



INDIGENT FINANCIAL ASSISTANCE POLICY & PROCEDURE

PURPOSE

To establish a formal process that defines the Indigent Financial Assistance (IFA) application process.

OBJECTIVE

Scheurer Health is committed to providing Indigent Financial Assistance to patients/guarantors who have healthcare needs and are uninsured, underinsured, or are otherwise unable to pay for medical care based on their individual financial situation. Consistent with its charitable mission, Scheurer Health strives to ensure that the financial state of those who need health care services does not prevent them from seeking or receiving appropriate care. Scheurer Health will provide, without discrimination, emergency and other medically necessary care, to individuals regardless of their eligibility for IFA or government assistance. Scheurer Health will work proactively to grant IFA to patients/guarantors who are unable to pay for services rendered.

POLICY

Scheurer Health, as a provider of high quality health care services and in recognizing a religious, moral, and social obligation, shall provide charity care to a patient who demonstrates the inability to pay regardless of race, color, national origin, sex, physical handicap, or patient's geographical location. IFA will be offered to patients/guarantors who qualify, based upon their inability to pay, in accordance with current U.S. Federal Poverty Guidelines and who meet the criteria outlined in this policy. IFA is not considered to be a substitute for personal responsibility. Accordingly, patients/guarantors seeking IFA shall be expected to cooperate with Scheurer Health's procedures for obtaining IFA. This policy serves to establish and ensure a fair and consistent method for the review and completion of requests for charitable assistance to our patients/guarantors in need.

The State of Michigan Public Act 107 of 2013 created the Healthy Michigan plan that expanded Medicaid. It also requires health facilities to accept payment for services at 115 percent of the Medicare allowable rate from certain uninsured individuals beginning March 14, 2014. Due to this ruling, any patient that qualifies for IFA up to 300% of the Federal poverty level will be considered for at least a 10% Indigent Financial Assistance write-off.

This Policy may not cover services rendered by some individual providers who provide clinical services at Scheurer Health facilities. A full listing of providers and services are available at www.Scheurer.org and updated on a quarterly basis. This Policy may not cover services rendered by/at some Scheurer Health entities. (A full listing of Covered and Non-Covered Entities can be found in Attachment B.)

PROCEDURE



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In 1986, the U.S. Congress enacted the Emergency Medical Treatment & Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay. Section 1867 of the Social Security Act imposes specific obligations on Medicare-participating hospitals that offer emergency services to provide a medical screening examination (MSE) when a request is made for examination or treatment for an emergency medical condition (EMC), including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with EMCs. If a hospital is unable to stabilize a patient within its capability, or if the patient requests, an appropriate transfer would be implemented.

Eligibility for Indigent Financial Assistance will be considered for those individuals who are Uninsured or Underinsured, and/or who are unable to pay for their care based upon a determination of financial need in accordance with this policy. The granting of IFA Assistance shall be based on an individualized determination of financial need, and shall not consider age, gender, race, social or immigrant status, sexual orientation, or religious affiliation. Services eligible under this policy will be made available to the patient/guarantor on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. (See Sliding Fee Schedule attached as Attachment A.) Referral of patients/guarantors for IFA may be made by any member of the Scheurer Health staff or medical staff. A request for an IFA application may be made by the patient/guarantor or a family member, close friend, or associate of the patient, subject to applicable privacy laws. Requests can be made prior to, during, or after service is rendered.

All information received through the application process will remain strictly confidential and will be shared only through the decision process.

APPLICATION PROCESS

1. An IFA application will be given to any patient/guarantor that requests one free of charge. The application can be mailed to the requestor. Application forms are also available at Patient Registration in Scheurer Hospital, all Scheurer Primary Care locations, Scheurer Specialty Care, Scheurer Fiscal Services, Scheurer Health Fastcare, Scheurer Walk-In Clinic in Pigeon. An application may also be downloaded from the Scheurer web site at www.Scheurer.org.
2. The patient/guarantor will be given 240 days from first post-discharge statement of balance due to complete and return the application along with all other requested information.
3. Complete instructions and a contact information for assistance with completing the application will be included with the IFA Application.



