

 <b>LIBERTY HOSPITAL BILLING AND COLLECTIONS POLICY FINAL</b> Version #: 3		<b>POLICY</b>	
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Category:	Housewide/Administrative		
Sub Category:	All		
Applies to:	Clinics/Hospital		
Specific to:			
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## PURPOSE:

To provide guidance and consistency in New Liberty Hospital District's (hereinafter "Liberty Hospital or "LH") actions in billing and collections activities of patients accounts. This policy pertains to services provided by Liberty Hospital only; a list of providers not covered by this policy is in **Schedule A**.

## POLICY:

Liberty Hospital (LH) seeks to allocate available financial resources effectively to those patients within our service area who are most in need. This policy recognizes the financial resources of LH are limited; and, that LH has a fiduciary responsibility to bill and collect appropriately for patient services. LH does not discriminate on the basis of race, color, national origin, citizenship, alienage, religion, creed, sex, sexual preference, age, or disability, in the application of this policy. It is the policy of LH to make reasonable efforts to determine whether an individual is eligible for assistance under its Financial Assistance Policy (FAP). This policy describes the billing and collection activities undertaken to work with patients to meet their financial obligation. It also describes actions taken if patients do not meet their financial obligations.

## DEFINITIONS

**Amounts Generally Billed** – The Amounts Generally Billed (AGB) is the amount generally allowed by combining Medicare fee for service and private health insurers for emergency and other medically necessary care. LH uses the look-back method to determine AGB.

**Application Period** – means the period during which LH will accept and process an application for financial assistance. The Application Period begins on the date the care is provided to the individual and ends on day 240 after LH provides the individual with the first post-discharge billing statement.

**Catastrophic Medical Expense** – Catastrophic medical expense is defined as patient responsibility exceeding 25 percent of annual income and financial resources available to the patient and/or guarantor. In situations where a patient has a catastrophic medical expense, the patient's financial responsibility after charity may be reduced to an amount equal to 25 percent of annual income. The patient's financial responsibility after financial assistance will not exceed AGB.

**Extraordinary Collection Actions (ECA)** – are actions taken by LH against an individual, related to obtaining payment of a bill for care covered under LH's FAP, that require a legal or judicial process or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus (see ECA section of this policy for details).

**FAP-Eligible Individual** – An individual who has completed a LH Financial Assistance Application form and has satisfied specific requirements by providing documentation, which results in partial or total charity care for the patient responsibility portion of their account. (See section B of this policy on Determining Financial Assistance Eligibility).

**Federal Poverty Guidelines** - Federal Poverty Guidelines (FPG) means those guidelines issued by the Federal Government that describe poverty levels in the United States based on a person or family's household income. The FPG's are adjusted according to inflation and published in the Federal Register. For the purposes of this policy, the most current annual guidelines will be utilized. The FPG as used for the purposes of determining financial assistance is outlined later in this policy.

**Look-Back Method** – Look-Back Method is a prior twelve-(12) month period, April 1 through March 31, used when calculating Amounts Generally Billed.

**Medically Indigent** - A medically indigent patient is defined as a person who has demonstrated that he/she is too impoverished to meet his or her medical expenses. The medically indigent patient may or may not have an income and may or may not be covered by insurance. Each patient's financial position will be evaluated individually using the Federal Poverty Guidelines.

**Notification Period** – means the period during which LH notifies an individual about its FAP. The notification period begins on the date the patient is sent the first post-discharge billing statement and ends day 120 thereafter. During this Period, LH will send three additional collection notices following the first post-discharge notice. In addition, at least 30 days must pass between the third additional collection notices and when the Notification Period ends.

**Medically Necessary Services** - Medically necessary services are services that are reasonable and medically necessary for the prevention, diagnosis or treatment of a physical or mental illness or injury; to achieve age appropriate growth and development; to minimize the progression of a disability; or to attain, or maintain, functional capacity; in accordance with accepted standards of practice in the medical community of the area in which the physical or mental health services are rendered. Medically necessary services are not used primarily for convenience and are not considered experimental or an excessive form of treatment.

**Responsible Party** – A patient or the patient's parents (birth or adoptive), stepparents, legal guardian or other legally responsible individual for the payments to the Hospital for healthcare services provided to the patient.

## **BILLING PROCEDURE:**

### **INFORMATION REGARDING COLLECTION OF PATIENT THIRD PARTY PAYER COVERAGE AND FINANCIAL RESOURCES**

#### **A. Patient Obligations:**

Prior to the delivery of any healthcare services (except for cases requiring Emergency medical services), the patient needs to provide timely and accurate information pertaining to their insurance status, demographic information, family income, and information on any deductibles or co-payments that will be owed based on their existing insurance or financial program's payment obligations. The detailed information may include:

1. Full name, address, telephone number, date of birth, social security number (if applicable), current health insurance coverage options, citizenship, residency information, and the patient's

applicable financial resources that may be used to pay the bill;

2. Full name of the patient's guarantor, their address, telephone number, date of birth, social security number (if applicable), current health insurance coverage options, and their applicable financial resources that may be used to pay for the patient's bill; and

3. Other resources that may be used to pay their bill, including other insurance programs, motor vehicle or homeowners insurance policies if the treatment was due to an accident, workers' compensation programs, and student insurance policies, among others.

