**Faulkton Area Medical Center**

**Plain Language Summary of Financial Assistance Application Policy**

Patients of Faulkton Area Medical Center may apply for financial assistance to pay their FAMC bill. An application is available at:

FAMC Administration Office 605-598-6262

1300 Oak Street

Faulkton SD 57438

FAMC Patient Registration 650-598-6262

1300 Oak Street

Faulkton SD 57438

By US Mail at: FAMC Billing

PO Box 100

Faulkton SD 57438

At our website at: Faulktonmedical.org

An application consists of the patient or guarantor’s most recent IRS income tax return and evidence of the most recent three month’s income.

Patients will be notified of the outcome of the Financial Assistance Application, in writing, within 30 days of FAMC receipt of application.

Patients who do not make satisfactory payment arrangements or apply for financial assistance within thirty (30) days of receiving a final notice of payment due, will be subject to collection activity involving the use of an outside collection agency and all legal means of collecting amounts due.

Extraordinary collection activity may result upon non-payment of your account. This activity may include the placement of your account with a debt collection agency. Subsequent to judgement, the collection agency may choose to proceed with garnishment. If our collection agency identifies a patient is meeting financial assistance eligibility criteria, the patient’s account may be considered for financial assistance. Collection activity will be suspended on accounts, and the financial assistance application will be reviewed. If the entire account balance is adjusted, the account will be returned. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

FAULKTON AREA MEDICAL CENTER

FAULKTON, SOUTH DAKOTA

FINANCIAL ASSISTANCE POLICY

May 2021

**Charity Care Policy**

Faulkton Area Medical Center’s mission is dedicated to best serving the medical needs of the community with the resources available to the facility. As part of that commitment, Faulkton Area Medical Center appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services.

Charity care is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

**Purpose**

To establish policies and procedures necessary to insure that patients of Faulkton Area Medical Center, who for economic and financial reasons cannot meet the requirements of the collection policy, are provided with the Faulkton Area Medical Center’s Charity Care Policy.

For the purpose of this policy, terms below are defined as follows:

**Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from the organization’s policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

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

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

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

• Noncash benefits (such as food stamps and housing subsidies) do not count;

• Determined on a before-tax basis;

• Excludes capital gain or losses; and

• If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

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

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out‑of‑pocket expenses that exceed his/her financial abilities.

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

**Procedure**

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

1. Emergency medical services provided in an emergency room setting;

2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;

3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and,

4. Medically necessary services, evaluated on a case-by-case basis at Faulkton Area Medical Center’s discretion.

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

**Basis for Calculating the Amounts Charged to Patients**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient’s insurance coverage and income ~~and assets~~ as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

The “Amounts Generally Billed” calculation reflects the minimum discount allowed to patients who apply for and qualify to receive Financial Assistance. This amount is recalculated after every fiscal year, using aggregate Medicare payments received for charges during the most recently completed fiscal year. There may be some instances when the initial discount allowed is greater than the percentage resulting from this calculation, but in no circumstances will the initial discount be less than the “AGB” calculation. This will be verified each year when the new AGB is calculated. The AGB formula is available from the FAMC Business Office or Administrative Office upon written request.

The basis for calculating amounts charged to patients, Faulkton Area Medical Center has chosen to use the look-back method based on actual past claims paid to the hospital facility by Medicare (including, in each case, any associated portions of these claims paid by Medicare beneficiaries or insured individuals). Faulkton Area Medical Center will provide an itemized statement to the patient showing the charges and the discount amount applied to the patient’s account. The discount will be applied once the patient has submitted a complete application for financial assistance.

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

* Include an application process , in which the patient or the patient’s guarantor are required to cooperate and supply personal, financial, and other information and documentation relevant to making a determination of financial need; Information collected from the application will include:
* Name, address, date of birth, and social security number of applicant and spouse
* Marital status
* Over 65, blind or Permanently Disabled, and date of disability determination
* Employer information, including position and years employed; if less than 3 years, name of former employer
* Health Insurance Provider, including group number and insured subscriber number. Medicare number, and Medicaid number.
* Monthly Household Income including:
* Employment (Gross/Net Pay)
* Part-Time Jobs (Gross/Net Pay)
* Social Security/Disability
* Veteran Pension
* Military Allotments
* Retirement (all sources)
* Stocks and Bonds
* Unemployment Compensation
* Workers Compensation
* Union Benefits
* Inheritance
* ADC/WIC/Food Stamps
* Alimony/Child Support
* Savings Interest Income
* Investment Income
* Take into account if insurance was offered from employer
* Take into account if employer denied health insurance coverage
* Take into account eligibility for COBRA benefits
* Take into account application for Medicaid or other government assistance program:
* Include reasonable efforts by Faulkton Area Medical Center to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
* Include a review of the patient’s outstanding accounts receivable for prior services rendered and the patient’s payment history.
* The patient is required to submit documentation of their financial status. The patient must submit a completed Financial Assistance Application
* As a minimum requirement the patient must furnish a copy of last year’s tax return and last three month’s income or bank statements for proof of income.
* Accounts eligible for Charity Care are to be addressed within 240 days of first bill.