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4. Upon return of a completed application the Patient Financial Advisor will make a recommendation based on a review of the documentation provided and in consideration of the current Federal Poverty Guidelines.
5. The Financial Assistance Committee will review the recommendation and either approve it, deny it, or ask for more information from the applicant to make a final determination. The patient/guarantor will be notified by mail of any deficiencies in the application and will have 30 days to respond.
6. In consideration of the Assistance, the committee will grant full financial assistance to those with incomes that fall at 133% or lower on the Federal Poverty Guidelines and partial financial assistance will be granted to those with incomes that fall between 134%-300% of the Federal Poverty Guidelines. Assets listed on the application and the size of the outstanding medical debt will also be a consideration in the final determination.
7. Once the determination for Assistance has been made, the patient/guarantor will be notified by letter and will be asked to contact the Business Office within ten (10) days of receipt of the letter to set up a payment arrangement on any remaining balance.
8. Once the Assistance has been decided on, The Patient Financial Advisor will credit the Assistance amount to the patient's/guarantor's outstanding account(s) which will then reflect a new balance(s) (if any). This approved discount will remain in effect for the remainder of the current calendar year and be applied to any future balances for this patient/guarantor.
9. Approved IFA Applications will remain in effect for one calendar year. To continue benefits, applicants must re-apply every calendar year.
10. If the patient's/guarantor's financial situation deteriorates, a new application should be completed with documentation to show their new financial state. If that application is granted and they are approved for a higher IFA discount after the initial discount has been applied and before the qualified account(s) are paid in full, the remaining account balance(s) may be given an additional IFA discount.

APPLICATION CONSIDERATIONS

1. Patients who are not already established with Scheurer Health can be considered for IFA.
2. If a patient has been approved for services through the State of Michigan Breast & Cervical Cancer Control Program (BCCCP), payment from the BCCCP will be applied and any



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remaining balance will be treated as a 100% Financial Assistance approval and will be written off. There is no need for the patient/guarantor to fill out the IFA application because the patient has already been screened and approved by the county health department as being indigent and in need of help for the approved service.

3. If a patient has qualified for Medicare and Medicaid coverage and has services that are approved by Medicare but aren't payable by Medicaid the balance will automatically be qualified for 100% financial assistance because the patient has already been screened and approved by the Department of Health and Human Services as being indigent and in need of help.
4. If a patient has been approved for full Medicaid coverage, which could include a spenddown, any of their outstanding account balance(s) are considered automatically qualified for 100% financial assistance because the patient has already been screened and approved by the Department of Health and Human Services as being indigent and in need of help.
5. If a patient files for bankruptcy and has outstanding debt Scheurer Health will document that a claim was filed with the bankruptcy court where applicable. If the patient is deemed indigent, review of the beneficiary's financial status will be determined at the time, determination will not be based solely on the fact that they have filed for bankruptcy.
6. If a patient is deceased, the Patient Accounts financial advisor will document that they have made a review to determine if an estate exists and if a claim was filed with the estate. Collection effort will still be required against any other sources that may be liable. If it is deemed that no other sources are liable the beneficiary's claim will be considered for IFA based on the financial status at the time.
7. Scheurer Health does not restrict non-emergent care for patients with unpaid balances, but strives to work with the patient to help resolve those balances while still receiving care.
8. When IFA has been approved for patients/guarantors, the benefit will apply at any of the entities locations that the patient/guarantor has an outstanding balance.
9. All IFA paperwork will be kept by the Patient Financial Advisor during the fiscal year and will then be kept in storage for a length of time as determined to be needed.



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PUBLICATION OF POLICY

Scheurer Health will broadly publicize the availability of this IFA Policy within the communities it serves by taking the following actions:

- A. Post this IFA Policy, a Plain Language Summary of this Policy, and its IFA Application, on the Scheurer Health's Website (free of charge) and also offer patients a Plain Language Summary of this IFA Policy during their registration and/or discharge.
- B. Post conspicuous public displays in appropriate acute care settings such as emergency departments, patient registration areas, and Scheurer Health clinics describing the available assistance and directing eligible patients to the IFA Application.
- C. Include a written notice on all patient billing statements that notifies the patient/guarantor about the availability of this Policy which will include the telephone number of its Business Office which can assist patients with any questions they may have regarding this Policy and the direct website address where copies of the IFA Policy, IFA Application, and Plain Language Summary are available.
- D. Make Patient Financial Advisors available via telephone Monday through Friday, excluding holidays, from 7:00 a.m. to 3:30 p.m. EST to address questions related to this Policy. Upon request, Patient Financial Advisors will also mail copies of this IFA Policy, a Plain Language Summary, and an IFA Application to patients or their Guarantor free of charge.
- E. Scheurer Health staff will make paper copies of the IFA Policy, IFA Application, and Plain Language Summary available upon request and without charge in public locations of the hospital; including the emergency room and patient registration areas as well as all Scheurer Health Clinics.
- F. Scheurer Health will broadly communicate this Policy as a part of its general community outreach efforts.
- G. Scheurer Health will educate its staff on this IFA Policy and the process for qualifying for benefits under this Policy.

APPLICATION RECOMMENDATIONS & CONSIDERATIONS

1. Patients or their Guarantors wishing to apply for IFA Assistance are encouraged to submit an IFA Application within ninety days (90) days of their discharge. Patients or their Guarantor may



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submit an IFA application up to two-hundred and forty (240) days from the date of the patient's post-discharge billing statement, however, accounts may be subject to ECA collection efforts as soon as one hundred and twenty (120) days after patient/guarantor has been provided the first post-discharge billing statement.

2. Patient/guarantors, submitting an incomplete IFA Application will receive written notification of the deficiencies, the information and/or documentation required, along with information on how to return the information within 240 days from the first post-discharge statement.
3. Deficient Application(s) which are not corrected within the 30 day period following Scheurer Health's written notification to the patient/guarantor of such deficiency, shall be deemed withdrawn and shall require no further action on the part of Scheurer Health.
4. Scheurer Health shall provide the patient/guarantor with a final determination within thirty (30) days of receiving a completed IFA Application which includes all required documentation.
5. If a patient/guarantor is granted less than full assistance and the patient/guarantor provides additional information for reconsideration, Scheurer Health may amend a prior IFA Determination.
6. All IFA Determinations are final unless amended by the Committee based on additional income information.
7. A patient's IFA Application and eligibility determination are specific to each balance due based on the date(s) of service and related patient encounters.
8. Scheurer Health will suspend any ECA until the IFA Application is completed or the patient/guarantor fails to rectify any deficiencies in the Application prior to the end of the allotted 240 days from the first post-discharge statement.
9. Scheurer Health and any purchaser of the patient's debt, third-party collection agency, or other party the patient's debt has been referred to, will not engage in ECAs against a patient/guarantor to obtain payment before reasonable efforts are made to determine whether the patient/guarantor is eligible for IFA Assistance.
10. Prior to initiating an ECA, provide written notice within at least 30 days of initiating ECA that IFA Assistance is available to qualifying individuals, identify the ECA(s) that Scheurer Health or its authorized party intend to initiate for payment of care, and the deadline for such ECA(s). Also provide the Plain Language Summary and a copy of the IFA Policy.
11. Attempt to notify the patient/Guarantor verbally about the Indigent/Financial Assistance Policy and how to obtain assistance through the Application process.



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12. Scheurer Health will not initiate an ECA against a patient/guarantor if he or she has an active IFA award.
13. Scheurer Health and its authorized representative may initiate ECA(s) against a patient/guarantor in accordance with this Policy. ECA(s) may include the following:
 - a. Selling a patient/Guarantor's outstanding financial responsibility to a third party;
 - b. Reporting adverse information about the patient/Guarantor to consumer credit reporting agencies or credit bureaus.
14. Actions requiring a legal or judicial process, including but not limited to:
 - a. Placing a lien on a patient/guarantor's property;
 - b. Foreclosing on a patient/guarantor's property;
 - c. Attaching or seizing a patient/guarantor's bank account or other personal property;
 - d. Commencing a civil action against a patient/guarantor;
 - e. Causing a patient/guarantor arrest;
 - f. Causing a patient/guarantor to be subject to a writ of body attachment;
 - g. Garnishing the patient/guarantor's wages.
15. When it is necessary to engage in any collection activity (including ECAs), Scheurer Health and its authorized representative, will engage in fair, respectful and transparent collection activities. Scheurer Health will ensure that all contractual agreements with authorized representatives will conform with the minimum standards required by the Department of Treasury regulations.
16. A patient/guarantor currently subject to an ECA and who has not previously applied for IFA may apply for assistance up to two-hundred and forty (240) days from the date of the first post-discharge billing statement.
17. In the event an Application is filed within the two hundred-forty (240) day time period, Scheurer Health and its authorized representative will indefinitely suspend any ECA which may have been initiated against a patient/guarantor while the IFA Application is being processed and considered.