It is the patient's/Responsible Party's obligation to keep track of and timely pay their unpaid hospital bill, including any co-payments and deductibles. The patient/Responsible Party's is required further to inform either their current health insurer (if insured) or the government agency that determined the patient's/Responsible Party's eligibility status in a government program (if participating) of any changes in family income or other changes that might affect their insurance status.

### **B. Hospital Obligations:**

LH will make all reasonable efforts to collect the patient's/Responsible Party's insurance and other information, to verify coverage for the healthcare services to be provided. These efforts may occur during the scheduling of services, during pre-registration when the patient is admitted to the hospital, upon discharge, or during the collection process, which may occur for a reasonable time following discharge. This information may be obtained prior to the delivery of any non-emergent healthcare services (i.e., elective procedures). LH will defer any attempt to obtain this information during the delivery of any emergency medical services, if the process to obtain this information will delay or interfere with either the medical screening examination or the services undertaken to stabilize an emergency medical condition.

If the patient or guarantor/guardian is unable to provide the information needed, and the patient consents in writing, LH will make reasonable efforts to contact relatives and guarantor/guardian for additional information.

LH maintains all information in accordance with applicable federal and state privacy laws.

### **C. Third Party Billing**

LH generally expects patients or their third party payers, as applicable; to pay amounts for which they are responsible. LH will bill third party payers in accordance with the requirements of applicable law, contracts with third party payers or applicable billing guidelines. Patients/ Responsible Parties also are responsible for charges that are not paid by a third party payer or for any balances that exist after payment and contractual adjustment by the third party payer. Patients who seek services (other than emergency services) may be requested to pay in advance for services that will not be covered by third party payers, including copayments and deductibles related to covered services. The patient's/ Responsible Party's failure to pay or make satisfactory financial arrangements will result in additional collection activities. LH reserves the right to take collection actions as permitted by law concerning balances due from either the patient or third party insurers.

### **Pre Service**

LH is committed to helping patients understand their financial responsibility and how to manage their ability to pay for services they receive before those services are delivered. To help patients prepare for and manage

their ability to pay for care they receive, a registration team member may perform a pre-service review to ensure all information collected is accurate. Accurate information is critical to avoid billing errors and to ensure insurance benefits can be accessed to minimize out-of-pocket expenses. Before non-emergent services are delivered or **after** emergency conditions have been resolved successfully, and the patient is stable, the registration team may perform the following activities:

- **Validate and Protect Patient Identity** – to protect medical and financial information, LH may use commercially available data sources to validate the accuracy of names and addresses. LH may ask the patient or guarantor for photo ID and may include a copy of their photo ID with the patient's medical record.
- **Verify Insurance Benefits** – based on information provided by patients and guarantors, LH may use data systems to communicate with insurance companies to verify eligibility and benefits. If insurance information is not provided, LH may check with the major insurance companies and applicable state Medicaid program to check for coverage.
- **Verify Medical Necessity** – not all services are covered by insurance policies. To make patients aware of services not covered by insurance, LH may identify, through the use of pre-service diagnosis and procedure codes, non-covered services, so that patients can make an informed decision regarding the cost of receiving the recommended non-covered services.
- **Obtain Prior Authorizations** – If the services to be provided require prior authorization from an insurance company, in order for that payer to provide initial indication that services are covered, LH will attempt to secure that approval for services from the patient's insurance company. It is each patient's responsibility to understand what their insurance benefits will cover and be prepared to pay for services that are not approved or covered.
- **Identify Open Bad Debt Accounts** – if the patient or guarantor has previously unpaid accounts that have not been enrolled in a payment plan, those balances may be required to be paid in full or paid in part and enrolled in our payment plan options.
- **Produce an Estimate of Patient Responsibility** – to help patients make informed healthcare purchasing decisions, an estimate of service costs and patient payment responsibility may be provided. LH will use all data described in this section to estimate out-of-pocket expenses based on specific insurance benefits.
- In the event that our registration team is unable to identify coverage for services to be provided, patients may be referred to a financial counselor to assist in finding ways to pay for services.
- Patients will be requested to pay all or a portion of the estimated co-pays, co-insurance amounts and/or deductible amounts. If the patient is uninsured or underinsured, the FAP process outlined below will be applied.

## **PATIENT NOTICE OF AVAILABILITY OF FINANCIAL ASSISTANCE**

### **A. General Principles**

LH is committed to ensuring patients or prospective patients that may qualify are aware of the availability of Financial Assistance Programs. A copy of the Financial Assistance Policy and this Billing and Collection policy is posted on the LH website.

