

Policy Name:	Community Financial Assistance (FAP) Policy
Policy Owner:	Revenue Cycle Management
Original Date:	10/2016
Last Reviewed:	1/2018

Scope of Policy

- Applies to all listed below:**
- Limited to those specified:**
 - Mary Free Bed Rehabilitation Hospital
 - MFB Outpatient Services
 - All MFB Service Locations
 - Department/Service/Other (specify):
 - All Medical Staff
 - MFB Medical Group
 - MFB Network Employees
 - MFB Orthotics & Prosthetics

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.

DEFINITIONS:

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

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) – It is the policy of MFB to provide free care and discounted rates to applicants who meet MFB’s established criteria to relieve them of all or part of their financial obligation for medically necessary care provided by MFB. This free and discounted care shall be referred to as Community Financial Assistance (CFA)

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-guidelines>

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, customary 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 as defined by current IRS Standards <https://www.irs.gov/pub/irs-drop/rp-17-37.pdf>

Medically Necessary - As defined by Medicare or Medicaid as services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

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.

PATIENT RIGHTS AND EXPECTATIONS

PATIENT RIGHTS UNDER COMMUNITY FINANCIAL ASSISTANCE:

Mary Free Bed patients have the right to reasonable access to care that is considerate and respectful of personal dignity, values and beliefs.

All MFB entities will provide access to care without regard to race, gender, national origin, handicap, age, HIV status, sexual orientation, religious beliefs or source of payment.

MFB 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.

MFB patients and their families have the right to expect that MFB will provide all necessary health services to the best of its ability.

MFB patients 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, patients will be informed of the risks, benefits and alternatives. Mary Free Bed Rehabilitation Hospital will not transfer patients who are in inpatient status until adequate transfer arrangements have been established.

MFB patients have the right to agree or decline to take part in research affecting their care. If a patient chooses not to take part, she or he will continue to receive the most effective care MFB otherwise provides.

MFB patients have the right to consent to or refuse a treatment, as permitted by law, throughout their care. If patients refuse a recommended treatment, other needed and available care will continue to be provided.

MFB patients have the right to know about MFB policies affecting them and their treatment, and about charges and payment methods. A Patient Financial Services Representative or Financial Counselor will meet with patients who need help understanding or obtaining insurance coverage or other financial assistance that may be available to them.

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

PATIENT EXPECTATIONS AND LIMITATIONS OF COMMUNITY FINANCIAL ASSISTANCE:

Assistance is provided with the expectation that patients will cooperate with the policy's application procedures and those of coverage programs or public or private benefits available to cover the cost of care.

Patients, or patient guarantors, screened for possible coverage eligibility are required to apply for Michigan Medicaid and any other possible public or private benefits or coverage programs prior to applying for MFB Community Financial Assistance. Patients, or patient guarantors, are also required to execute documentation authorizing MFB to obtain and/or pursue available public or private benefit or coverage programs on their behalf, including without limitation assignment and/or designation of representative documentation.

Patients, or patient guarantors, refusing to apply for Michigan Medicaid or other possible public or private benefits or coverage programs will be denied MFB Community Financial Assistance. Patients, or patient guarantors, refusing to execute documentation authorizing MFB to obtain and/or pursue available public or private benefit or coverage programs on their behalf will be denied MFB Community Financial Assistance.

Patients denied Michigan Medicaid eligibility are requested to complete a Community Financial Assistance Application form (CFA-3), which will initiate the Mary Free Bed Community Financial Assistance review process.

Note: A Community Financial Assistance Application form (CFA-3) 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.

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

Outpatient CFA: In order to be eligible, patients, or patient guarantors, must generally reside within a 45 mile radius of the referred MFB service site.

Inpatient CFA: In order to be eligible, patients, or patient guarantors, must generally reside within a 45 mile radius of a MFB service site or must be referred by a provider that is a member of the Mary Free Bed Rehabilitation Network.

Financial Assistance is generally not available for:

- Patient cost-sharing amounts (e.g., copays, coinsurances, deductibles*)
- 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.

