

Lake Region Healthcare  
Fergus Falls, MN  
Manual/Folder: Revenue Cycle  
Enhanced: January 28, 2022

Origination Date: 05/27/2016  
Reviewed/Revised by:  
Revenue Cycle/Legal and  
Compliance  
Approver: Board of Trustees

**POLICY: Financial Assistance Policy**

**PURPOSE:**

Consistent with its vision to be Minnesota's preeminent regional healthcare partner, and in keeping with its nonprofit, charitable purpose, Lake Region Healthcare is committed to providing access to quality healthcare regardless of their ability to pay and financial assistance for emergency and other medically necessary services to eligible patients with demonstrated and verified financial need.

It is the policy of Lake Region Healthcare to bill patients and applicable payers compliantly, accurately and in a timely manner. Throughout all financial assistance, billing, collections and other patient financial process processes, staff will provide quality customer service and timely follow-up, and will treat all patients the same; with dignity, respect and compassion. Lake Region Healthcare will conduct its operations and activities in accordance with applicable federal and state laws, including IRS Section 501(r) and the Billing and Collections Agreement with the Minnesota Attorney General.

In accordance with the Affordable Care Act (ACA), any patient eligible for financial assistance under Lake Region Healthcare's financial assistance policy will not be charged more for emergency or other medically necessary care than the amount generally billed (AGB) to insured patients.

**STATEMENT OF POLICY:**

Financial assistance is provided only for emergency or other medically necessary care provided at Lake Region Healthcare and after patients have been found to meet all financial and other eligibility criteria. Lake Region Healthcare offers both free care and discounted emergency or other medically necessary care, depending on an individual's family size and income.

Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid or insurance through the public marketplace) as appropriate *before* eligibility under this policy is determined. Additionally, any uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to help ensure healthcare accessibility and overall well-being.

Uninsured or underinsured patients who do not qualify for free care may receive a sliding scale discount off the gross charges for their medically necessary services based on their family income as a percent of the Federal Poverty Guidelines (see Exhibit D). These patients are expected to pay

their remaining balance for care, and may work with Patient Financial Service representatives to set up a reasonable payment plan.

It is the goal of this policy to provide clear and consistent guidelines for conducting financial assistance, billing and collections functions for emergency and other medically necessary care in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, electronic communications, and phone calls, Lake Region Healthcare will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options. Additionally, this policy requires Lake Region Healthcare to make reasonable efforts to determine a patient's eligibility for assistance for the care under financial assistance policies before engaging in extraordinary collection actions to obtain payment. Lake Region Healthcare's Financial Assistance Policy is only available in the English Language as the residents served in the Community do not constitute 5% or 1,000 persons of any other primary language. Translation of this policy is available through the Patient Financial Services Department.

#### GENERAL INFORMATION:

The following terms are meant to be interpreted as follows within this policy:

1. **Community Care:** Emergency or medically necessary care rendered without the expectation of full payment to patients meeting the criteria as established by this policy.
2. **Medically Necessary:** Care or services rendered at Lake Region Healthcare hospital and clinics that, in the opinion of a Lake Region Healthcare credentialed medical provider acting according to standard of care, is reasonably needed to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, and threaten to cause or aggravate a handicap, or result in overall illness or infirmity, if there is no other equally effective, more conservative or less costly course of treatment available. The term "medically necessary" does **not** include for example cosmetic procedures, birth control or fertility treatments, gastric by-pass procedures, non-emergency dental services, experimental or non-traditional care, tests, or treatment, hearing aids, and retail services such as pharmacy, optical shop, or durable or home medical equipment, and other care set forth in Exhibit C. Lake Region Healthcare reserves the right to determine, on a case-by-case basis, whether the care and services meet the definition and standard of "medically necessary" for the purpose of eligibility for financial assistance.
3. **Emergency Care:** Care provided at Lake Region Healthcare hospital or clinics for emergency medical conditions (as defined under the Emergency Medical Treatment and Labor Act (EMTALA), meaning a medical condition manifesting symptoms, including severe pain, psychiatric disturbances and/or symptoms of substance abuse, that the absence of immediate medical attention is likely to cause serious dysfunction or impairment to a

bodily organ or function, or serious jeopardy to the health of the individual or unborn child. With respect to a pregnant woman having contractions, an emergency medical condition also includes situations where there is not enough time to safely transfer the woman prior to the delivery, or a transfer would pose a threat to the individual or her unborn child.