### **B. Signage**

Signs, posted in conspicuous locations will notify patients of the availability of Financial Assistance Programs. Signage will be in English. Signs will be large enough to clearly be visible and legible.

In addition, information pertaining to the Financial Assistance Policy and this Billing and Collection Policy will be available in other primary languages spoken by the lesser of five percent or 1000 of the residents in the service area. Those languages currently include Arabic, French, German, Spanish and Vietnamese.

### **C. Notification Practices**

LH will include a notice about the availability of financial assistance in each billing statement.

## **BILLING AND COLLECTION PROCESS**

### **A. General**

LH uses the same reasonable efforts and follows the same process for collecting amounts due for services provided to all patients; including insured, underinsured or uninsured patients. Collection activities may occur during the pre-registration process and will continue until account resolution. The collection process may include the use of deposits, the implementation of payment plans or discretionary settlements. The collection process may involve the use of outside collection agencies, which may include reporting the outstanding balance to credit reporting agencies. Collection activities are documented in the patient's account file accessible to the hospital and its business associates involved in the collections process.

### **B. Populations Exempt from Collection Activities**

Patients who are enrolled in a public health insurance programs, including but not limited to state Medicaid plans are exempt from billing or collection action after the initial bill pursuant to state regulations subject to the following exceptions:

- (a) LH may seek collection action against any patient enrolled in the above-mentioned programs for their required co-payments and deductibles that are set forth by each specific program.
- (b) LH may initiate billing or collection activities for a patient who alleges that he or she is a participant in a state program that covers the costs of the services, but fails to provide proof of such participation. Upon receipt of satisfactory proof that a patient is a participant in a state program, (including receipt or verification of signed application), LH shall cease their billing or collection activities.
- (c) Provider may seek collection action for non-covered services.

Under the LH Financial Assistance Program, LH may cease any collection or billing actions against a patient at any time during the billing process. If patient/guarantor applies for Financial Assistance, LH will keep any and all documentation that validates the patient met the LH Financial Assistance Program. LH and their agents shall not continue collection or billing on a patient balance that are part of a bankruptcy proceeding, except to secure its rights as a creditor in the appropriate order.

LH will make reasonable efforts to investigate whether a third- party resource may be responsible for the services provided by the hospital, including but not limited to: (1) a motor vehicle or home owner's liability policy, (2) general accident or personal injury protection policies, and (3) workers' compensation programs.

### **C. Collection Notices**

LH has a fiduciary responsibility to seek payment for services it has provided, from patients who are deemed able to pay. LH reserves the right to utilize outside vendors to assist the facility and patients regarding balances due, processing payment plans, and settling accounts. When a balance is owed by the patient, the payment is considered "self-pay" and payment in full is expected.

An account is determined to be self-pay if:

- There is no insurance on record.
- All expected payments from the insurance carriers, Medicare and other third-party payers have been paid.
- A patient has not responded timely to requests for information/documentation needed to determine eligibility under Financial Assistance Policies.
- Patient does not provide information requested from third party insurers to process claims.

All self-pay accounts process through four statement cycles throughout 120 days, beginning with first post-discharge statement (initial post-discharge statement, 2- past-due statements, final statement sent at least 30 days prior to bad debt placement and ECA). Due to the inherent delays and other issues with Medicaid eligibility processes, LH may perform Medicaid eligibility checks on all self-pay accounts during and after discharge. If Medicaid coverage is identified or the patient becomes eligible for Medicaid, the account will be reclassified to Medicaid from self-pay and billed to Medicaid.

All communications prior to bad debt placement, including verbal communications by third-party collectors, include notification of the availability of LH's Financial Assistance Program.

This process may be supplemented by other notification methods that constitute an effort to contact the party responsible for the obligation, including, for example, telephone calls, collection letters and personal contact notices.

For statements that have been returned as undeliverable, reasonable efforts will be made to determine an accurate mailing address using internal and external tools and resources. These efforts will be documented on each patient account.

## **PROMPT-PAY DISCOUNTING**

Patients without health insurance or those who choose not to elect insurance billing, who do not qualify for charity discounting, and who pay in full prior to the time of a first-billing notice, will be eligible for a 15 percent prompt pay discount.

## **PAYMENT ARRANGEMENTS (See Schedule B)**

## **PREPAY PACKAGED SERVICES**

Pre-payment packaged rates are available on the following services, for patients that are not eligible for Financial Assistance:

Vaginal Delivery  
C-Section Delivery  
Mammograms  
Cardiac Scoring

## **TAX LEVY CREDIT**

If the patient is a resident who lives within the boundaries of the New Liberty Hospital District, a small amount of the property taxes paid every year helps fund LH services and equipment. The amount of the tax is listed on the annual Clay County Personal Property Tax Statement; and if the Responsible Party is a home owner, it appears on the Clay County Real Estate Tax Statement form. The amount is listed next to "Hospital Tax."

