

**Policy Name:** **Community Financial Assistance (FAP) Policy**  
**Policy Owner:** Russell Gardner, Manager, Revenue Cycle & Financial Access  
**Original Date:** 10/2016  
**Last Reviewed:**

**Scope of Policy**

- ☐ **Applies to all listed below:**  
☒ **Limited to those specified:**
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Mary Free Bed Rehabilitation Hospital | <input type="checkbox"/> All Medical Staff            |
| <input checked="" type="checkbox"/> MFB Outpatient Services               | <input checked="" type="checkbox"/> MFB Medical Group |
| <input checked="" type="checkbox"/> All MFB Service Locations             | <input type="checkbox"/> MFB Network Employees        |
| <input type="checkbox"/> Department/Service/Other (specify):              |   |

**PURPOSE:**

The purpose of this policy is to document Mary Free Bed Rehabilitation Hospital's (MFB) assistance to help achieve our mission statement of providing people with disabilities the opportunity to achieve independence through rehabilitation regardless of a person's ability to pay for such medically necessary services.

Mary Free Bed Rehabilitation Hospital will provide medically necessary rehabilitation services and products, within its financial capabilities and constraints, to those individuals who have limited financial resources. It is the policy of MFB to provide free care, discounted rates and/or extended payment plans to those qualified individuals needing assistance in paying for MFB Services. This free care and discounted care shall be referred to as Community Financial Assistance (CFA)

Community Financial Assistance will generally be limited to those patients residing in Michigan within MFB's service area. For outpatient CFA, applicants must reside within a 45 mile radius of a MFB service site. For inpatient CFA, applicants must reside within a 45 mile radius of a MFB service site, or be referred by a provider that is a member of the Mary Free Bed Rehabilitation Network.

Medically necessary rehabilitation services and products include those necessary for basic safety, ADL, mobility, and work purposes, and normally included as covered services in Medicaid and Medicare programs. This policy does not provide for services and products determined to be elective, or for services and products which are upgrades to more basic options. Clinical treatment plans under CFA are reviewed and approved by clinical managers.

Assistance is provided with the expectation that patients will cooperate with the policy's application procedures and those of coverage programs or public benefits available to cover the cost of care. Patients have the right to reasonable access to care that is considerate and respectful of personal dignity, values and beliefs.

Mary Free Bed Rehabilitation Hospital provides access to care without regard to race, gender, national origin, handicap, age, HIV status, sexual orientation, religious beliefs or source of payment. Patients have the right to pastoral care and other spiritual services and may express the patient's cultural beliefs and practices as long as these do not harm others or interfere with treatment.

This policy applies to services provided at Mary Free Bed Rehabilitation Hospital, as well as the MFB Medical Group and MFB Orthotics & Prosthetics.

**DEFINITIONS:**

The following definitions are applicable to this Community Financial Assistance Policy.

- **Amount Generally Billed (AGB)** - The amount generally billed is the payment expected from uninsured patients, or an uninsured patient's guarantor, found eligible for financial assistance. For uninsured patients, this amount will not exceed the rate paid by Medicare. No patient found eligible for financial assistance will be expected to pay gross charges for eligible services.
- **Assets** - Certain liquid assets, such as savings and checking accounts, will be considered in making a determination of eligibility for MFB financial assistance.
- **Community Financial Assistance (CFA)** – Assistance provided to applicants meeting MFB's established criteria to relieve them of all or part of their financial obligation for medically necessary care provided by MFB.
- **Discounted Care** - Financial assistance that provides a sliding scale discount to eligible uninsured patients, or patient guarantors, with annualized family incomes below 250% of the Federal Poverty Guidelines.
- **Family** - A group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they are considered a dependent for the purposes of the provision of CFA.
- **Family Income** - An applicant's family income is the combined gross income of all adult members of the family living in the household and included on the most recent federal tax return. For patients under 18 years of age, family income includes that of the parents and/or step-parents, or caretaker relatives.
- **Federal Poverty Guidelines** - The Federal Poverty Guidelines (FPG) uses income thresholds that vary by family size and composition to determine who is in poverty in the United States. It is updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current FPG guidelines can be referenced at <https://aspe.hhs.gov/poverty>
- **Free Care** - A full waiver of patient financial obligation resulting from medical services provided by MFB for eligible uninsured patients, or their guarantors, with annualized family incomes at or below 145% of the Federal Poverty Guidelines.
- **Guarantor** - An individual other than the patient who is responsible for payment of the patient's bill.
- **Gross charges** - The established rate set for a service before deductions from revenue or negotiated allowances are applied.