4. **Extraordinary Collection Actions (ECAs):** Collection activities, as identified by the IRS and Treasury, 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. These actions are further defined in this policy below and include, but are not limited to, actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.
5. **Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.
6. **Underinsured:** Insured patients who have inadequate insurance coverage, such as high deductible plans or high out of pocket expenses.
7. **Amounts Generally Billed (AGB):** The gross charges generally billed for emergency or other medically necessary care to individuals for such care (determined as described in section (B) of the policy below)
8. **Gross Charges:** The full amount charged by Lake Region Healthcare for items and services before any discount, contractual allowances, or deductions are applied.
9. **Reasonable Efforts:** Actions a healthcare organization takes to determine whether an individual is eligible for financial assistance under Lake Region Healthcare's financial assistance policy. In general, reasonable efforts may include providing individuals with written and oral notifications about the FAP and application processes.

## **PROCEDURE:**

### **SECTION A: ELIGIBILITY**

Services eligible for financial assistance include emergency or other medically necessary care rendered by Lake Region Healthcare.

**Full Free Care:** The full amount of Lake Region Healthcare charges will be determined covered under this financial assistance policy for any uninsured or underinsured patient, or patient guarantor, whose gross family income is at or below 175% of the current federal poverty level.

**Discounted Care:** A sliding scale discount will be provided for Lake Region Healthcare charges for services covered under this financial assistance policy for any uninsured or underinsured patient, or patient guarantor, whose gross family income is greater than 175% but less than or equal to 215% of the current federal poverty level. Discounts will be provided, according to the

following schedule, based on the family income of the patient, or the patient's guarantor using the table below. See Exhibit D for Discount Table.

1. Family income above 175% FPL but equal to or less than 184% FPL are eligible to receive a 80% discount on the patient balance due.
2. Family income above 185% FPL but equal to or less than 194% FPL are eligible to receive a 60% discount on the patient balance due.
3. Family income above 195% FPL but equal to or less than 204% FPL are eligible to receive a 40% discount on the patient balance due.
4. Family income above 205% FPL but equal to or less than 215% FPL are eligible to receive a 20% discount on the patient balance due.

Eligibility for full or partial financial assistance will require submission of sufficient documentation to demonstrate financial need, including a completed financial assistance application (including all documentation required by the application) and may require appointments or discussion with LRH financial service representatives.

#### **SECTION B: PRESUMPTIVE ELIGIBILITY:**

Lake Region Healthcare understands that not all patients are able to complete a financial assistance application or comply with requests for documentation. There may be instances under which a patient's qualification for financial assistance is established without completing the formal financial assistance application. Other information may be utilized by Lake Region Healthcare to determine whether a patient's account is uncollectible and this information will be used to determine presumptive eligibility.

Presumptive eligibility may be granted to patients based on their eligibility for other programs or life circumstances such as:

1. Patients or guarantors who have declared no assets bankruptcy. In cases involving no assets bankruptcy, only the account balance as of the date the bankruptcy is discharged will be written off.
2. Patients or guarantors who are deceased with no assets or estate in probate and no living spouse or responsible party.
3. Patients or guarantors determined to be homeless.
4. Accounts returned by the collection agency as uncollectible due to any of the above reasons.
5. Patients or guarantors who qualify for State Medicaid programs, will be eligible for assistance for any cost-sharing obligations associated with the program or uncovered services.

Lake Region Healthcare understands that certain patients may be non-responsive to Lake Region Healthcare's application process. Under these circumstances, Lake Region Healthcare may utilize other sources of information to make an individual assessment of financial need. This information will enable Lake Region Healthcare to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.

Patients may be considered under the financial assistance application process. Lake Region Healthcare will provide patients not qualifying for financial assistance through this process with a written notice informing them that financial assistance is available. This notice will include a plain language summary of the financial assistance policy and actions to be taken if an application is not submitted or the outstanding balance paid.

Patient accounts granted presumptive eligibility will be reclassified under the financial assistance policy. They will not be sent to collection, will not be subject to further collection actions, and will not be included in the hospital's bad debt expense.

Patients or guarantors may be presumed eligible by use of external available data sources such as credit agencies or social economic status. If this determination is made based on information other than what is provided by the individual or based on prior FAP eligibility determinations, and less than the most generous assistance is available, Lake Region Healthcare will notify patient in writing the basis of this determination. The individual will have an opportunity to apply for more generous assistance within 30 days of the original notification. No extraordinary collection activities will commence prior to the 30 days notification. If the individual chooses to complete a Financial Assistance Application, Lake Region Healthcare will follow the processing policy as stated in this policy. To be considered eligible for financial assistance, patients must cooperate with Lake Region Healthcare to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for financial assistance or other private or public payment programs at Lake Region Healthcare

Patients may qualify for financial assistance for outstanding account balances 8 months prior to and 12 months following the date of approval. Under no circumstances will Lake Region Healthcare use prior FAP eligibility determinations to consider the patient eligible for financial assistance. If a patient requests accounts to be considered for financial assistance that are outside the timeframe previously stated, they will have to provide Lake Region Healthcare with a new application and supporting documentation.