Whenever the patient or Responsible Party has an "out-of-pocket" or "patient-pay" portion of the bill, they can receive a credit or reduction to the bill for the "out-of-pocket" or "patient-pay" portion up to the amount of taxes paid in the immediately preceding tax year, if the tax is equal to or less than the "out-of-pocket" or "patient-pay" portion. If the patient is eligible for Financial Assistance then the "out-of-pocket" or "patient-pay" portion will be reduced by the amount of the tax credit applied up to the "out-of-pocket or "patient pay" amount.

To receive the tax credit or reduction to the bill, or to receive a refund if the patient or Responsible Party already has already paid the "out-of-pocket" or "patient-pay" portion of the bill, provide the paid tax receipt to LH's cashier, located at LH, and LH will process the credit or refund. If the credit is not used in total for one date of service, any balance may be applied to additional services provided.

Since taxes usually are paid at the end of a calendar year, LH will apply the credit or refund for services provided in the year following the previous tax year. As a result, 2015 taxes would be paid in 2016 and can be used to reduce the "out-of-pocket" LH services rendered in 2016. Potential tax credits do not "roll forward" or accumulate if they are not used for "out-of-pocket" amounts within the year.

## **FINANCIAL ASSISTANCE PROCEDURE:**

### **A. General Principles**

It is the policy of LH not to engage in ECA against an individual before making reasonable efforts to determine whether the individual is eligible for assistance under its FAP.

Consistent with the provisions herein, past due balances will not be sent to a collection agency prior to 120 days of first post-discharge billing statement to patient. Charity consideration still will be given to patients whose past due balances are with a collection agency.

Following the 120 day period, patients will be sent a letter, informing them their account has been placed with a collection agency.

Subject to the guidelines set forth herein, accounts may be subject to the following extraordinary collection actions:

- i. Credit bureau reporting; and,
- ii. LH also may pursue legal action against patients/ Responsible Parties who do not qualify for assistance and have sufficient assets to cover the unpaid balances. Legal action may result in a lien on assets, including but not limited to garnishment of wages. Legal action will not be taken until approved by the LH CEO/President or his designee.

A copy of the Financial Application is included in **Schedule C**.

## **B. Determining Financial Assistance Eligibility**

As a means of determining whether individuals are eligible for financial assistance under its FAP, LH will notify individuals about its FAP during the Notification Period as follows:

1. Provide a notice of the plain language summary of the FAP and offer a FAP application form to individuals before discharge;
2. Include a notice of the FAP availability with all billing statements;
3. Include the full plain language summary on the final bill provided to individuals during the Notification Period (each statement/notice/letter to patient will be sent 30 days apart);
4. Inform individuals about the FAP availability in all oral communications, regarding the amount due for their care that occurred during the Notification Period; and,
5. Include notice on the final statement that informs them about the ECA that LH (or other authorized party) may take if they do not submit a FAP application or pay the amount due by a deadline (specified in the notice) that is no earlier than the last day of the Notification Period, and is provided to the individual at least 30 days before the deadline specified in the written notice.

## **C. Processing Financial Assistance Applications**

### *Submission of **Complete** Financial Assistance Application*

If an individual submits a **complete** FAP application during the Application Period, LH will:

- a. Suspend, for 30 days, any ECA against the individual (with respect to charges to which the FAP application under review relates);
- b. Make and document, within the same 30 days, a determination as to whether the individual is FAP-eligible;
- c. Notify the individual in writing, within the same 30 days, of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination (See Notification Determination letter in Schedule D);and
- d. If LH determines the individual is FAP-eligible:
  - i. Provide the individual with a billing statement that indicates the amount the individual owes as a FAP-eligible individual and shows, or describes how the individual can get information regarding the AGB for the care and how LH determined the amount the individual owes as a FAP-eligible individual;
  - ii. If the individual has made payments to LH (or any other party working on behalf of LH) for the care in excess of the amount he or she is determined to owe as a FAP-eligible individual, refund those excess payments; and,



iii. Take all reasonably available measures to reverse any ECA taken against the individual to collect the debt at issue.

#### **Submission of *Incomplete* Financial Assistance Application**

If an individual submits an **incomplete** FAP application during the Application Period, LH will:

- a. Temporarily suspend any ECA against the individual (with respect to charges to which the FAP application under review relates);
- b. Provide the individual with a written notice, within 30 days of application being submitted, that describes the additional information and/or documentation required to complete FAP application form. This written notice also should inform the individual about the ECA that LH (or other authorized party) may initiate or resume if the individual does not complete the FAP application or pay the amount due, within an additional 30 days after notification. See Notification Determination letter in Schedule D

#### **Failure to Submit Financial Assistance Application**

If an individual fails to submit a FAP application during the Notification Period, and until the individual subsequently submits a FAP application during the remainder of the Application Period, LH may engage in ECA against the individual, if all other requirements have been met.

