



HEART OF AMERICA MEDICAL CENTER

RUGBY, NORTH DAKOTA COMMUNITY (CHARITY) CARE POLICY

Policy

Heart of America Medical Center's (HAMC's) mission is to deliver compassionate care by advancing the physical and spiritual wellbeing of the communities we serve through smart medicine and exceptional service. As part of that commitment, Heart of America Medical Center appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Community Care is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have or cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

Definitions

For the purpose of this policy, the following terms are defined:

Amounts Generally Billed: (AGB): The amounts generally billed for emergency or other medically necessary care to individuals who have insurance for emergency or other medically necessary care. The out-of-pocket expenses of uninsured patients who are eligible for financial assistance under this policy will not exceed the Amounts generally Billed.

Emergency Medical Care: Care provided for a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in: (1) placing the health of the individual in serious jeopardy, (2) serious impairment to bodily functions, or (3) serious dysfunction of any bodily organ or part.

Emergency Medical Treatment & Labor Act (EMTALA): An act of the United States Congress passed in 1986 that ensures that hospitals treat equally all patients who present in their emergency departments, regardless of the patient's ability to pay.

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Non-Eligible Services: The following services are not eligible for financial assistance. This list may not be inclusive:

- Diabetes Prevention Program
- Medicaid Recipient Liability for Swing Bed
- Cosmetic surgery
- Retail services (i.e. retail pharmacy)
- Therapeutic Shoes and Inserts
- Ground Ambulance that is not to or from Heart of America Medical Center
- Dental services not deemed medically necessary
- Cardiac Rehab
- Living Center
- Contracted Groups (e.g., some anesthesia, radiology groups)

Community Care may not be available under this Policy for services that meet any of the following criteria:

A. Criminal Activity related Services

Financial assistance may not be granted for medical services, supplies, or treatment provided in connection with injuries or conditions sustained during the commission of a crime, including but not limited to:

- Driving under the influence (DUI/DWI)
- Assault or battery
- Theft, burglary, or other felonious activity
- Any act resulting in incarceration at the time of service or thereafter

Extraordinary Collection Actions (ECA): A collection activity that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance (Community Care).

Community Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Community Care results from the organization's policy to provide healthcare services free or at a discount to individuals who meet the established criteria. Community Care may be full (in which a patient's entire account balance is eliminated) or partial (in which a patient's account balance is reduced but not eliminated.)

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and miscellaneous sources;

- Noncash benefits (such as heating assistance and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gain or losses; and
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

Third Party Payer: (1) The insurance company, other health benefit plan sponsor, or organization other than the patient (first Party) that pays for medical services.

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

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.

Procedure

For purposes of this policy, “charity” or “financial assistance” refers to healthcare services provided by HAMC without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity.

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at HAMC’s discretion.

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social immigrant status, sexual orientation or creed. Heart of America Medical Center shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.

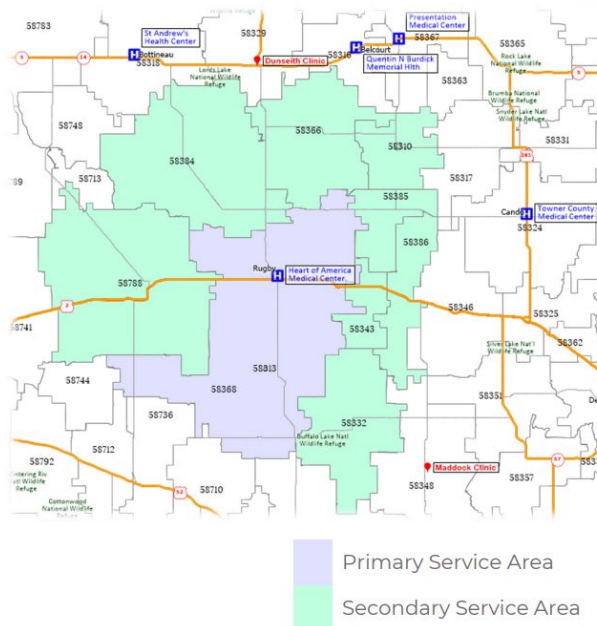
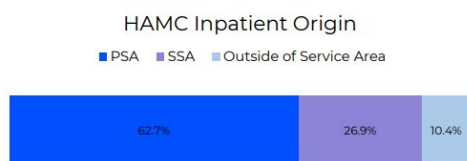
The basis for calculating amounts charged to patients, HAMC has chosen to use the Prospective Medicare Method;

- Based on the billing and coding process the hospital facility would use if the Financial Assistance Policy (FAP)-eligible individual were a Medicare fee-for-service beneficiary.
- Amount generally billed (AGB) is then set at the amount the hospital facility determines would be the total payment for the care from;
 - Medicare reimbursement.
 - Medicare beneficiary payment.