## **SECTION C: DETERMINING DISCOUNT AMOUNT**

Once eligibility for financial assistance has been established, Lake Region Healthcare will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or other medically necessary care.

To calculate AGB, Lake Region Healthcare uses the look back method described in section 4(b)(2) of the IRS and Treasury's 501(r) final rule. The Amount Generally Billed by Lake Region Healthcare can be found in the attached Exhibit E

## **SECTION D: APPLYING FOR ASSISTANCE**

To apply for financial assistance, patients must submit a complete application (including supporting documents) to 712 South Cascade Street Fergus Falls, MN 56537, either in person or by mail. Applications can be accessed:

- At the Business Service Center
- By Mail, if individuals make a request by phone call, 218-736-8000 and speak to a patient financial service representative or by mail, please send requests to 712 South Cascade Street Fergus Falls, MN Attn: Patient Financial Services.
- Online at, [www.lrhc.org](http://www.lrhc.org)
  - Click on the Patient & Visitors drop down tab
  - Click on Financial Services
- Fergus Falls Mahube Center at 128 West Cavour Avenue, Fergus Falls, MN 56537.

The patient will be responsible for submitting the completed application with necessary documentation on their own behalf.

The following documentation is required to process the application:

- The last three months of bank statements
- Proof of income for application (and spouse if applicable), such as recent pay stubs (most recent three), unemployment insurance payment stubs, or sufficient information on how patients are currently financially supporting themselves
- Copy of most recent tax returns
- Individuals who do not have any of the documentation listed above; have questions about Lake Region Healthcare's financial assistance application; or would like assistance with completing the financial assistance application may contact our patient financial service representatives either in person at 126 East Alcott Fergus Falls, MN 56537 or over the phone at 218-736-8000.

Patient financial service hours are Monday through Friday 8:00am-4:30pm.

## **SECTION E: ELIGIBILITY DETERMINATIONS/APPEALS & DISPUTE RESOLUTION**

No ECA will be undertaken within 120 days from the date of the patient's first post-discharge statement, regardless of whether a patient applies for assistance. During this period, LRH will not initiate any ECA on a patient who has provided a complete FAP application and their eligibility has not yet been determined. Reasonable efforts will be taken to determine a patient's eligibility for financial assistance under this Policy with respect to covered services prior to engaging in collection efforts with respect to any patient. Such efforts include notifying a patient about this policy, helping a patient remedy an incomplete application for financial assistance, and informing an applicant for financial assistance regarding his/her eligibility determination once a completed application has been received. If, after reasonable efforts are taken, a patient is found to either not qualify for financial assistance under this policy or is unresponsive to efforts to obtain the information necessary to determine eligibility for financial assistance, or if a patient does not pay an amount determined to be the patient's financial responsibility, the patient's account may be moved to collections department, and addressed under our separate billing and collections policy.

Not less than 30 days advanced notice of an ECA shall be given to patients or guarantors. Collection agencies and debt litigation attorney/law firm who believe a patient or their guarantor may be eligible for financial assistance, shall immediately refer that patient to Lake Region Healthcare Corporation's business office and alert the financial services personnel. Any and all collection efforts must cease until the financial services office notifies the agency/attorney/law firm that they have been approved to resume their efforts.

If Lake Region Healthcare receives an incomplete application in the application time period (period from date of care until later of 240 days after first post discharge billing statement is provided or end of reasonable time period and written notice to the individual) the organization will suspend any ECA's already initiated. Lake Region Healthcare will provide the individual with written notice indicating what additional information and/or documentation is required. In that notification Lake Region Healthcare will provide information on where the patient can get assistance in completing the Financial Assistance Application. Lake Region Healthcare will provide the patient no more than 30 days from the date of notification to complete the Financial Assistance Application and provide any missing required documentation. Failure to provide this documentation within the given timeframe the individual's application will be denied and notification of the denial will be mailed, via US Mail.

Lake Region Healthcare will notify the patient of acceptance and denials of financial assistance eligibility in writing within 30 days of completed application. If the patient is found eligible for assistance, Lake Region Healthcare will notify the patient in writing what the qualified financial assistance adjustment amount.