### **DOCUMENTATION OF COLLECTION EFFORT**

Patient's/ Responsible Party's financial records will be maintained to support billing and collection actions, and will include all documentation of LH's collection efforts including the bills, codes and letter-templates, reports of telephone and personal contact, and any other efforts made, for a period of two (2) years following the end of the application period. The two-year period will be utilized unless modified by applicable law or regulation.

### **EXTRAORDINARY COLLECTION ACTIONS**

After the commencement of ECA is permitted, external collection agencies shall be authorized to report unpaid self-pay Accounts to credit agencies, and to file litigation, obtain judgment liens and execute upon such judgment liens using lawful means of collection. At any time during the billing/collection process, LH will review the validity of any amounts disputed by patients/guarantors. Such disputed amounts may be communicated directly to the LH billing and collection department or through a third-party collector with whom LH contracts.

#### **A Discretionary Settlements**

LH may choose to settle outstanding accounts based upon extenuating circumstances.

#### **B. Outside Collection Agencies**

LH contracts with outside collection agencies to assist in the collection of certain accounts, including patient responsibility amounts not resolved after issuance of hospital bills or final notices. LH may transfer such debt as bad debt (otherwise deemed as uncollectible) if LH is able to determine after 120 days after the first post-discharge statement has been sent and other requirements met, that the patient was unable to qualify under the LH Financial Assistance Program.

LH has a specific authorization or contract with the outside collection agencies and requires such agencies to abide by the LH billing and collection policies for those debts that the agency is pursuing. LH requires any outside collection agency that they contract with to follow the regulations and licensing requirements within the state(s) in which the agency conducts business. Additionally contracted collection agencies must abide by the requirements of the Federal Fair Debt Collection Practice's Act and 501(r).

### **Bad Debt Pre-Placement Review**

After the initial four contacts and after a period of no less than 120 days from the first post-discharge billing statement, accounts are pre-listed for movement to bad debt. The following actions, if applicable, then are taken:

- Accounts are reviewed for proper balance; line-item denials reviewed, notes on accounts reviewed, EOBs reviewed;
- Accounts are reviewed for any dispute or outstanding care issue; and,
- Accounts are removed if any information has been obtained subsequent to being pre-listed that would indicate the account is collectible, and standard billing practices will resume.

### **Bad Debt Placement**

Bad debt placement is a process that usually occurs at least one week after the accounts reach the pre-list status.

- Accounts are submitted to an LH approved collection agency. Accounts remain with the collection agency for a period of at least two years unless legal judgment or bankruptcy is determined or the account is paid.
- The collection agency will notify all patients/ Responsible Parties they contact for the purpose of debt collection, of LH's Financial Assistance policy.

### **Bad Debt Account Recall**

LH will recall accounts from bad debt agencies and cancel/remove any ECA activity on the patient's/ Responsible Party's file with both the agencies and credit bureaus, if applicable, for the following reasons:

- Patient/ Responsible Party files for bankruptcy;
- Patient/ Responsible Party qualifies under the Financial Assistance Policy Program;
- Error by LH that caused the account to improperly be prelisted (i.e., payment posting error).

**Credit Bureau Reporting** – Accounts will be reported to the Credit Bureau within ninety (90) days of placement, with a collection agency. In the event the account is paid prior to ninety (90) days, the account will not be reported. Any request to delete any account(s) reported must be approved by LH Revenue Cycle Management.

### **Legal Collection Actions/Suits**

Legal actions may be taken if an account is not paid after LH has exhausted other efforts to collect on the account. Reasonable efforts are made to review every patient's/ Responsible Party's account for financial assistance discounts before legal actions are taken. Legal action against individuals may be taken only when there is some evidence the patient or responsible party has income and/or assets to meet their obligation or did not cooperate with LH in demonstrating financial need. Prior to legal collection placement, all accounts are reviewed for financial assistance eligibility. Only accounts found in-eligible for financial assistance are subject to legal collection placement should the patient/ Responsible Party fail to pay on the account.

LH's Financial Counseling staff has primary responsibility for determining if an account is eligible for financial assistance. The LH CEO/President, or his/her designee, has final authority in determining when legal actions can take place. Legal actions are outlined below.

Patients/ Responsible Parties approved for partial financial assistance may owe a balance on the account. The patient/ Responsible Party receives a financial assistance partial approval letter that explains the amount approved for financial assistance and the amount the patient owes. If payment is not made within an agreed upon time frame, the account becomes delinquent and a final notice is sent. If the patient/ Responsible Party's does not pay the balance, make payment arrangements or request additional financial assistance, the account may be placed with an agency for collection. After placement with an agency the delinquent account may be approved for collection suit. If judgment is obtained, LH may garnish wages to recover payment to the extent allowed for by law.

