

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 1 of 10  
Effective: 12/17/2015

---

**I. POLICY:**

A. Meade District Hospital (MDH), a governmental non-profit organization, is committed to providing financial assistance to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for emergency or other medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable health care services, MDH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. MDH will not discriminate against any patient seeking emergent care including those in the provision of emergency medical treatment, those eligible for financial assistance under this policy or those eligible for government assistance.

B. Financial assistance is not considered a substitute for personal responsibility. Patients are expected to cooperate with MDH's procedures for obtaining financial assistance or other forms of payment and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. Further, financial assistance is not considered to be a substitute for the responsibility of government or employers to expend their fair share of resources to cover the cost of essential health services in the communities MDH serves.

C. No one eligible for financial assistance under this policy will be charged gross charges.

D. To manage its resources responsibly and to allow MDH to provide the appropriate level of assistance to the greatest number of persons in need, management establishes the following guidelines for the provision of financial assistance. This policy is subject to change periodically and any changes will be published on MDH website and made available to the public.

**II. PROGRAM SCOPE:**

A. MDH's financial assistance program is available to patients with a primary residence in Meade County at the time service was rendered. We may consider residents of Gray, Clark & Seward counties as well as out-of-area patients (e.g., travelers). Out of county applicants will follow the application guidelines as Meade County applicants.

B. Financial assistance is generally available for emergency, urgent, or other medically necessary services.

C. MDH reserves the option to use presumptive measures, such as a prior approved application, to approve financial assistance for services in the application period.

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 2 of 10  
Effective: 12/17/2015

---

**III. DEFINITIONS:**

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

A. **Financial Assistance** – MDH’s policy to provide health care services free or at a discount to individuals who meet established criteria. These services are never expected to result in cash inflows.

B. **Guarantor** – the individual(s) financially responsible for the health care service provided. This individual or individuals may or may not be the patient.

C. **Emergency Medical Services** - defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

D. **Family** – per IRS guidelines, as anyone claimed on the Guarantor’s income tax return may be considered a dependent for purposes of this policy. If a tax return is unavailable or the family functions financially as such, family may alternately be defined as a group of two or more persons related by birth, marriage, or adoption who live together. For example, if an older married couple, their daughter and her husband and two children, and the older couple’s nephew all lived in the same house or apartment, they would all be considered members of a single family.

E. **Medically Necessary** – as defined by Medicare; describes those services or items that are reasonable and necessary for the diagnosis and treatment of an illness or injury.

F. **Patient Liability** – the amount owed by the guarantor after any insurance payments or other applicable discounts have been applied. This may include co-pays, deductibles, coinsurance, or non-covered services. When applicable, the uninsured discount (see AGB) will be applied before determining patient liability.

G. **AGB** - How Amounts Generally Billed (AGB) is calculated

No individual determined eligible for financial assistance under the Hospital’s financial assistance policies will be charged more for emergency or medically necessary hospital care than the amounts generally billed (“AGB”) to individuals with insurance covering such care. AGB is a percentage of the Hospital’s full, undiscounted charges for such care. The AGB is calculated as follows:

For 2018, The Hospital is using the “look-back method” to calculate the AGB. This method bases AGB on claims allowed by insurance with a primary payer of Medicare fee-for-service during the period of October 1, 2016 through September 30, 2017. The allowable is defined as: including

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 3 of 10  
Effective: 12/17/2015

---

both amount reimbursed by insurer and amount personal responsibility for co-pays, co-insurance and deductibles whether or not the individual actually paid it, minus discounts applied to the individual's portion. The Hospital divides the sum of the total allowable for Medicare for fee for service claims including amounts received as co-payments, co-insurance and deductibles by the sum of total hospital charges for those claims to identify the "AGB percentage" for the Hospital.

The Hospital will re-calculate its AGB at least annually. Any changes will be updated on the hospital website.

H. **Resources** - consist of the Guarantor's annual modified adjusted gross income (MAGI) plus a portion of their net assets.

1. **Income** – examples include wages, salaries, tips, self-employment income, and unemployment compensation; disability (including Supplemental Security income); pensions, annuities, IRA distributions, and Social Security; interest, dividends, business/farm Income, capital gains, rental income, royalties, income from partnerships and trusts; and alimony and child support received by any family members. Generally, income is reflected in MAGI. If a tax return is unavailable, income is determined from items like those defined here on a pre-tax (i.e., gross) basis. Noncash benefits, such as food stamps and housing subsidies, are not considered income.