- **High Deductible Health Plan** – A plan with a higher deductible than a traditional insurance plan. For 2016, the IRS defines a high deductible health plan as any plan with a deductible of at least \$1,300 for an individual or \$2,600 for a family.
- **Medical Hardship** - Financial assistance provided to patients with financial obligations resulting from medical services provided by MFB that exceed a certain percentage of family income.
- **Medically Necessary** - As defined by Medicare or Medicaid as services or items reasonable and necessary for the diagnosis or treatment of illness or injury.
- **Payment Plan** - An interest-free, payment plan of up to twelve months that is agreed to by both MFB and a patient, or patient's guarantor, for out-of-pocket fees.
- **Qualification Period** - Applicants determined eligible for CFA will be granted assistance for a period of nine (9) months. Assistance will also be applied retroactively to unpaid bills incurred for eligible services in the previous three (3) months.
- **Uninsured Patient** - A patient with no third-party coverage provided through a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP, and CHAMPUS), Worker's Compensation, automobile insurance, and other third party assistance to assist with meeting a patient's payment obligations.

## **POLICY:**

### **ACCESS TO CARE:**

You have the right to expect that MFB will give you necessary health services to the best of its ability. You have the right to be told of realistic care alternatives when hospital care is no longer appropriate and treatment, referral or transfer is recommended. If transfer is recommended or requested, we will inform you of the risks, benefits and alternatives. Mary Free Bed Rehabilitation Hospital will not transfer you as an inpatient until the other institution agrees to accept you.

You have the right to agree or decline to take part in research affecting your care. If you choose not to take part, you will receive the most effective care MFB otherwise provides. You have the right to consent to or refuse a treatment, as permitted by law, throughout your care. If you refuse a recommended treatment, you will receive other needed and available care.

You have the right to know about MFB policies that affect you and your treatment, and about charges and payment methods. A Patient Financial Services Representative or Financial Counselor will meet with you to help you understand your insurance coverage or to assist you in obtaining coverage or assistance.

### **ELIGIBLE SERVICES:**

Services eligible under this Community Financial Assistance Policy include medically necessary rehabilitation services and products. They are those services and products necessary for basic safety, ADL, mobility, and work purposes, and normally included as covered services in Medicare and Medicaid programs. This policy does not provide for services and products determined to be elective, or for services and products which are

upgrades to more basic options. Clinical treatment plans under CFA are reviewed and approved by clinical managers.

<b><u>Examples of included services and products:</u></b>	<b><u>Examples of excluded services products:</u></b>
Plastic AFO	Carbon Fiber AFO
Standard AK prosthesis	C-Leg prosthesis
Fracture brace	FES products (WalkAide, Bioness)
Scoliosis TLSO	SpineCor Brace
Standard prosthetic components	Myo-electric/electric hands/elbows
Pre-molded foot orthoses	Custom-molded foot orthosis
Cranial remolding helmet	Second cranial remolding helmet
Physical therapy	Neuromuscular biofeedback
Occupational therapy	Saebo splint eval/training/equipment
Speech/Language therapy	Bioness eval/training/equipment
Swallowing/Feeding therapy	WalkAide eval/training/equipment
Neuropsychology evaluations	SCI ITMR program
Driver Rehabilitation Services	High-Tech Driver Rehabilitation Services
Inpatient discharge medications & equipment	

#### **ELIGIBILITY:**

Eligibility for assistance will be considered for any patient residing in Michigan within the MFB service area. For outpatient CFA, applicants must reside within 45 miles of a MFB service site. For inpatient CFA, applicants must reside within a 45 mile radius of a MFB service site, or be admitted for services after being referred from a provider that is a member of the Mary Free Bed Rehabilitation Network.

Applicants for MFB Community Financial Assistance are required to cooperate in attempting to obtain payment or assistance, such as possible public benefits or coverage programs, available to pay for the cost of care provided by MFB. Applicants screened for possible coverage eligibility are required to apply for Michigan Medicaid, other possible public benefits, or coverage programs, prior to applying for MFB Community Financial Assistance. Patients, or patient guarantors, refusing to apply for Michigan Medicaid or other possible public benefits or coverage programs may be denied MFB Community Financial Assistance. Patients denied Michigan Medicaid eligibility are requested to complete a Community Financial Assistance Application form (CFA-2), which will initiate the Mary Free Bed Community Financial Assistance review process. Note: A Community Financial Assistance Application form (CFA-2) must be completed for all pediatric patients since Michigan Medicaid/ Children's Special Health Care Services coverage for children considers more than income for eligibility.

Community Financial Assistance applications will be reviewed for eligibility based upon the applicant's income, certain liquid assets, family size, and insurance status. Individuals with household incomes less than 250% of the Federal Poverty Guidelines may be eligible for care at discounted rates dependent upon income level. For the remaining balance

after the appropriate discount has been applied, suitable arrangements may be made with the Patient Financial Services office for an interest-free monthly payment plan of up to twelve months.