HAMC will provide an itemized statement to the patient showing the charges and the discounted amount applied to the patient’s account. The discount will be applied once the patient’s application has been approved.

HAMC's service area consists of Rugby and its surrounding communities

- The primary service area (PSA) defines where a majority of HAMC's patients originate from
 - ▶ About 63% of HAMC's patients originate from Rugby; few patients originate from outside of the service area



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Eligibility Criteria for Community Care:

Heart of America Medical Center primarily serves patients residing within the area indicated by the map above. While outreach efforts and community benefit activities are focused within this area, financial assistance under this policy is available to all qualifying patients receiving care at HAMC. Eligibility is based on financial need and in accordance with HAMC's Community Care Policy.

The qualifying applicant is required to have made reasonable efforts to pursue third-party coverage and have been verified as ineligible for any other form of financial payment coverage. Patients are required to exhaust all other sources of payment, including insurance, Medicaid, Indian Health Services, or third-party liability. Financial assistance is not considered an alternative option to payment.

Heart of America Medical Center reserves the right to deny financial assistance to individuals who decline insurance coverage even though eligible. This includes Medicaid, Medicare, coverage through the Affordable Care Act (ACA) Marketplace, and employer sponsored coverage.

Process:

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and will include an application process, in which the patient or the patient's guarantor is required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need. Information collected from the application will include, but not limited to:

- Name, address, date of birth and social security number of applicant and spouse
- Over 65, blind or Permanently Disabled, and date of disability determination
- Marital status
- Employer information, including position and years employed; if less than 3 years provide name of former employer

- Health Insurance Provider, including group number and insured subscriber number. Medicare number and Medicaid number, if applicable.
- Monthly Household Income including:
 - Employment (Adjusted Gross Income, **AGI**)
 - Part-Time Jobs (Adjusted Gross Income, **AGI**)
 - Social Security/Disability
 - Veteran Pension
 - Retirement (all sources)
 - Unemployment Compensation
 - Workers' Compensation
 - Union Benefits
 - Inheritance
 - ADC/WIC/Food Stamps
 - Alimony/Child Support
 - Savings Interest Income
 - Investment Income
- Banking Accounts (List All)
 - Last 3 months checking statements, clearly showing account number, bank name, and balance
 - Last 3 month savings statements, clearly showing account number, bank name, and balance
 - Last 3 months investment statements, clearly showing account number, bank name, and balance
- Include reasonable efforts by HAMC to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
- The patient is required to submit documentation of their financial status. The patient must submit a complete Financial Assistance Application.
 - As a minimum requirement the patient must furnish a copy of last year's tax return, last three month's income or a bank statement for proof of income, checking and savings account balances and investment account balances.
- Accounts eligible for Community Care are to be addressed within 240 days of the first bill.

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, determination may be made at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

Heart of America Medical Center values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly, and Heart of America Medical Center shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

There are instances when a patient may appear eligible for Community Care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient through other sources, which could provide sufficient evidence to provide the patient with Community Care assistance. In the event there is no evidence to support a patient's eligibility for Community Care, HAMC could use outside agencies in determining estimate income amounts for the basis of determining Community Care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance program that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address;

Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to the Federal Poverty Levels (FPL) in effect at the time of the determination. The basis for the amounts Heart of America Medical Center will charge patients qualifying for financial assistance is as follows:

1. Patients whose family income is at or below 200% of the FPL are eligible to receive free care;
2. Patient whose family income is over 200% and below 300% of the FPL would be eligible for a sliding scale discount.

Notification about Community Care available from HAMC, which shall include a contact number, shall be disseminated by HAMC by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, admitting and registration departments, hospital business offices. Heart of America Medical Center also shall publish and widely publicize a summary of this Community Care policy on facility website, in brochures available in-patient access sites. Such notices and summary information shall be provided in the primary language spoken and any other language spoken by 10% of the community population serviced by HAMC.

Heart of America Medical Center's management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of nonpayment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from HAMC, and a patient's good faith effort to comply with his or her payment agreements with HAMC. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Heart of America Medical Center may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Heart of America Medical Center will not impose extraordinary collection actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for Community Care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment

have been identified and billed by the hospital;

2. Documentation that Heart of America Medical Center has or has attempted to offer the patient the opportunity to apply for Community Care pursuant to this policy and that the patient has not complied with the hospital's application requirements;

3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

In implementing this Policy, Heart of America Medical Center's management shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.