2. **Assets** - include, but are not limited to, liquid assets (e.g., savings accounts), investments (including retirement fund balances), non-owner occupied houses, farmland, farm vehicles and equipment, livestock and crops, business property and equipment, and rental property.

- i. All real property is considered at fair market or, if unavailable, taxable value.
- ii. The values of both real and personal property will be reduced by any existing liabilities incurred by the applicant in obtaining the assets.
- iii. Investments for which distributions are included in MAGI will only be included as an asset (i.e., their value will be deducted from the MAGI calculation).
- iv. Checking account balances are generally excluded as an asset unless they include balances not included in income (e.g., a checking account used as a savings account). In these situations, an appropriate portion of the checking account balance may be included as an asset.
- v. Cash and cash equivalent assets are included in Resources at 50% of their value, and real property is included at 20% of net value.

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 4 of 10  
Effective: 12/17/2015

---

H. ***Urgent Medical Services*** - services provided for the treatment of an unforeseen illness, injury, or condition of a less serious nature than emergencies that pose no immediate threat to life and health but which under reasonable standards of medical practice would be diagnosed and treated within a 24 hour period and if left untreated, could rapidly become an emergency situation. Services that can be foreseen or are appropriate to wait for a normally scheduled appointment are not considered urgent services. The physician's order is considered in determining if services are urgent in nature.

**IV. REQUESTS FOR ASSISTANCE:**

A. Prior to seeking Financial Assistance from MDH, the Guarantor should use available resources to resolve their financial obligations, including insurance coverage, personal income and assets, governmental assistance, and any other assistance program (as available and applicable). Where possible and appropriate, Guarantors will be counseled on their potential eligibility for local, state, and federal health care programs like KanCare/Medicaid; other disability programs; and other insurance coverage, such as that offered through insurance exchanges, as well as MDH's prompt pay and uninsured discounts and extended payment plans.

B. A request for Financial Assistance may be made by the patient, a family member, or a friend/associate of the patient, subject to applicable privacy laws. Referral of patients for Financial Assistance may be made by any member of MDH's staff or medical staff. If applicant requires assistance from MDH in the application process, MDH is not responsible / liable for the information provided by the applicant.

**V. NEED DETERMINATION:**

A. Guarantors are expected to make every practical effort to disclose and provide financial information prior to or at the time of the provision of services. If extenuating circumstances prevent disclosure prior to or at the time of service, MDH may accept financial information from the guarantor after services are provided to determine eligibility for financial assistance.

B. Financial need will be determined in accordance with procedures that involve an individual assessment and may:

1. include an application process, in which the Guarantor is required to cooperate and supply personal, financial, and other information and documentation relevant to making a determination of financial need;
2. Take into account assets and all other financial resources available to the Guarantor, including future ones available to meet their financial obligation in a reasonable period of time;

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 5 of 10  
Effective: 12/17/2015

---

3. Include the use of publically available data that provide information on the Guarantor's ability to pay (utilizing the FAST Program);
4. include reasonable efforts by MDH to explore appropriate alternative sources of payment and coverage from public and private payment programs, and assist Guarantors in applying for such programs; and/or
5. Include a review of the Guarantor's outstanding balances for prior services rendered and their payment history as well as their service history and anticipated service needs from MDH or other providers.

**VI. APPLICATION PROCESS:**

- A. To apply for financial assistance, Guarantors will complete a financial evaluation form. This form may be obtained from MDH's website, from the hospital Business Office, or the Guarantor may request one be mailed to them. Financial evaluation forms will be provided free of charge.
- B. If requested, MDH will assist Guarantors in completing this application. The application must be submitted with appropriate supporting documentation that may include the following:
  1. KanCare/Medicaid denial or a completed KanCare/Medicaid screening indicating the Guarantor is ineligible for the program.
  2. Financial inventory that includes assets, income, and expenses.
    - i. Proof of income, if any:
      - a. Written verification from public welfare agencies or any other governmental agency that attests to the patient's or guarantor's income status for the past twelve (12) months;
      - b. A copy of forms approving or denying unemployment or worker's compensation;
      - c. Most recent pay stub(s) showing year-to-date earnings or proof of other income and/or cash benefits (if pay stubs are unavailable, written verification of earnings from employer or company accountant, a copy of the most current quarterly IRS forms reporting income from self-employment, etc. may be substituted);
      - d. Three most recent checking/savings account and/or investment account statements for everyone defined as family in section III part D.
      - e. A copy of Federal income tax return filed for most recent calendar year. If self-employed, a copy of the completed Schedules A (Itemized Deductions) and C (Profit or Loss from Business) is also required.