Assistance will be offered to eligible insured and uninsured patients under *Medical Hardship* providing it is in accordance with the insurance contractual agreement, for insured patients. Financial Assistance is generally not available for;

- Patient cost-sharing amounts (e.g., copays, coinsurances, deductibles\*)
  - \* High-deductible health plans may be eligible for medical hardship,
- Balances after insurance in the event that a patient fails to reasonably comply with insurance referral or authorization requirements, or
- Individuals having no insurance coverage due to their own failure to obtain such coverage.

Exceptions to the above limitations will be handled on a case by case basis.

Patients having a Medicaid spend down plan are required to meet his/her spend down obligation before receiving Community Financial Assistance.

Confidentiality of information and individual dignity will be respected and protected for all who seek Community Financial Assistance.

## **PROCEDURE:**

### **APPLYING FOR COMMUNITY FINANCIAL ASSISTANCE:**

Eligibility for Community Financial Assistance will be based on financial need. Certain documentation is required to determine eligibility.

The following income documentation is required from patients, or their guarantors, to determine eligibility:

1. Two most recent pay stubs,
2. Copy of the most recently filed federal tax return, and all attached schedules,
3. Other income information (for example, social security payments, pension income, general assistance, unemployment compensation, worker's compensation, disability income, alimony/child support, or other regular sources of income)
4. Business income,
5. Rental income

The following asset information is required from patients, or their guarantors, to determine eligibility:

- Most recent monthly statements for liquid assets such as checking accounts, savings or money market accounts, certificates of deposit, and non-retirement investment accounts.

The Community Financial Assistance Application (CFA-2) is to be completed by the patient, or the patient's guarantor, and returned within seven (7) days to MFB Patient Financial Counseling. Completion of this form is necessary to determine eligibility.

Submission of documents to support household income is required to provide the basis to make an eligibility determination

Please return completed Community Financial Assistance Applications to the following address:

Mary Free Bed Rehabilitation Hospital  
Patient Financial Counseling Department  
350 Lafayette St SE  
Grand Rapids, MI 49503

**QUALIFICATION PERIOD:**

If an applicant is deemed eligible for Community Financial Assistance, this assistance will be granted for a period of nine (9) months. CFA will generally be applied to unpaid bills for eligible services incurred in the three (3) months prior to application date. Under certain circumstances, assistance may be applied to MFB bills incurred prior to the previous three (3) month period.

If a patient, or patient's guarantor, is denied CFA, the patient or guarantor, may re-apply at any time there has been a change of income or status.

**COMMUNITY FINANCIAL ASSISTANCE:**

Community Financial Assistance will be based on family income, certain liquid assets, family size and insurance status. The federal poverty guidelines will be used to determine an applicant's eligibility for assistance. CFA will be provided after all third party payment options that are available to the applicant have been exhausted or denied. Patients having a Medicaid spend down plan are required to meet their spend down obligation before receiving assistance.

Eligible applicants will receive the following assistance.

**Full Free Care – Uninsured:** The full amount of MFB charges will be determined covered under Community Financial Assistance for eligible services for uninsured patients, or patient guarantors, whose gross family income is less than 145% of the federal poverty guidelines and with assets totaling less than the equivalent of 600% of the Federal Poverty Guidelines threshold.

**Discounted Care – Uninsured:** A sliding scale discount will be provided for eligible services for uninsured patients, or patient guarantors, whose gross family income is equal to or greater than 145% FPG but less than 250% of the current federal poverty and with assets totaling less than the equivalent of 600% of the FPG threshold.

The balances due from uninsured patients will first be reduced according to MFB's Amount Generally Billed. Patients, or patient guarantors, eligible for Community Financial Assistance will be provided additional discounts according to the following schedule, based on the family income of the patient, or the patient's guarantor.

- Family income equal to or greater than 145% FPG but less than 180% FPG are eligible to receive an 80% discount on the patient balance due.
- Family income equal to or greater than 180% FPG but less than 215% FPG are eligible to receive a 60% discount on the patient balance due.
- Family income equal to or greater than 215% FPG but less than 250% FPG are eligible to receive a 40% discount on the patient balance due.

**Medical Hardship – Uninsured or Insured:** Patients not meeting financial assistance eligibility thresholds may be eligible for assistance under circumstances where medical bills incurred for MFB services would result in severe financial hardship. Patients, or their guarantors, may be eligible for medical hardship assistance if they have incurred out-of-pocket obligations resulting from MFB eligible services that exceed percentages of family income as outlined below.

