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| DEPARTMENT: | Patient Financial Services |
| POLICY NAME: | Financial Assistance |
| POLICY NUMBER: | 0436 |
| OWNER: | Patient Financial Services |
| EFFECTIVE DATE: | 02/23, 09/23 |

## SCOPE

This policy applies to all patients seeking emergency or other medically necessary care at Meritus Medical Center. This policy also applies to patients seeking treatment at any Meritus-owned physician practice. These entities are hereinafter collectively referred to as "Meritus."

The Financial Assistance procedures are designed to assist individuals who qualify for less than full coverage under available Federal, State, and Local Medical Assistance Programs, but whose outstanding "self-pay" balances exceed their own ability to pay. The underlying theory is that a person, over a reasonable period of time, can be expected to pay only a maximum percentage of their disposable income towards charges incurred while in the hospital. Any "self-pay" amount in excess of this percentage would place an undue financial hardship on the patient or their family and may be adjusted off as financial assistance.

## PURPOSE

Meritus is committed to providing quality health care for all patients regardless of their ability to pay and without discrimination on the grounds of race, sex, age, color, national origin, creed, marital status, sexual orientation, gender identity, or disability. The purpose of this document is to present a formal set of policies and procedures designed to assist hospital Patient Financial Services personnel in their day-to-day application of this commitment. The procedures describe how applications for financial assistance should be made, the criteria for eligibility, and the steps for processing applications.

This policy is intended to comply with Section 501(r) of the Internal Revenue Code and has been adopted by Meritus' Board of Directors.

## POLICY

### A. OVERVIEW

1. Financial assistance can be offered before, during, or after services are rendered. After applying, the hospital will send an acknowledgment letter to the patient within two (2) business days and an eligibility determination will be made within thirty (30) days.
    a. For purposes of this policy, "financial assistance" refers to healthcare services provided without charge or at a discount to qualifying patients.
    b. Only providers employed by Meritus are covered under this policy and are indicated on the provider list. However, patients approved for financial assistance and having treatment by a Meritus employed provider outside of Meritus, where a non-Meritus facility fee is incurred, may have their financial assistance extended by Meritus to cover the facility fees associated with that procedure or treatment.

c. If a provider is not covered under this policy, patients should contact the provider's office to determine if financial assistance is available.

2. Notice of the Availability of Financial Assistance:

a. Meritus will make available brochures informing the public of its Financial Assistance Policy. Such brochures will be available throughout the community and within Meritus locations.

b. Notices of the availability of financial assistance will be posted at appropriate admission areas, the Patient Financial Services department, and other key patient access areas.

c. A statement on the availability of financial assistance will be included on patient billing statements.

d. A Plain Language Summary of Meritus' Financial Assistance Policy will be provided to patients receiving inpatient services with their Summary Bill and will be made available to all patients upon request.

e. Meritus' Financial Assistance Policy, a Plain Language Summary of the policy, and the Financial Assistance Application are available to patients upon request at Meritus, through mail (postal service), and on Meritus' website at www.meritushealth.com/financialassistance.

f. Meritus' Financial Assistance Policy, Plain Language Summary, and Financial Assistance Application are available in Spanish. On an annual basis, Meritus shall assess the needs of our limited English proficiency community and determine whether additional translations are needed.

3. Availability of Financial Assistance: Meritus retains the right, in its sole discretion, to determine a patient's ability to pay, in accordance with Maryland and Federal law.

a. Financial assistance may be extended when a review of a patient's individual financial circumstances has been conducted and documented. This may include the patient's existing medical expenses, including any accounts having gone to bad debt, as well as projected medical expenses.

b. All patients presenting for emergency services will be treated regardless of their ability to pay. For emergent services, applications for financial assistance will be completed, received, and evaluated retrospectively and will not delay patients from receiving care.

4. Limitation of Charges: Individuals eligible for reduced-cost care under this policy will not be charged more than the hospital's standard charges, as set by Maryland's Health Services Cost Review Commission (HSCRC).

a. Meritus' rate structure is governed by the HSCRC rate setting authority. As an "all-payer system", all patient care is charged according to the resources consumed in treating them regardless of the patient's ability to pay.

b. Charges are developed based on a relative predetermined value set by the HSCRC at the approved unit rate developed by the HSCRC.