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 6 of 10  
Effective: 12/17/2015

---

ii. Proof of asset equity, if any (e.g., real estate assessment, loan documents, etc.)

iii. Summary of key expenses, including/but not limited to mortgage statement/rental agreement, utility bills, car payment statement, and student loan information.

3. Proof of residency (e.g., current driver's license or current utility bill in applicant's name)

C. Information provided by the applicant will be verified to the extent practical in relationship to its significance in the overall eligibility determination. Determinations may be modified retrospectively if subsequent findings indicate that the information relied upon for the initial eligibility determination was in error.

D. Supporting documentation requirements may be waived for potential financial assistance awards totaling no more than \$5,000.

E. Information provided through the financial evaluation form may be valid for determining eligibility for Financial Assistance for a period of one (1) year from the date of application approval. After being approved for financial assistance, MDH reserves the right to require the applicant to attest that there have been no material changes to their financial situation since their original application was approved (e.g., in cases where the applicant did not report a fixed income on their application or employment status may have changed).

F. If guarantor fails to supply information as per instructions on incomplete applications by periods advised in the instructions, all collection activity will resume.

G. Requests for Financial Assistance will be processed promptly, and MDH will notify the Guarantor of its determination or need for information on incomplete applications in writing within 30 days of receipt of a completed application.

**VII. ELIGIBILITY FOR FINANCIAL ASSISTANCE:**

A. To qualify for Financial Assistance, the patient, or guarantor as appropriate, must meet the program's Resource qualifications based on the Department of Health & Human Services' current annual Poverty Guidelines. The guidelines are updated annually and published at <http://aspe.hhs.gov/poverty/index.shtml>.

B. Before determining a Financial Assistance discount, gross charges for uninsured Guarantors will first be discounted in such a way to provide them with the benefit of contracted reductions provided to insured patients (see AGB). The Financial Assistance Discount, if any, will be applied to this resulting Patient Liability amount.

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 7 of 10  
Effective: 12/17/2015

---

C. Full assistance A Guarantor may qualify for a 100% discount (i.e., full assistance) when Resources are less than or equal to 100% of the Poverty Guideline effective at the time application for Financial Assistance is made.

D. Partial assistance Guarantors with Resources of more than 100% but no more than 250% of the Poverty Guideline may qualify for a partial discount that ensures their liability will not exceed 10% of their Resources. The portion of Patient Liability owed by the Guarantor will follow a sliding scale prorated from 6% of their Resources when Resources are greater than 100% of the Poverty Guideline and less than 125% of the poverty guideline, to 10% of Resources when Resources are greater than 200% of the Poverty Guideline and less than 250% of the poverty guideline

E. Catastrophic assistance Guarantors who would otherwise be denied program benefits due to their level of Resources may be eligible based on extraordinary circumstances such as catastrophic illness resulting in excessive medical bills. Guarantors with Resources of 400% or more but no more than 600% of the Poverty Guideline will qualify for partial assistance if their liability, including any applicable discounts not related to a Financial Assistance award, exceeds 20% of their Resources. In these situations, the Guarantor will be responsible for an amount equal to 20% of their Resources.

F. If eligible for a partial discount and the guarantor fails to pay their portion, they will still receive the AGB discount, but will lose the financial assistance percentage. Balances the Guarantor incurs after assistance is awarded and within a year of their application approval date will be evaluated against the appropriate liability cap.

**VIII. ELIGIBILITY EXCEPTIONS:**

Guarantors who do not qualify for Financial Assistance based on the standard criteria previously described may be eligible based on other criteria or circumstances.

A. Bankruptcies Personal accounts that are uncollectable due to filing of bankruptcy will be discounted in their entirety as Financial Assistance. A bankruptcy notice including the date of service will be maintained to justify providing Financial Assistance.

