



Financial Assistance Policy Calendar Year 2024

Policy Statement

To make available discount services to those in need.

Purpose

It is the mission of this facility to provide financial assistance to those people in need and will not discriminate or deny medical necessary care to people based on ability to pay or financial circumstances. St. Luke's Hospital will not engage in extraordinary collections against an individual before making reasonable efforts to determine whether the individual is eligible for care. Financial assistance is for medically necessary services. Financial assistance is not for patients seeking elective non-emergent medical care. Priority will be given to children, disabled, or aged in comparing income and assets.

St. Luke's Hospital's policy is to provide necessary medical care at a reduced rate to those patients who have documented limited resources to pay the facility's usual and customary charges as approved by the Hospital's management. Those individuals whose income is less than 100% of the slated guidelines and whose asset values fall within the set criteria would be eligible for a financial assistance allowance. The Hospital uses both an income-asset test and the federal poverty guidelines (FPG) located at <http://aspe.hhs.gov/poverty> to determine eligibility for financial assistance on medically emergent care claims.

EXAMPLE:

Allowance for a family of two with earnings of \$13,000 and with a hospital bill of \$5000

\$15,600 divided by \$13,000 = 120%; \$5000 x 90% = \$4500; \$4500 x 120% = \$5000 allowance

Assets include two types: real/personal or liquid. If a family's asset value is over the stated range, the allowance will be adjusted accordingly. For example, if a family of two has assets valued at \$25,000, but countable assets are \$6400 according to the stated range, the allowance percentage will be lowered four levels. In this example, the allowance percentage would be lowered from 90% to 50% (\$25,000 divided by \$6400 = 4 levels).

Asset Value

- Assets must be at current value (not book value)
- Adequate housing allowance
- One (1) vehicle, reasonable value

Disqualifying Transfer of Assets – Individuals who have transferred income or assets may be ineligible for financial assistance services from the date of transfer through a period of time based on the value of the income or assets transferred.

Financial assistance services approval will require the patient's cooperation in supplying information as follows:

- Copy of most recent tax return
- Completed financial assistance application
- Budget/financial statement
-



- Verification of mortgage equity where applicable
- Letter of denial from Social Services (after three financial assistance evaluations)

Definitions:

Gross Income means income from any source, in any form, but does not mean benefits received from tested public assistance programs such as aid to families with dependent children, supplemental security income, and food stamps. Gross income includes salaries, wages, overtime wages, commissions, bonuses, deferred income, dividends, severance pay, pensions, interest, trust income, annuities income, capital gains, social security benefits, workers compensation benefits, unemployment insurance benefits, retirement benefits, veterans' benefits (including gratuitous benefits), gifts and prizes exceeding \$1000 in value, and spousal support payments received. Cash value of "In-Kind income" received on a regular basis, children's benefits, income imputed based upon earning capacity, military subsistence payments, and net income from self-employment.

In-Kind Income means the receipt of any value right, property or property interest other than money or money's worth, including forgiveness of debt (other than through bankruptcy), use of property (including living quarters at no charge or less than the customary charge), and the use of consumable property at no charge or less than customary charge.

PROCEDURE

The following guidelines are to be followed in providing the Financial Assistance Program.

- 1. Notification:** St. Luke's Medical Center will notify patients of the Financial Assistance Program by:
 - Payment Policy Brochure will be available to all uninsured patients at the time of service.
 - Notification of the Financial Assistance Program will be offered to each patient upon admission.
 - Financial Assistance Program application will be included with collection notices sent out by St. Luke's Medical Center.
 - An explanation of our Financial Assistance Program and our application form are available on the St. Luke's Medical Center website.
 - St. Luke's Medical Center places notification of Financial Assistance Program in the clinic waiting area.
 - St. Luke's Medical Center will provide written notice within 30 days before initiating ECA's that indicates financial assistance availability; identifies the ECA (Extended Collection A we intend to initiate; and, state a deadline after which ECA will be initiated (no earlier than 30 days after notice).
 - St. Luke's Medical Center will provide a plain language summary with the written notice and will make reasonable effort to orally notify patients about the financial assistance plan and how to obtain assistance with the financial assistance plan.

2. All patients seeking healthcare services at St. Luke's Medical Center are assured that they will be served regardless of ability to pay. No one is refused service because of lack of financial means to pay.

3. **Request for discount:** Requests for discounted services may be made by patients, family members, social services staff or others who are aware of existing financial hardship. Information and forms can be obtained from the Business Office.

4. **Administration:** The Financial Assistance Program procedure will be administered through the CEO or CFO and his/her designee. Information about the Financial Assistance Program policy and procedure will be



provided, and assistance offered for completion of the application. Dignity and confidentiality will be respected for all who seek and/or are provided charitable services.

5. Alternative payment sources: All alternative payment resources must be exhausted, including all third-party payment from insurance(s), Federal and State programs.