Lake Region Healthcare will provide the individual a new billing statement (if eligible for less than free care) that reflects the amount the patient owes after the financial assistance adjustment has been applied to their account. If the patient qualifies for total financial assistance Lake Region Healthcare will refund the patient any amount that has already been paid in excess of \$10.00 for the application timeframe stated above.

Patients may appeal this decision in writing within 30 days of receiving notification to:

Lake Region Healthcare  
712 South Cascade Street  
Fergus Falls, MN 56537  
Attn: Patient Financial Services.

Appeals must be filed within 30 days of the date of the original decision. The Director of Revenue Cycle will review the appeal for further consideration. Decisions of the Director of Revenue Cycle will be final.

For information on Lake Region Healthcare's billing and collection information, please refer to the separate billing and collections policy. A free copy of this policy may be obtained the following ways:

- At the Business Service Center
- By Mail, if individuals make a request by phone call, 218-736-8000 and speak to a patient financial service representative or by mail, please send requests to 712 South Cascade Street Fergus Falls, MN Attn: Patient Financial Services.
- Online at, [www.lrhc.org](http://www.lrhc.org)
  - Click on the Patient & Visitors drop down tab
  - Click on Financial Services
- Fergus Falls Mahube Center at 128 West Cavour Avenue, Fergus Falls, MN 56537.

For Emergency and Medical Care information, please refer to a separate Emergency Medical Treatment and Labor Act policy.

## **SECTION F: REGULATORY REQUIREMENTS**

LRHC will comply, and this policy shall be implemented and interpreted in compliance, with all federal, state, and local laws, rules and regulations and reporting requirements that may apply to activities conducted pursuant to this policy. In the event this policy is in conflict with the requirements of the IRS, CMS, Joint Commission, or any other applicable federal or state law or regulation, the applicable law or regulation shall be controlling. In all instances, this policy shall be construed and administered to be in compliance with all applicable federal and state laws and regulations. This policy requires that LRH track financial assistance provided to ensure accurate

reporting. Information on financial assistance provided under this policy will be reported annually on the IRS Form 990 Schedule H.

## **SECTION G: PUBLICATION OF FINANCIAL POLICY**

Lake Region Healthcare Corporation will undertake reasonable efforts to inform patients and the general public, widely and free of charge, of the availability of financial assistance, including the following means:

- Posting signs in patient registration areas and other areas of the facilities.
- Making the Financial Assistance Policy, the Financial Assistance Plain Language Summary and the Financial Assistance application available at registration desks and at [www.lrhc.org](http://www.lrhc.org).
- Providing written notification on patient billing statements of the availability of Financial Assistance and directions on how to apply.
- Mentioning the availability of financial assistance when discussing billing via telephone with patients or patient guarantors.
- Providing written notification in brochures, newsletters, and other information that is provided to patients and the general public.
- Providing information to local social services agencies.

## **SECTION H: RECORD KEEPING**

Lake Region Healthcare will document all financial assistance in order to maintain proper controls and meet all internal and external compliance requirement.

**SECTION I: PROVIDER INCLUSION LIST:** Please see Exhibit A

**SECTION J: PROVIDER EXCLUSION LIST:** Please see Exhibit B

**SECTION K: SERVICE EXCLUSION LIST:** Please see Exhibit C

Approved by the Board of Trustees to be effective April 25, 2019.

LAKE REGION HEALTHCARE  
CORPORATION

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By: Board Chair

Attest:

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By:  
CEO

## Exhibit A

### Lake Region Healthcare – Financial Assistance Policy

#### Provider Inclusion List:

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In addition to care delivered by Lake Region Healthcare, emergency and medically necessary care delivered by the providers listed below is also covered under this financial assistance policy.