B. Presumptive eligibility In the absence of, and/or inability to obtain, financial information provided by the Guarantor, MDH may use other sources to estimate Resource amounts for the basis of determining Financial Assistance eligibility. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is 100% (i.e., full assistance). Presumptive eligibility may be determined on the basis of various information and/or circumstances that may be obtained about the Guarantor, including:

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 8 of 10  
Effective: 12/17/2015

---

1. Receipt of low income/subsidized housing (verified by a valid address) or medical record documentation of homeless status;
2. Verified KanCare/Medicaid, QMB, and/or SLMB benefits/eligibility at time of or after services provided;
3. Verified long-term (more than 6 months remaining) incarceration (if unmarried) and/or facility assignment;
4. Verified admission to a long-term care facility for behavioral health;
5. Verified no income and an active application for state disability (SSI/SSD) and/or health insurance benefits (KanCare/Medicaid) that is more than 9 months old;
6. Eligibility for Women, Infants and Children (WIC) programs, food stamps, subsidized school lunch program, or other state or local assistance programs; or
7. Guarantor is deceased for a period of 9 months with no known estate or other responsible party such as a spouse (verified by probate court or a written statement from family member).

**IX. ELIGIBILITY EXCLUSIONS:**

MDH reserves the right to deny Financial Assistance to anyone who:

- Does not meet the eligibility requirements of the FAP;
- Fails to provide the requested documentation or fails to provide it in a timely manner as described in the IRS 501(r) regulations. (See section VI. B);
- Falsifies or provides misleading information on their application;
- Received services 1) covered by other programs or for which reimbursement is anticipated from any source; or 2) that were not medically necessary, urgent, and/or emergent;
- Failed to provide information to their insurance plan necessary to adjudicate the claim for services received (e.g., coordination of benefits information); or

**X. AUTHORITY FOR APPROVING FINANCIAL ASSISTANCE DISCOUNTS:**

A. Authority for approving Financial Assistance discounts is based on the size of the total discount offered to the Guarantor for all accounts and will follow the policy.

B. Any exceptions to this policy, if the discount would be over \$20,000, must be approved by the CEO and/or CFO. Exceptions will be logged with information on the amount of discount, if any,

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 9 of 10  
Effective: 12/17/2015

---

the policy allowed, the discount actually provided, and an explanation of why an exception was made. Exceptions will be reviewed annually as part of the review of this policy.

**XI. COLLECTION POLICY:**

When an eligibility determination has not been made before or at time of service, good stewardship requires that MDH initially begin the collection process. However, immediately upon determining that the Guarantor is eligible for Financial Assistance, collection efforts on the balance eligible for Financial Assistance will cease and the appropriate balance will be designated as Financial Assistance. All normal collection methods (including but not limited to: credit reporting, law suits, interest, garnishment, and/or court hearings), including offering extended payment plans (see payment plan policy) or referral to a collection agency as appropriate will be employed in the collection of the remaining/ineligible balance. If the Guarantor has made prior payments in excess of the amount determined to be their responsibility for balances considered under this policy, those amounts will be refunded.

**XII. RECORD KEEPING AND REPORTING:**

- A. A record will be maintained of all applications processed, including the date of application/request, date the application was provided to the applicant, date of determination, and the result of the determination.
- B. MDH will maintain files for completed Financial Assistance applications. All applications and supporting documentation should be kept for a minimum of three years from the Notice of Program Reimbursement date for the corresponding Medicare cost report.
- C. All actions regarding Financial Assistance should be documented in the account notes, including Financial Assistance approvals.
- D. Unique transaction codes will be used to record adjustments for Financial Assistance, including uninsured discounts and individual bankruptcies. The organization's financial statements will separately report the amount of Financial Assistance provided.

**XIII. SPECIFICATIONS OF PROVIDERS COVERED AND NON-COVERED BY THE FAP:**

A list of providers that are covered and non-covered by MDH Financial Assistance Policy is maintained in a separate document labeled Appendix A. A copy of this document may be obtained by:

- 1) Download the information online at [www.avhealthsystem.com](http://www.avhealthsystem.com).
- 2) Request the information by calling 1-620-873-2141.
- 3) Request the information in writing by mail or by visiting the Business Office at Meade District Hospital PO Box 820 510 E Carthage Meade, KS 67864

MEADE DISTRICT HOSPITAL  
MEADE, KANSAS

HOSPITAL POLICIES AND PROCEDURES

---

Department: Business Office  
Subject: Financial Assistance

Page 10 of 10  
Effective: 12/17/2015

---

**XIV. COMMUNICATION TO PATIENTS AND THE PUBLIC:**

Notification about Financial Assistance available from MDH, including a contact number, will be widely disseminated by various means. Hard copies of the policy, policy summary, and application will be made available upon request and electronic copies of the same via the MDH website. Additionally, information on the program will be available during the admission and collection processes, and former financial assistance recipients may be contacted after receiving services to determine if a current need exists. In addition to English, the policy and policy summary will be made available Spanish.