Prior to a suit being filed, the collection agency will be responsible to verify employment, assets and collectability. Suit requests will be reviewed for account(s) balances of \$300.00 and greater. If debtor has more than one account, these will be combined. Interest will be applied on account(s) approved for suit request.

If a patient/ Responsible Party is in contact with LH designated collection agency or law firm prior to garnishment, an attempt is made to settle the account or negotiate a payment arrangement that is reasonable. As long as the patient/ Responsible Party make timely payments as agreed under a negotiated arrangement, no garnishment will be executed. Garnishments are filed after judgment is received unless a court ordered stay is in place or a payment arrangement has been negotiated and has not been breached. If the law firm filing for garnishment believes that the patients/ Responsible Party's employment has been terminated, garnishment may be held until a place of employment is located.

## **MISCELLANEOUS PROVISIONS**

- a. Anti-Abuse Rule – LH will not base its determination that an individual is not FAP-eligible on information that LH has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
- b. Presumptive Eligibility – LH will have made reasonable efforts to determine whether an individual is FAP-eligible if LH determines that the individual is eligible for the most generous assistance (including free care) available under the FAP based on information other than that provided by the individual as part of a complete FAP application and LH meets the requirements described above with regard to processing complete FAP applications.
- c. No Waiver of FAP Application – LH will not seek to obtain, nor accept, a signed waiver from any individual stating that they do not wish to apply for assistance under the FAP.
- d. Final Authority for Determining FAP Eligibility – Final authority for determining that LH has made reasonable efforts to determine whether an individual is not FAP-eligible and may therefore engage in ECA against the individual rests with LH Revenue Cycle Management.

## SCHEDULE A

### PHYSICIAN PROVIDERS

Services of physicians such as anesthesiologists, radiologists, hospitalists, pathologists, emergency room physicians and physicians employed by New Liberty Hospital Corporation are not covered under this policy. **Many physicians have charity care policies that allow patients to apply for free or discounted care. Patients should obtain information about a physician's charity care policy directly from their physician.**

**Providers Not Covered by this Policy:**

The physicians employed by New Liberty Hospital Corporation  
Alliance Radiology (X/Ray, CT, MRI and other imaging interpretations)  
EmCare/DeerValley (Emergency Department Physicians)  
LH Hospital freestanding clinics  
LH Hospital Urgent Care Shoal Creek  
MAWD Pathology (lab interpretations)  
Professional Anesthesia Care/Northland Pain Consultants  
Dr. Arnold Katz (Rheumatology)

**SCHEDULE B**

## Financial Assistance Guidelines 2017

**Health and Human Services Poverty Guidelines for 2017, published January, 2017****2017 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA**

For families/households with more than 8 persons, add \$4,160 for each additional person.

Family Size	1	2	3	4	5	6	7	8
Poverty Guidelines	\$ 11,880	\$ 16,020	\$ 20,160	\$ 24,300	\$ 28,440	\$ 32,580	\$ 36,730	\$ 40,890
Discount								
100%	\$ 23,760	\$ 32,040	\$ 40,320	\$ 48,600	\$ 56,880	\$ 65,160	\$ 73,460	\$ 81,780
95%	\$ 26,136	\$ 35,244	\$ 44,352	\$ 53,460	\$ 62,568	\$ 71,676	\$ 80,806	\$ 89,958
90%	\$ 28,512	\$ 38,448	\$ 48,384	\$ 58,320	\$ 68,256	\$ 78,192	\$ 88,152	\$ 98,136
85%	\$ 30,888	\$ 41,652	\$ 52,416	\$ 63,180	\$ 73,944	\$ 84,708	\$ 95,498	\$ 106,314
80%	\$ 33,264	\$ 44,856	\$ 56,448	\$ 68,040	\$ 79,632	\$ 91,224	\$ 102,844	\$ 114,492
75%	\$ 34,452	\$ 46,458	\$ 58,464	\$ 70,470	\$ 82,476	\$ 94,482	\$ 106,517	\$ 118,581
70%	\$ 35,640	\$ 48,060	\$ 60,480	\$ 72,900	\$ 85,320	\$ 97,740	\$ 110,190	\$ 122,670
0%	\$ 35,759	\$ 48,220	\$ 60,682	\$ 73,143	\$ 85,604	\$ 98,066	\$ 110,557	\$ 123,079

Payment arrangements for balances not covered by insurance may be made as follows:

Amount	Time Period
\$250 – and above	0-6 Months

Plans set outside of these parameters can be approved by Revenue Cycle Leadership.

**HEALTH SERVICES FINANCING**

LH offers a line of credit for any account balances more than \$250 through a contracted third party to assist patients in paying their balances throughout a longer period of time. This allows for a fixed monthly payment that, if defaulted on, will be returned to LH to resume collection activities.