Adetunji, Olayiwola	Affield, Carrie	Attarian, James
Ajayi, Oluyemi	Arson, Christopher	Bashir, Adeel
Baldwin, Jill	Barnes, Mararet	Bjork, David
Berger, Lonnie	Berro, Eva	Bressler, Mary
Borowoski, Wesley	Braaten, Marie	Campbell, Rwanda
Brown, James	Cabrera, Christine	Cooper, Mark
Bagheri, Baharak	Christianson, Mathias	Delage, Bryan
Defelice, Richard	Deal, Kiana	Rogahn, Katrina
Edin, Colt	Ellison, kyle	Dinsmore, Joseph
Anderson, Joel	Anderson, Jonathan	McCauley, Ashley
Manning, Alyssa	Matter, James	Meland, Susan
McDonald, Sarah	McGaughey, Sandra	Murunga, Eric
Money, Bruce	Mouser, Matthew	Noyes, Robert
Nordick, Kory	Norgard, Michael	Olson, Jeffrey
Ogbogu, Kene	Eichten, Katherine	Orandi, Vali
Olson, Sheryl	Orandi, Dariush	Overgaard, Joshua
O'Rourke Michael	Ottenbacher, Heidi	Peterson, Erin
Pauley, Scott	Pearce, Roger	Frovarp, David
Polzin, Stephanie	Porter, William	Falck, Amy
Rott, Christopher	Glanz, Kayla	Kaplan, Gordon
Fisher, Amy	Folstad, Angela	Nordby, Stefany
Ghide, Ephraim	Glynn, Jason	Haglund, Elizabeth
Gupta, Anjali	Gutzmer, Julianne	Hyland, Glen
Hills, Brooke	Horak, Jeffrey	Kaliher, Jon
Rabie, Elsaid	Jibben, Cleeste	Khaghany, Kamran
Karsnia, Fritz	Keller, Terrence	Larson, Brett
Khan, Shams	Kohlman-Petrack, JoEllen	Levrant, Zvi
Lazzara, Joseph	Lembcke, Daniel	Lindstrom, Aaron
Lindgren, Joy	Lindholm, Patricia	Magnuson, Allen
Lokken, Eric	Mach, David	Samson, Scott
Luong, Ryan	Sampson, Steven	Schmid, Stephen
Sanderson, Paul	Schmid, Naomi	Smith, Gregory
Schmidt, Brian	Severnack, Todd	Spierer, Doron
Skramsted, Jeremy	Sperr, Dustin	Tesfamariam, Saba
Swenson, Wade	Tate, John	Traiser, Daniel
Thom, Steven	Thompson, Owen	

Vaishnav, Somendra  
Waite, Lawrence  
Scott, Tyler  
Mahoney, Timothy

Vennerstrom, Robert  
Welle, Nicole  
Zosel, Jason  
Severson, Michael

Vukonich, Mark  
Wieland, Christopher  
Yarke, Cory  
Strand, Nicole

## Exhibit B

### Lake Region Healthcare – Financial Assistance Policy

#### Provider Exclusion List:

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Care not provided by any of the providers listed below at Lake Region Healthcare facility will **not** be covered under this policy since they are not employed by Lake Region Healthcare. As such, the bills received by Lake Region Healthcare patients for care provided by any of the following providers will **not** be eligible for the discounts described in this financial assistance policy.

Dr. Andrews  
Dr. Phadke  
Great Steps  
Sanford Providers  
Essentia Providers

## **Exhibit C**

### **Lake Region Healthcare – Financial Assistance Policy**

#### **Service Exclusion List:**

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These services are excluded from the Financial Assistance Policy. No discounting within this policy will be applied:

- Any and All Cosmetic Services, both procedures and products
- Premium lens implant charges
- Sclerotherapy of spider veins
- Hearing Aid Services and supplies
- 20/20 Services, including contact lenses or eye glasses
- Vasectomies
- Circumcisions
- Fertility treatments and testing
- Birth Control
- Genetic testing
- Allergy testing
- Dental services
- Nursing Home care
- Non-diabetic routine foot care
- Physicals for Department of Transportation, Sports Physicals or Flight Physicals
- Gastric By-pass procedures
- Experiment or non-traditional care or treatment
- Retail Pharmacy
- DME – Home medical equipment

## Exhibit D

### Lake Region Healthcare – Financial Assistance Policy

#### Federal Poverty Guidelines - 2022:

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##### ***Federal Poverty Guidelines 2022***

Persons in Family/Household	Poverty Guideline Amount
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
<i>For families/households with more than 8 persons, add \$4,720 for each additional person</i>	

##### ***Financial Assistance Sliding Scale 2022***

Family Size	100%	80%	60%	40%	20%
1	\$23,782.50	\$25,141.50	\$26,500.50	\$27,859.50	\$29,218.50
2	\$32,042.50	\$33,873.50	\$35,704.50	\$37,535.50	\$39,366.50
3	\$40,302.50	\$42,605.50	\$44,908.50	\$47,211.50	\$49,514.50
4	\$48,562.50	\$51,337.50	\$54,112.50	\$56,887.50	\$59,662.50
5	\$56,822.50	\$60,069.50	\$63,316.50	\$66,563.50	\$69,810.50
6	\$65,082.50	\$68,801.50	\$72,520.50	\$76,239.50	\$79,958.50
7	\$73,342.50	\$77,533.50	\$81,724.50	\$85,915.50	\$90,106.50
8	\$81,602.50	\$86,265.50	\$90,928.50	\$95,591.50	\$100,254.50