- Patients, or patient guarantors, with family income equal to or greater than 250% but less than 300%, who've incurred out-of-pocket MFB obligations for eligible services that exceed 15% of family income, will have their MFB balances discounted to an amount not to exceed 15% of family income.
- Patients, or patient guarantors, with family income equal to or greater than 300% but less than 400%, who've incurred out-of-pocket MFB obligations for eligible services that exceed 20% of family income, will have their MFB balances discounted to an amount not to exceed 20% of family income.
- Patients, or patient guarantors, with family income equal to or greater than 400% but less than 600%, who've incurred out-of-pocket MFB obligations for eligible services that exceed 30% of family income, will have their MFB balances discounted to an amount not to exceed 30% of family income.
- Patients, or patient guarantors, with family income equal to or greater than 600%, who've incurred out-of-pocket MFB obligations for eligible services that exceed 40% of family income, will have their MFB balances discounted to an amount not to exceed 40% of family income.

**Payment Plans:** Payment in full is expected for balances due, within thirty (30) days of the initial patient invoice. If it is not feasible for a patient, or patient's guarantor, to pay in full within this timeframe, suitable arrangements may be made with the Patient Financial Services office for an interest-free monthly payment plan. Payment plans may be extended for up to twelve (12) months, depending on the balance from the patient, or patient guarantor.

Mary Free Bed Rehabilitation Hospital will work with the patient, or patient guarantor, to establish a manageable payment plan and timeframe. Patients, or guarantor, are responsible for communicating with MFB anytime an agreed upon payment plan cannot be fulfilled. Lack of communication from the patient may result in the account being assigned to a collection agency.

**ELIGIBILITY DETERMINATIONS AND APPEALS PROCEDURE:**

Applicants must be notified of the decision in writing regarding Community Financial Assistance within five (5) business days of submitting a completed application. If an applicant is denied eligibility for CFA, an appeal of the denial may be submitted, in writing, within thirty (30) days of the denial date. Once a written appeal is received, the application will be re-evaluated by Patient Financial Counseling. A written response to the denial will be provided to the patient and will indicate either approval or the upholding of the denial.

**AMOUNTS BILLED TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE:**

The amount generally billed is the expected payment from a patient, or a patient's guarantor, found eligible for financial assistance. For qualifying uninsured patients, this amount will not exceed a rate that is paid by Medicare.

Patients determined eligible for financial assistance will not be expected to pay gross charges for eligible services while covered under the MFB Community Financial Assistance Policy.

**PRESUMPTIVE ELIGIBILITY:**

Mary Free Bed Rehabilitation Hospital realizes that there may be instances when a patient's qualification for financial assistance can be established without completing the Community Financial Assistance Application form. In these cases, other information may be utilized by MFB to determine whether a patient's account may qualify for assistance and this information will be used to determine presumptive eligibility.

Presumptive eligibility may be granted to patients, or patient guarantors, based on the following life circumstances: Patient, or guarantor, is deceased with no estate in probate.

**NOTIFICATION OF COMMUNITY FINANCIAL ASSISTANCE:**

Information on Community Financial Assistance will be provided to patients and the community served by MFB. The Community Financial Assistance Policy, Financial Assistance Application Form, and a plain language summary of the policy will be available on the MFB website.

Community Financial Assistance information will be made available in the patient admission information package. Information on the policy and instructions on how to contact MFB for assistance will be posted in areas that include, but are not limited to, admitting and registration. Patient statements will include information on the MFB financial assistance policy and on how an application form may be obtained.

Information on CFA, and the notice posted in hospital and clinic locations, will be in English, Spanish and in any other language that is the primary language spoken by at least 10% of the residents in the service area.

Requests for consideration of Community Financial Assistance may originate from the patient, patient guarantor, family member, or designated representative in the event that the patient, a patient guarantor, or a family member is unavailable or unable to initiate request. Referral may also originate from any member of the Medical Staff and MFB staff



who may be aware of the potential need for financial assistance. Patient Financial Services through their normal job responsibilities may identify potential patients who may be eligible for CFA. Patient/families that may qualify for CFA should be given a Summary of Healthcare Financial Assistance Policy and offer a Community Financial Assistance Application form (CFA-2).

**REGULATORY REQUIREMENTS:**

Mary Free Bed Rehabilitation Hospital will comply with all federal, state laws, rules and regulations and reporting requirements that may apply to activities conducted pursuant to this policy. Information on the financial assistance provided under this policy will be reported annually on the IRS Form 990 Schedule H.

**RECORD KEEPING:**

Mary Free Bed Rehabilitation Hospital will document all financial assistance in order to maintain proper controls and meet all internal and external compliance requirements.

**POLICY APPROVAL:**

Mary Free Bed Rehabilitation Hospital's Community Financial Assistance Policy is approved by the **MFB Management Council**. This policy is subject to periodic review and MFB reserves the right to amend and/or update this policy at any time. The MFB governing board will be informed of the policy.

**Required Approvals**

Title/Committee	Date Appr	Title/Committee	Date Appr