## Schedule C – Page 1 of 3



2525 Glenn W. Hendren Drive • Liberty, Missouri 64069-1002 • 816 781-7200

Dear Patient:

We understand that a hospitalization may result in unplanned expenses. Our Board of Trustees has approved several payment options. These options include payment by check, cash, Discover, MasterCard or Visa. If your circumstances do not allow you to take advantage of these options, we will be glad to consider other payment arrangements. In order for us to work with you, we request that you work with us by providing the information indicated on the financial application. We are not a lending institution and, therefore, do not charge interest on payments that are made. We ask for the same type of information that is requested by a lending institution. It is needed so that we might work together to arrive at a payment amount that is fair for you and the hospital.

Your financial application, from the patient/ Responsible Party complete with attachments, must be **returned to Liberty Hospital within 240 days** after you received your first post-discharge billing statement; but may be returned sooner. Failure to return your completed application within this time frame will result in denial of application. Also, to be eligible, you must live in one of the following counties: Clay, Caldwell, Carroll, Clinton, Daviess, Grundy, Harrison, Livingston, Platte or Ray.

**Documents/Information needed for review of financial application:**

- \_\_\_ Prior year household income tax return or IRS non-filing letter
- \_\_\_ Most recent two (2) pay stubs of all members contributing to household income
- \_\_\_ Verification and amount of Unemployment, Work Comp benefits and/or disability benefits
- \_\_\_ Current W-2 and 1099 Form
- \_\_\_ List of current stocks/bonds, retirement accounts, mutual funds (i.e. IRA, CDs, 401K)
- \_\_\_ Copies of payments from Social Security, Supplemental Security, and/or Survivor Benefits
- \_\_\_ Current utility bill, residence you rent or mortgage bill for proof of residence
- \_\_\_ Proof of Medicaid denial
- \_\_\_ Current month bank statement(s) \*\*please cross out account number(s)
- \_\_\_ Amount of educational assistance, alimony, child support, or veteran's payments
- \_\_\_ List of income from interest, dividends, rental property, royalties, estates or trusts
- \_\_\_ Letter from family/parents/friends verifying support
- \_\_\_ Letter from School verifying full-time student status
- \_\_\_ Documentation of homeless shelter residence

For additional informational about financial assistance, please contact Liberty Hospital's Business Office at 816-792-7110 or Financial Counselor at (816) 407-4861, M-F 8:00 a.m.-4:30 p.m. Completed applications can be returned in person to Patient Registration/Admitting Office at the hospital, located at 2525 Glenn Hendren Drive, Liberty, MO, 64068 or mailed to the same address: attention Business Office. *This information obtained will be kept confidential and used only for Financial Assistance determination.*

## Schedule C – Page 2 of 3

## PLEASE RESPOND IN ENGLISH

### LIBERTY HOSPITAL Financial Assistance Application

Patient Account #(s): \_\_\_\_\_

Responsible Party or Guarantor: \_\_\_\_\_ Social Security # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Patient's Name: \_\_\_\_\_ Social Security # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Patient's Relationship to Applicant: ☐ Self ☐ Spouse/Partner ☐ Parent/Guardian ☐ Child ☐ Other: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_

State: \_\_\_\_\_ Zip Code \_\_\_\_\_ Home Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell Phone (\_\_\_\_) \_\_\_\_\_

\*please indicate if this is the current address for: Patient ☐ Correspondence ☐ Guarantor ☐

Have you recently made, or plan to make an application for Medicaid and/or Medical Assistance?: Yes \_\_\_\_\_ No \_\_\_\_\_

Date of Application: \_\_\_\_/\_\_\_\_/\_\_\_\_

Number of family members living in the home (spouse, domestic partners, and dependents): \_\_\_\_\_

#### EMPLOYMENT INCOME VERIFICATION (List all persons in household who are employed)

Name	Relationship to Patient	Employer's Name & Address	Monthly Income
			Gross
			\$
			\$
			\$
			\$

#### OTHER INCOME (List monthly accounts)

Source	Name	Relationship to Patient	Monthly Value
Social/ Supplemental Security, Survivor Benefits			
Unemployment/Work Comp/Disability Benefits			
Stocks, Bonds, retirement accounts, mutual funds			
Education assistance, alimony, child support, veteran's benefits			
Interest, dividends, rental property, royalties, estates, trusts			
Other			
Other			

#### RESOURCES (List all resources owned by members of the household and value)

**Schedule C – Page 3 of 3**

Bank or Company	Owner	Bank Accounts	Savings	Stocks/Bonds	CDs	Retirement Accounts	Mutual Funds	Other
		\$	\$	\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$	\$	\$

*This information obtained will be kept confidential and used only for Financial Assistance determination.*

