

Hurley Medical Center
Standard Practice
FINANCIAL ASSISTANCE & DISCOUNT POLICY

Purpose: The mission of Hurley Medical Center is *Clinical Excellence - Service to People*. As we strive to treat every patient with dignity, respect, and compassion, we serve all patients who have an established need to receive medical services, including those with difficult financial circumstances, and offer financial assistance to those who meet criteria for assistance.

Policy: In recognizing the medical needs of the indigent, Hurley Medical Center (HMC) provides necessary quality medical care regardless of race, creed, color, sex, national origin, sexual orientation, physical abilities, age or ability to pay. Patients requiring medical care will not be denied services based solely on lack of financial means as HMC remains committed to providing treatment to all patients based upon clinical judgment without regard to the financial status of the patient

Although reimbursement for services rendered is critical to the operation and financial stability of HMC, it is recognized that not all individuals possess the financial ability to purchase essential medical services. Therefore, in keeping with the commitment to serve all members of its community, a reduced fee agreement will be considered in situations where the need and inability to pay co-exist. The healthcare services provided will be reimbursed at a reduced level based on established income criteria as defined in this policy.

Procedure:

1. Definition of Terms:

- a. **Financial Assistance Discount Program (FADP):** The provision of health care services at a reduced expected payment level for individuals who meet certain financial criteria.
- b. **Federal Poverty Guidelines:** Issued by the U.S. federal government which establishes the Federal Poverty Level (FPL) on an annual basis.
- c. **Self-pay Plan:** Payment arrangement requiring regular periodic payments of a pre-determined amount.
- d. **DHS Application:** Application used by the State of Michigan to determine eligibility for Medical Assistance (Medicaid).
- e. **Crime Victim Program:** Assistance for victims of crime.
- f. **Uninsured:** Patients / guarantors who lack any form of insurance coverage.
- g. **Underinsured:** Patients / guarantors who have some level of insurance coverage but may have out of pocket expenses (deductibles, co-insurance) that they are personally responsible for.

Approver: Board of Managers

Reviewer: Legal Services

Owner: Revenue Cycle



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2. Eligibility Criteria

- a. Total family income is compared to current federal poverty guidelines. (See Exhibit 1 - **Federal Poverty Guidelines**) If the patient’s income falls below 400% of the guidelines, the patient is eligible for some level of discount. The sliding fee scale used to calculate the amount of discount is listed below on Tables 1 & 2 for **Uninsured** persons for **Facility** and **Professional / Clinical** based services, and Table 3 for **Underinsured Facility only** services.
- b. Exhibit 1 will be updated annually by the Insurance Service Supervisor using the annual revision of the Federal Poverty Guidelines as published each January in the Federal Register by the Department of Health and Human Services.
- c. **UNINSURED Persons** - those eligible for assistance will be responsible for a portion of billed charges for facility and / or professional services in accordance with the Federal Poverty Guidelines Sliding Fee Scales below.

TABLE 1

UNINSURED DISCOUNTS – FACILITY

<u>of Federal Poverty Level (FPL) Minimum</u>	<u>% of Federal Poverty Level (FPL) Maximum</u>	<u>Discount %</u>	<u>Patient Pays</u>
<u>0%</u>	<u>150%</u>	<u>85%</u>	<u>15%</u> <u>Of the total balance owed.</u>
<u>151%</u>	<u>250%</u>	<u>70%</u>	<u>30%</u> <u>Of the total balance owed</u>
<u>251%</u>	<u>400%</u>	<u>40%</u>	<u>60%</u> <u>Of the total balance owed</u>
<u>>401%</u>			<u>Full Charges</u>

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TABLE 2

UNINSURED DISCOUNTS - PROFESSIONAL

<u>% of Federal Poverty Level (FPL) Minimum</u>	<u>% of Federal Poverty Level (FPL) Maximum</u>	<u>Discount %</u>	<u>Patient Pays</u>
0%	150%	60%	<u>40%</u> Of the total balance owed.
151%	250%	40%	<u>60%</u> Of the total balance owed
251%	400%	20%	<u>80%</u> Of the total balance owed
>401%			<u>Full Charges</u>

- d. **UNDERINSURED Persons** eligible for assistance will be responsible for a percentage of their balance for **facility services only** after insurance payments have been applied in accordance with the Federal Poverty Guidelines Sliding Fee Scales below.

TABLE 3

UNDERINSURED DISCOUNTS – FACILITY (ONLY)

<u>% of Federal Poverty Level (FPL) Minimum</u>	<u>% of Federal Poverty Level (FPL) Maximum</u>	<u>Discount %</u>	<u>Patient Pays</u>
0%	150%	60%	<u>40%</u> Of the total balance owed.
151%	250%	40%	<u>60%</u> Of the total balance owed
251%	400%	20%	<u>80%</u> Of the total balance owed
>401%			<u>Full Charges</u>

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3. Determining Eligibility

- a. As stated in Section 2a (Eligibility Criteria), total estimated family income is first established by HMC through electronic “soft inquiries” of National Credit Bureau data bases. Once estimated income is established eligible discounts are determined by comparing income to published Federal Poverty Guidelines (see Exhibit A below). Note: HMC uses income levels solely for the purpose of establishing financial assistance and not for purposes of collection activities.
- b. If the discounted amount due from an uninsured or underinsured patient still represents a financial hardship, or if a patient is denied a financial assistance discount under the provisions of this policy, they may request a review of that determination and apply for other additional financial assistance by submitting proof of prior year income and family household size with an application submitted to the Insurance Services department.

4. Reporting

- a. All supporting documentation will be scanned and kept on file for one year in the Patient Financial Services Department.
- b. All applications will be logged by Insurance Services.
- c. A monthly report of financial assistance discounts will be generated, reviewed by the Insurance Services Supervisor to determine and validate financial discount impacts, and forwarded to the Director of Patient Financial Services for final review.
- d. A quarterly report of financial discounts processed will be provided to the Chief Financial Officer.

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EXHIBIT A

2021 Federal Poverty Guidelines

×	FEDERAL POVERTY LEVELS					
2021						2021
Size of Household	138%	150%	200%	250%	300%	400%
1	\$17,609	\$19,140	\$25,520	\$31,900	\$38,280	\$51,040
2	\$23,791	\$25,860	\$34,480	\$43,100	\$51,720	\$68,960
3	\$29,974	\$32,580	\$43,440	\$54,300	\$65,160	\$86,880
4	\$36,156	\$39,300	\$52,400	\$65,500	\$78,600	\$104,800
5	\$42,338	\$46,020	\$61,360	\$76,700	\$92,040	\$122,720
6	\$48,521	\$52,740	\$70,320	\$87,900	\$105,480	\$140,640
7	\$54,703	\$59,460	\$79,280	\$99,100	\$118,920	\$158,560
8	\$60,886	\$66,180	\$88,240	\$110,300	\$132,360	\$176,480

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)) requires the Secretary of the Department of Health and Human Services to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are used as an eligibility criterion by the Community Services Block Grant program and a number of other Federal programs. The poverty guidelines issued here are a simplified version of the poverty thresholds that the Census Bureau uses to prepare its estimates of the number of individuals and families in poverty.

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