**B. PROGRAM ELIGIBILITY**

1. Meritus strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Meritus reserves the right to grant financial assistance without formal application being made by patients. These patients may include the homeless or individuals with returned mailed and no forwarding address.
2. Patients who are uninsured, underinsured, ineligible for a government programs, such as Medicaid, or otherwise unable to pay for medically necessary care may be eligible for Meritus' Financial Assistance Program.
3. All residents of Meritus' service area, and all Maryland residents, will be considered for financial assistance regardless of United States immigration status. Financial assistance consideration is available to non-service area residents requiring medically necessary care at Meritus.
4. For medically necessary care for patients residing outside of Meritus' service area, including patients traveling to the United States to obtain health care services, Meritus reserves the right to screen patients for insurance coverage and ability to pay. Meritus may only offer financial assistance to non-service area residents for medically necessary ~~non-emergency~~ services on a case-by-case basis.
5. Services Eligible under this Policy. Health care services that are eligible for financial assistance include:
   a. Emergency medical services provided in an emergency room setting;
   b. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of the individual;
   c. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
   d. Medically necessary services, including elective procedures that are medically necessary.
      1) Medically Necessary Care- means that the service or benefit is: (a) Directly related to diagnostic, preventative, curative, palliative, rehabilitative or ameliorative treatment of an illness, injury, disability or health condition; (b) Consistent with current accepted standards of good medical practice; and (c) Not primarily for the convenience of the consumer, family or the provider.
      2) A service or item is not medically necessary if there is another service or item that is equally safe and effective and substantially less costly, including, when appropriate, no treatment at all.
      3) Experimental services or services which are generally regarded by the medical profession as unacceptable treatment are not medically necessary.

**Commented [PT1]:** COMAR now states all qualified Maryland residents must be treated the same – "If the hospital only provides reduced cost care to patients from the hospital's service area, the hospital shall provide a clear description of this geographic restriction in the hospital's financial assistance policy."

**Commented [PT2]:** COMAR now inserts "medically necessary" instead of emergent. "The financial assistance policy applies to all medically necessary hospital services. Hospitals may not exclude non-urgent or elective, but medically necessary, care from their financial assistance policy."

**Commented [PT3]:** Substituting definition of medically necessary directly from COMAR

6. Exclusions from Financial Assistance: Specific exclusions to coverage under the Financial Assistance Program include the following:
    a. Patients whose insurance program or policy denies coverage for the services received (e.g., HMO, PPO, Workers Compensation, or Medicaid);

       Exceptions to this exclusion may be made, in Meritus' sole discretion, considering medical and programmatic implications.

    b. Unpaid balances resulting from cosmetic or other non-medically necessary services; and
    c. Patient convenience items.
7. Ineligibility: Patients may become ineligible for financial assistance, for a specific date of service, for the following reasons:
    a. After being notified by Meritus, for refusal to provide requested documentation or information required to complete a Financial Assistance Application within the 240 days after the patient receives the first post-discharge billing statement (approximately 8 months).
    b. Unless seeking emergency medical services, having insurance coverage through an HMO, PPO, Workers Compensation, Medicaid, or other insurance program that denies access to Meritus due to insurance plan restrictions/limitations.
    c. Failure to pay co-payments as required by the Financial Assistance Program.
    d. Failure to keep current on existing payment arrangements with Meritus.
    e. Refusal to be screened or apply for other assistance programs prior to submitting an application to the Financial Assistance Program, unless Meritus can readily determine that the patient would fail to meet the eligibility requirements.
8. Patients who become ineligible for the program will be required to pay any open balances and may be submitted to a bad debt service if the balance remains unpaid in the agreed-upon time periods.
9. Patients who indicate they are unemployed and have no insurance coverage shall be required to submit a Financial Assistance Application unless they meet Presumptive Financial Assistance eligibility criteria (See Section C.2. below).
    a. If patient qualifies for COBRA coverage, patient's financial ability to pay COBRA insurance premiums shall be reviewed by appropriate personnel and recommendations shall be made to Meritus' Senior Finance Executive for approval.
    b. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so as a means of assuring access to health care services.
10. Coverage amounts will be calculated using a sliding fee scale based on federal poverty guidelines can be found here: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