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, Activities of Daily Living, mobility, and work purposes, and which are 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.

PROCEDURE

COMMUNITY FINANCIAL ASSISTANCE DETERMINATION PROCESS:

Community Financial Assistance determinations will be based on family income, certain liquid assets, family size and insurance status. Federal poverty guidelines will be used to determine an applicant's eligibility for assistance. CFA will be provided after all third party payment options 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.

Individuals with household incomes less than 250% of the Federal Poverty Guidelines may be eligible for care at discounted rates dependent upon income level.

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 information (as applicable) is required from patients, or their guarantors, to determine eligibility:

- Two months of the most recent pay stubs for all adult household members
- Copy of the most recently filed federal tax return, and all attached schedules
- Other income information, for example:
 - social security payments
 - pension income
 - general assistance
 - unemployment compensation
 - worker's compensation
 - disability income
 - alimony/child support
 - other regular sources of income
- Business income
- Rental income

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

- Most recent monthly statements for liquid assets
 - checking accounts
 - savings or money market accounts
 - certificates of deposit
 - charitable donation accounts (such as Go Fund Me)
 - non-retirement investment accounts

The Community Financial Assistance Application (CFA-3) should be completed by the patient, or the patient's guarantor, and returned within seven (7) business days to MFB Patient Financial Counseling. Completion of this form is necessary to determine eligibility. Submission of documentation to support household income is required as the basis of eligibility determination

Please return all applicable documentation along with the completed CFA-3 Application to the address on the envelope provided with your application, or to the address below:

Mary Free Bed Rehabilitation Hospital
Patient Financial Counseling
235 Wealthy St SE
Grand Rapids, MI 49503
(616) 840-8909

PRESUMPTIVE ELIGIBILITY:

Mary Free Bed Rehabilitation Hospital realizes 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 circumstances:

- Patient is an active recipient of Michigan Medicaid benefits
- Patient, or guarantor, is deceased with no estate in probate.

Patient, or patient guarantors, determined by MFB to be otherwise eligible for any public or private benefit or coverage programs, other than Michigan Medicaid, will be denied MFB Community Financial Assistance and determined not presumptively eligible notwithstanding the foregoing.

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.

MFB's charges will first be reduced according to MFB's Amount Generally Billed (AGB). The AGB is calculated using the the Look-Back Method in IRC §501(r)-5(b). MFB will annually calculate all claims allowed by Medicare Fee-for-Service and all private health insurers over a 12-month period, divided by the gross charges associated with those claims, to determine its Amount Generally Billed Percentage (AGB %). The applicable AGB % is then applied to the patient's, or patient guarantor's, gross charges to determine the AGB. Any individual determined to be eligible for financial assistance under this FAP will not be held personally responsible for more than the AGB for any medically necessary healthcare services.

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 determined as the AGB.
- 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 determined as the AGB.

- 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 determined as the AGB.

ELIGIBILITY DETERMINATIONS AND APPEALS PROCEDURE:

Applicants will be notified in writing of the decision regarding Community Financial Assistance within ten (10) 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 the decision to approve eligibility for CFA or uphold the denial of CFA.

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.

NOTIFICATION OF COMMUNITY FINANCIAL ASSISTANCE:

Information on Community Financial Assistance will be provided to patients and the community served by MFB. This 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 5% of the residents in MFB's 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/or any MFB staff who is aware of the potential need for financial assistance. Patient Financial Services representatives, through the ordinary course of performing their job responsibilities, may identify patients who may be eligible for CFA. Patient, or patient guarantors, that may qualify for CFA will be given the Plain Language Summary of this Financial Assistance Policy and a Community Financial Assistance Application form (CFA-3).

CONDITIONS OF NONPAYMENT:

Patient, or patient guarantor, failure to make payment on balance(s) due generally or under Community Financial Assistance will result in actions described in the MFB Billing

and Collections Policy. A copy of this policy can be accessed here:
<https://www.maryfreebed.com/patients-visitors/pay-your-bill-online/>

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 Revenue Integrity Committee. 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