**LIBERTY HOSPITAL**  
**Financial Assistance Application**

**By my signature below, I certify that the information and documentation provided is an accurate and complete statement of my current financial position and give my permission to verify this information. My failure to pay any reduced or adjusted balance will subject me to the normal billing and collection practices of Liberty Hospital.**

Signature of Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

**Documents/ Information needed for review of financial application:**

- \_\_\_\_\_
- \_\_\_\_\_ Prior year household income tax return or IRS non-filing letter
  - \_\_\_\_\_ Most recent two (2) pay stubs of all members contributing to household income
  - \_\_\_\_\_ Verification and amount of Unemployment, Work Comp benefits and/or disability benefits
  - \_\_\_\_\_ Current W-2 and 1099 Form
  - \_\_\_\_\_ List of current stocks/bonds, retirement accounts, mutual funds (i.e. IRA, CDs, 401K)
  - \_\_\_\_\_ Copies of payments from Social Security, Supplemental Security, and/or Survivor Benefits
  - \_\_\_\_\_ Current utility bill, residence you rent or mortgage bill for proof of residence
  - \_\_\_\_\_ Proof of Medicaid denial
  - \_\_\_\_\_ Current month bank statement(s) \*\*please cross out account number(s)
  - \_\_\_\_\_ Amount of educational assistance, alimony, child support, or veteran's payments
  - \_\_\_\_\_ List of income from interest, dividends, rental property, royalties, estates or trusts
  - \_\_\_\_\_ Letter from family/parents/friends verifying support
  - \_\_\_\_\_ Letter from School verifying full-time student status
  - \_\_\_\_\_ Documentation of homeless shelter residence

***\* If you have special circumstances you would like considered, please attach a separate letter with an explanation.***

**DO NOT COMPLETE BELOW THIS LINE**

**OFFICE ONLY**

***FINANCIAL ASSISTANCE***

Total Family Gross Income: \_\_\_\_\_

Family Size: \_\_\_\_\_

Hospital Financial Assistance Guideline Amount: \_\_\_\_\_

Amounts Generally Billed: \_\_\_\_\_

Total Amount Approved: \_\_\_\_\_

Rejected: \_\_\_\_\_

Notification letter sent to patient on \_\_\_\_/\_\_\_\_/\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

**SCHEDULE D**



## NOTIFICATION DETERMINATION FOR FINANCIAL ASSISTANCE

Liberty Hospital has conducted an eligibility determination for financial assistance for:

Patient Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

The request for financial assistance was made by the patient or on behalf of the patient on \_\_\_\_/\_\_\_\_/\_\_\_\_. This determination was completed on \_\_\_\_/\_\_\_\_/\_\_\_\_.

Based on the information supplied in your Financial Application the following determination has been made for the above accounts:

☐ Your request for financial assistance is **approved** for a Charity discount of \_\_\_\_%. The amount you will owe is \$\_\_\_\_\_. Any discount less than 100% will leave a balance due by you. Please contact the Patient Accounts Department (816) 792-7110 if you need to make payment arrangements.

☐ Your request for financial assistance is **pending**. The information below is needed to process your application. Accounts are **not** on hold while waiting for this information and your balance still is due. If the following information is not returned within 30 days, your application will be denied and subject to credit bureau reporting and litigation.

- \_\_\_\_\_ Prior year household income tax return or IRS non-filing letter
- \_\_\_\_\_ Most recent two (2) pay stubs of all members contributing to household income
- \_\_\_\_\_ Verification and amount of Unemployment, Work Comp benefits and/or disability benefits
- \_\_\_\_\_ Current W-2 and 1099 Form
- \_\_\_\_\_ List of current stocks/bonds, retirement accounts, mutual funds (i.e. IRA, CDs, 401K)
- \_\_\_\_\_ Copies of payments from Social Security, Supplemental Security, and/or Survivor Benefits
- \_\_\_\_\_ Current utility bill, residence you rent or mortgage bill for proof of residence
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- \_\_\_\_\_ Current month bank statement(s) \*\*please cross out account number(s)
- \_\_\_\_\_ Amount of educational assistance, alimony, child support, or veteran's payments
- \_\_\_\_\_ List of income from interest, dividends, rental property, royalties, estates or trusts
- \_\_\_\_\_ Letter from family/parents/friends verifying support
- \_\_\_\_\_ Letter from School verifying full-time student status
- \_\_\_\_\_ Documentation of homeless shelter residence

☐ Your request for financial assistance is **denied** due to the following:

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Monthly payments will be needed. Any non-payment may result in credit bureau reporting and litigation.

The financial applications are valid for six (6) months from the approval date. Financial assistance may be extended for an additional six (6) months with affirmation of the household income or estimated income and household size. All patients must reapply after the initial twelve (12) month period is over. It is the patient's responsibility to contact Liberty Hospital to reapply for additional assistance.

If you have questions regarding this determination, please contact us at 816-407-4861.