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18. Patient/guarantor who are determined to be eligible for assistance under this Policy and had already remitted payment to Scheurer Health, in excess of their responsibility, will be alerted to the overpayment as soon as practicable after discovery of the overpayment.
19. Patient/guarantor with an outstanding account balance on a separate account not eligible for assistance under this Policy will have any refund amount applied to the separate account.
20. Patient/guarantor with no outstanding account balance will be issued a refund check for their overpayment as soon as reasonably possible.

REGULATORY REQUIREMENTS

In implementing this policy, Scheurer management and facilities shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

CONFIDENTIALITY

Scheurer Health staff will uphold the confidentiality and individual dignity of each patient. Scheurer Health will meet all HIPAA requirements for handling personal health information.

ELIGIBILITY

Those patients eligible for the Financial Assistance Program at Scheurer Health who have a family income that is between 134% and 300% of the Federal Poverty Guidelines (FPG) will receive a discount on their healthcare billings down to the AGB level. Patients with a family income of 133% or less of the FPG will receive free care for eligible services. Those patients with a family income that exceeds 300% of the FPG will not receive a discount.

DEFINITIONS

“Amounts Generally Billed (AGB)” means the amounts generally billed for any emergency or other medically necessary care using the look-back method calculated by multiplying the Health Facilities’ gross charges for care by the AGB rate. Scheurer Health calculates AGB percentages using the “look-back” method and including Medicare fee-for-service and all private health insurers that pay claims to Scheurer Health, all in accordance with IRS Reg. Sec. 1.501(r)-5(b)(3), Sec. 1.501(r)-5(b)(3)(ii) and 1.501(r)-5(b)(3)(iii). The details of those calculations and AGB percentages are described below.

The AGB percentages are calculated by dividing the sum of the amounts of all of the facility’s claims for emergency and other medically necessary care that have been allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility by the sum of the associated gross charges for those claims. The only claims that are utilized for purposes of determining the AGB are those



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that were allowed by a health insurer during the 12-month period prior to the AGB calculation (rather than those claims that relate to care provided during the prior 12 months).

AGB: 28%

“Business Office” means the Fiscal Services Department of Scheurer Health.

“Charged” means the amount an individual is personally responsible for paying, after all deductions, applicable discounts (including discounts available under this IFA policy), and insurance reimbursements have been applied. For patients/guarantors qualifying for assistance under the Health Financial Assistance Policy, the charged amount shall never exceed the AGB.

“Extraordinary Collection Actions (ECA)” means actions taken by Scheurer Health, or its agents, against a patient/guarantor related to obtaining payment of an outstanding balance for care covered under this IFA policy. ECA may require a legal or judicial process, involve selling a patient's outstanding patient responsibility to another party, reporting adverse information about the patient to a consumer credit reporting agency or credit bureau or deferring, denying, or requiring payment prior to providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care under this policy.

“Federal Poverty Guidelines” means guidelines developed by the U.S. Department of Health & Human Services on an annual basis. Levels are determined by the number of members in an individual's household and their annual income.

“Indigent Financial Assistance” or “IFA” means a total or partial reduction in the amount billed, granted to the patient/guarantor under a successful application under this policy.

“Indigent Financial Assistance Application” or “IFA Application” means the information and accompanying documentation that an individual submits for financial assistance in accordance with this IFA policy.

“Indigent Financial Assistance Committee” or “IFA Committee” means the Scheurer Health Patient Financial Advisor, the Financial Service Leader and those individual(s) otherwise named to the Committee.

“Indigent Financial Assistance Determination” or “IFA Determination” means a grant or denial of an individual's application for Indigent Financial Assistance under this policy.

“Indigent Financial Assistance Policy” or “IFA Policy” means the terms and conditions found in this document.



