsibility of the patient and/or guarantor, and in the absence of an application for assistance,

CMC may refer the account(s) to an outside collection agency. Such action may result in an adverse entry on the patient's and/or guarantor's credit rating or the initiation of legal proceedings.

IV. Establishing a Payment Plan.

- A. The Patient Financial Advisor will evaluate the patient's financial assistance application and other supporting documents, using the guidelines outlined in the previous sections. If the patient qualifies for, and is approved for, full financial assistance, the balance will be written off as charity.
- B. If the patient does not qualify for full financial assistance, the Patient Financial Advisor will negotiate a monthly re-payment plan, generally not to exceed 12 months. The amount approved for financial assistance will be adjusted off of the specific account. An itemized bill will be provided to the patient or guarantor showing the amount owed. Financial Assistance determination is active for one year after the approved date.
- C. Default of the Re-payment Agreement may result in the remaining balance plus any previously written-off amounts becoming immediately due and payable.

V. Pre-approved Financial Assistance:

- A. Unexpected Subsequent Account(s):
  - 1. Any new application for financial assistance received within six months of a previously-approved application will be processed with the same level of assistance as the previous application.
  - 2. If the information on the prior application was deemed to qualify the patient for full financial assistance then the subsequent application will also be processed with full financial assistance.
  - 3. If the prior application qualified the patient for partial financial assistance, with a set monthly payment, then the subsequent application will be processed at the same level of assistance, with the length of the re-payment plan being adjusted up to a maximum of one year from the date the subsequent application is processed.
- B. Anticipated Subsequent Accounts:
  - 1. If it is determined, during the course of processing a single application for financial assistance, that the patient, because of his or her condition or diagnosis, is likely to have subsequent accounts, whatever level of assistance is applied to the single account will also be applied to any subsequent accounts, within a year of the date of the first account.

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2. A re-evaluation will take place for any new accounts that occur after one year. A new Financial Assistance Application with new supporting documents will be required from the patient.

VI. Self-Pay Discount:

- A. A 25% reduction will be applied to the bill of a non-insured patient, if the patient pays the entire amount due within 20 days of the first statement. The days begin when the statement is sent to the patient, not when the patient or guarantor receives the bill. It is not Citizens Medical Center's responsibility for the timely delivery of mail by the United States Postal System. However unfortunate, the 20 days begins whether or not the patient and/or guarantor receives the statement in a timely manner.