It is preferred, but not required, that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

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

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

1. State-funded prescription programs;

2. Homeless or received care from a homeless clinic;

3. Participation in Women, Infants and Children programs (WIC);

4. Food stamp eligibility;

5. Subsidized school lunch program eligibility;

6. Eligibility for other state or local assistance program that are unfunded (e.g., Medicaid spend-down);

7. Low income/subsidized housing is provided as a valid address; and,

8. Patient is deceased with no known estate.

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

1. Patients whose family income is at or below 100% of the FPL are eligible to receive free care.

2. Patient whose family income is over 100% and below 125% of the FPL would be eligible for up to an 80% discount.

3. Patient whose family income is over 125% and below 151% of the FPL would be eligible for up to a 60% discount.

4. Patient whose family income is over 151% and below 176% of the FPL would be eligible for up to a 40% discount.

5. Patient whose family income is over 176% and below 202% of the FPL would be eligible for up to a 20% discount.

6. Patients whose family income exceeds 202% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Faulkton Area Medical Center.

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

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

1. Validation that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;

2. Documentation that Faulkton Area Medical Center has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital’s application requirements;

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

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

**Refund/Credit Balance Policy**

In the event that a patient’s account develops a credit balance over $5.00, the overpayment will be applied to other outstanding balances not covered by the AGB Discount, or will be refunded to the patient on a monthly basis.

**Method of Applying for Financial Assistance**

An application consists of the patient or guarantor’s most recent IRS income tax return and evidence of the most recent three month’s income submitted in paper form.

Paper copies of the Financial Assistance Policy, Application, and the Plain Language Summary will be available by request from Administration or Billing Offices, as well as at the main campus Emergency Room and Admissions Desk. All documents will also be available on the FAMC website at faulktonmedical.org.

**Providers’ services included in the FAMC FAP Calculation:**

Services provided at FAMC by:

Sylvia Anderson, MD

Kenneth Bartholomew, MD

Jesseca Kast, CNP

Chris Ogle, PA

Sarah Lepke, FNP

Tim Quinn, PA

Heloise Westbrook, MD

**Basis for Calculating the Amounts Charged to Patients**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient’s insurance coverage and income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

The “Amounts Generally Billed” calculation reflects the minimum discount allowed to patients who apply for and qualify to receive Financial Assistance. This amount is recalculated after every fiscal year, using aggregate Medicare payments received for charges during the most recently completed fiscal year. There may be some instances when the initial discount allowed is greater than the percentage resulting from this calculation, but in no circumstances will the initial discount be less than the “AGB” calculation. This will be verified each year when the new AGB is calculated. The AGB formula is available from the FAMC Business Office or Administrative Office upon written request.

The basis for calculating amounts charged to patients, Faulkton Area Medical Center has chosen to use the look-back method based on actual past claims paid to the hospital facility by Medicare (including, in each case, any associated portions of these claims paid by Medicare beneficiaries or insured individuals). Faulkton Area Medical Center will provide an itemized statement to the patient showing the charges and the discount amount applied to the patient’s account. The discount will be applied once the patient has submitted a complete application for financial assistance.

For applications from 3-1-2016 through 5-31-2017, the AGB is 80%.

For applications from 6-1-2017 through 5-31-2018, the AGB is 94%.

For applications from 6-1-2018 through 5-31-2019, the AGB is 90%.

For applications from 6-1-2019 through 5-31-2020, the AGB is 99%.

For applications from 6-1-2020 through 5-31-2021, the AGB is 82%.

For applications from 6-1-2021 through 5-31-2022, the AGB is 84%.

**FAULKTON AREA MEDICAL CENTER**

**Sliding Fee Discount Information**

It is the policy of FAMC to provide essential services regardless of the patient’s ability to pay. FAMC offers discounts based on family size and annual income.

Please complete the following information and return to Administration to determine if you or members of your family are eligible for a discount.

The discount will apply to all services received at FAMC, but not those services or equipment purchased from outside, including reference laboratory testing, drugs, and x-ray interpretation by a consulting radiologist, and other such services. You must complete this form every 12 months or if your financial situation changes.

|  |  |
| --- | --- |
| NAME OF HEAD OF HOUSEHOLD | PLACE OF EMPLOYMENT |
|  |  |
| STREET | CITY | STATE | ZIP | PHONE |
|  |  |  |

**Please list spouse and dependents under age 18.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Date of Birth** | **Name** | **Date of Birth** |
| SELF |  | DEPENDENT |  |
| SPOUSE |  | DEPENDENT |  |
| DEPENDENT |  | DEPENDENT |  |
| DEPENDENT |  | DEPENDENT |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Source** | **Self** | **Spouse** | **Other** | **Total** |
| Gross wages, salaries, tips, etc. |  |  |  |  |
| Income from business, self-employment, and dependents |  |  |  |  |
| Unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement |  |  |  |  |
| **TOTAL INCOME** |  |  |  |  |

NOTE: Most recent IRS Tax return and evidence of the most recent three months income will be required before a discount is approved.

**I certify that the family size and income information shown above is correct.**

|  |  |
| --- | --- |
| Name (Print) | Date |
| Signature |  |

|  |
| --- |
| **Office Use Only** |
| **Patient Name:** |
| **Approved Discount:** |
| **Approved By:** |
| **Date Approved:**  |
|  |
| **Verification Checklist** | **Yes** | **No** |
| Identification/Address: Driver’s license, utility bill, employment ID, or |  |  |
| Income: Prior year tax return, three most recent months’ income |  |  |
| Insurance: Insurance Cards |  |  |