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“Guarantor” means the individual responsible for the financial obligations of the patient and may be used interchangeably with patient.

“Health Facility” or “Health Facilities” means any facility or facilities owned or operated by Scheurer Health that is licensed/registered or similarly recognized as a Health entity by the State of Michigan, including all buildings operated under the State of Michigan license.

“Household” includes all individuals listed on a patient or Guarantor’s federal income tax filing. The guarantor of a minor dependent who does not claim the dependent on their federal taxes may submit a court decree as proof of the dependent’s household status. In the event the patient (except for minor patients) income does not warrant the filing of a federal tax statement, the patient/guarantor may submit a notarized affidavit attesting to the foregoing.

“Income” means any interest, dividends, wages, compensation for other services, tips, pensions, fees for earned services, price of goods sold, income from rental property, gains on sale of other property, alimony, or royalties.

“Patient Financial Advisor” means the representative within the Scheurer Health Fiscal Services office, assigned to assist patients/guarantors under the policy.

“Plain Language Summary” means a written statement that notifies an individual that the Health facility offers financial assistance.

“Policy” means this Indigent Financial Assistance (IFA) policy.

“Underinsured Patient” means a patient who, despite having insurance coverage, finds the obligation to pay the required copayments, coinsurance, and/or deductibles a financial burden that they delay or do not receive future medically, necessary health care services.

“Uninsured Patient” means a patient who lacks a health insurance product to cover their health service claims.



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ATTACHMENT A

SCHEURER HEALTH SLIDING FEE SCHEDULE USING 2021 FEDERAL POVERTY GUIDELINES EFFECTIVE 1-12-2022

| | | | | | | |
|---------------------------------|-----------------------|-----------|-------------|-------------|-------------|-------------|
| Discount: | 100% | 100% | 85% | 50% | 25% | 10% |
| Patient Pay: | | 0% | 15% | 50% | 75% | 90% |
| Number in Household | Federal Poverty Level | 0% - 133% | 134% - 175% | 176% - 200% | 201% - 250% | 251% - 300% |
| 1 | \$13,590 | \$20,385 | \$23,783 | \$27,180 | \$33,975 | \$37,373 |
| 2 | 18,310 | 27,465 | 32,043 | 36,620 | 45,775 | 50,353 |
| 3 | 23,030 | 34,545 | 40,303 | 46,060 | 57,575 | 63,333 |
| 4 | 27,750 | 41,625 | 48,563 | 55,500 | 69,375 | 76,313 |
| 5 | 32,470 | 48,705 | 56,823 | 64,940 | 81,175 | 89,293 |
| 6 | 37,190 | 55,785 | 65,083 | 74,380 | 92,975 | 102,273 |
| 7 | 41,910 | 62,865 | 73,343 | 83,820 | 104,775 | 115,253 |
| 8 | 46,630 | 69,945 | 81,603 | 93,260 | 116,575 | 128,233 |
| For each additional person add: | 4,720 | | | | | |



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ATTACHMENT B

Covered Entities of Scheurer Health

Scheurer Hospital
Scheurer Primary Care Bad Axe
Scheurer Health Fastcare Bad Axe
Scheurer Primary Care Caseville
Scheurer Primary Care Elkton
Scheurer Primary Care Pigeon
Scheurer Walk-In Clinic (RCC) Pigeon
Scheurer Primary Care - Sebewaing
Scheurer Health Center, Sebewaing
Sandy Shores Wellness Center
Scheurer Ambulance Services
Scheurer Specialty Care
 General Surgery
 ENT
 Podiatry
 Urology
 GYN-Uro

Non-Covered Services

Country Gardens Assisted Living
Country Bay Village
Scheurer Long Term Care
Hospice Inpatient and Outpatient Services
Independent Physician Services
Cardiac Rehab Phase 3
Elective Procedures (IE: cosmetic, experimental)
Scheurer Vision Center
All Scheurer Pharmacy locations (Elkton, Sebewaing, Caseville, Pigeon)
Radiologist Services
Winsor Clinic – Dr. Khan
Scheurer Fitness Classes
All non-employed providers working at any Scheurer Health location

This list is subject to change and is not intended to be all-inclusive.



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