6. Completion of Application: The patient/responsible party must complete the Financial Assistance Program application in its entirety. By signing the Financial Assistance Program application, persons authorize St. Luke's Medical Center access in confirming income as disclosed on the application form. Providing false information on a Financial Assistance Program application will result in all Financial Assistance Program discounts being revoked and the full balance of the account(s) restored and payable immediately. If an application is unable to be processed due to the need for additional information, the applicant has two weeks from the date of notification to supply the necessary information without having the date on their application adjusted. If a patient does not provide the requested information within the two week time period, their application will be re-dated to the date on which they supply the requested information. Any accounts turned over for collection as a result of the patient's delay in providing information will not be considered for the Financial Assistance Program. If an application is provided and not returned within 30 days, the collection process will resume. A list of all providers who deliver emergency or other medically necessary care at St. Luke's Hospital and are covered and who are not covered within this financial assistance policy is listed and maintained as a separate document and can be found on the St. Luke's website: www.dcstlukes.org or requested by mail or in person, PO Box 10 / 702 1st St. SW, Crosby, ND 58730, free of charge.

7. Eligibility: Discounts will be based on income and family size only. St. Luke's Medical Center uses the Census Bureau definitions of each:

- a. **Family** is defined as: a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.
- b. **Income** includes: earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. *Noncash benefits (such as food stamps and housing subsidies) do not count.*

8. Income Verification: Applicants must provide one of the following: most recent 1040, prior year W-2, two most recent pay stubs, letter from employer, or Form 4506-T (if W-2 not filed). Self-employed individuals will be required to submit detail of the most recent three months of income and expenses for the business. Adequate information must be made available to determine eligibility for the program. **Self-declaration of income** may only be used in special circumstances. Specific examples include participants who are homeless. Patients who are unable to provide written verification must provide a signed statement of income, and why (s)he is unable to provide independent verification. This statement will be presented to the St. Luke's Medical Center's CEO and/or CFO for review and final determination as to the sliding fee percentage. Self-declared patients will be responsible for 100% of their charges until management determines the appropriate category.

9. Discounts: Those with incomes at or below 100% of poverty will receive a full 100% discount. Those with incomes above 100% of poverty, but at or below 100% of poverty, will be charged according to the attached sliding fee schedule. The sliding fee schedule will be updated during the first quarter of every calendar year with the latest federal poverty guidelines, <http://aspe.hhs.gov/poverty>.

10. Waving of Charges: In certain situations, patients may not be able to pay the nominal or discount fee. Waiving of charges may only be used in special circumstances and must be approved by the St. Luke's Medical Center's CEO and/or CFO. Any waiving of charges should be documented in the patient's file along with an explanation (e.g. ability to pay, good will, health promotion event).



11. Applicant notification: The Financial Assistance Program determination will be provided to the applicant(s) in writing, and will include the percentage of Financial Assistance Program write off, or, if applicable, the reason for denial. If the application is approved for less than a 100% discount or denied, the patient and/or responsible party must immediately establish payment arrangements with St. Luke's Medical Center. Financial Assistance Program applicants cover outstanding patient balances for six months prior to application date and any balances incurred within 12 months after the approved date, unless their financial situation changes significantly. The applicant has the option to reapply after the 12 months have expired or any time there has been a significant change in family income. When the applicant reapplies, the look back period will be the lesser of six months or the expiration of their last Financial Assistance Program application.

12. Refusal to Pay: If a patient verbally expresses an unwillingness to pay or vacates the premises without paying for services, the patient will be contacted in writing regarding their payment obligations. If the patient is not on the sliding fee schedule, a copy of the sliding fee discount program application will be sent with the notice. If the patient does not make effort to pay or fails to respond within 60 days, this constitutes refusal to pay. At this point in time, St. Luke's Medical Center can explore options not limited to but including offering a payment plan, waiving of charges, or referring for collections efforts. If the patient is on the sliding fee discount program, collection actions will begin after 60 days of nonpayment for services.

13. Record keeping: Information related to Financial Assistance Program decisions will be maintained and preserved in a centralized confidential file located in the Business Office Manager's Office, in an effort to preserve the dignity of those receiving free or discounted care.

a. Applicants that have been approved for the Financial Assistance Program will be logged in a password protected document on St. Luke's Medical Center shared directory, noting names of applicants, dates of coverage and percentage of coverage.

b. The Business Office will maintain an additional monthly log identifying Financial Assistance Program recipients and dollar amounts. Denials will also be logged.

14. Policy and procedure review: Annually, the amount of Financial Assistance Program provided will be reviewed by the CEO and/or CFO. The Financial Assistance Program Scale will be updated based on the current Federal Poverty Guidelines. Pertinent information comparing amount budgeted and actual community care provided shall serve as a guideline for future planning. This will also serve as a discussion base for reviewing possible changes in our policy and procedures and for examining institutional practices which may serve as barriers preventing eligible patients from having access to our community care provisions.

15. Budget: During the annual budget process, an estimated amount of Financial Assistance Program service will be placed into the budget as a deduction from revenue. Board approval for Financial Assistance Program will be sought as an integral part of the annual budget.

16. AGB: St. Luke's Hospital uses the Look Back Method in determining Amounts Generally Billed. Please contact the business office at 701-965-6384 for further clarification on how the Amounts Generally Billed are determined.

If you think you may be eligible for financial assistance, you may request an application at the business office of the hospital, call 701-965-6384, or online at the following link.

www.dcstlukes.org