## C. PRESUMPTIVE ELIGIBILITY FOR FINANCIAL ASSISTANCE

1. Patients may be eligible for financial assistance on a presumptive basis. There are instances when a patient may appear eligible for financial assistance, but there is no Financial Assistance Application and/or supporting documentation on file. Often there is adequate information, provided by the patient or other sources, that is sufficient for determining financial assistance eligibility.
    a. In the event there is no evidence to support a patient's eligibility for financial assistance, Meritus reserves the right to use outside agencies or propensity to pay modeling in determining financial assistance eligibility.
    b. Patients who are determined to satisfy presumptive eligibility will receive free care on that date of service. Presumptive Financial Assistance Eligibility shall only cover the patient's specific date of service.
2. Presumptive eligibility will be determined on the basis of individual life circumstances that may include:
    a. Households with children in the free or reduced lunch program;
    ~~b.~~ Low-income-household energy assistance program;
    c. Special Low Income Medicare Beneficiary ("SLMB") coverage (covers Medicare Part B premiums);
    d. Homelessness;
    e. Maryland Public Health System Emergency Petition patients;
    f. Participation in Women, Infants and Children Programs ("WIC");
    g. Supplemental Nutritional Assistance Program (SNAP)
    h. Other means-tested social services programs deemed eligible for hospital free medically necessary care policies by the Maryland Department of Health and the HSCRC, consistent with [HSCRC regulation COMAR 10.37.10.26]
    i. Deceased patient with no known estate.
3. Patients deemed to be presumptively eligible for financial assistance based on participation in a social service program identified above must submit proof of enrollment within 30 days of such eligibility determination. A patient, or a patient's representative, may request an additional 30 days to submit required proof.
4. Exclusions from consideration for presumptive eligibility include:
    a. Purely elective procedures (e.g., cosmetic procedures).
    b. Uninsured patients seen in the Emergency Department under Emergency Petition unless and until the Maryland Behavioral Health Administration (BHA) has been billed.
5. All Amish and Mennonite patients will be extended a 25% reduction to charges. For religious reasons the Amish and Mennonite community are opposed to accepting Medicare, Medicaid, public assistance or any form of health coverage.

**D. FINANCIAL MEDICAL HARDSHIP**

1. Patients falling outside of conventional income or who are not presumptively eligible for financial assistance are potentially eligible for bill reduction through the Medical Hardship Program.
    1) Patients may qualify under the following circumstances:
        (a) Combined household income less than 500% of the current federal poverty level; or
        (b) Having incurred collective family hospital medical debt at Meritus exceeding 25% of the combined household income during a 12-month period.

    **Exception** - Medical debt excludes co-payments, co-insurance, and deductibles.
2. Meritus applies the criteria above to a patient's balance after any insurance payments have been received.
3. Coverage amounts will be calculated using a sliding fee scale based on federal poverty guidelines.
4. If determined eligible, patients and their immediate family qualify for reduced-cost, medically necessary care for a 12-month period effective on the date the medically necessary care was initially received.
5. In situations where a patient is eligible for both Medical Hardship and the standard Financial Assistance Program, Meritus is to apply the greater of the two discounts.
6. The patient is required to notify Meritus of their potential eligibility for reduced cost-care due to financial medical hardship.

E. **ASSISTANCE BASED ON INDIVIDUAL CIRCUMSTANCES**: Meritus reserves the right to consider individual patient and family financial circumstances to grant reduced-cost care in excess of State established criteria.

1. The eligibility, duration, and discount shall be patient-situation specific.
2. Patient balance after insurance accounts may be eligible for consideration.
3. Cases falling into this category require management-level review and approval.

**F. ASSET CONSIDERATION**

1. Assets are generally not considered part of the financial assistance eligibility determination unless they are deemed substantial enough to cover all or part of the patient's responsibility without causing undue hardship. When assets are reviewed, individual financial circumstances, such as the ability to replenish the asset and future income potential, are taken into consideration.
2. The following assets are excluded from consideration:
    a. The first $10,000 of monetary assets for individuals, and the first $25,000 of monetary assets for families;
    b. Up to $150,000 in primary residence equity;

c. Retirement assets, regardless of balance, to which the IRS has granted preferential tax treatment as a retirement account. Generally, this consists of plans that are tax exempt and/or have penalties for early withdrawal;

d. One motor vehicle used for the transportation needs of the patient or anyfamily member of the patient;

e. Any resources excluded in determining financial eligibility under Maryland Medicaid; and

f. Prepaid higher education funds in a Maryland 529 Program account

3. Monetary assets excluded from the determination of eligibility shall be adjusted annually for inflation in accordance with the Consumer Price Index.

## G. APPEALS

1. Patients whose Financial Assistance Applications are denied have the option to appeal the decision. Appeals should be made in writing and mailed to: Meritus Medical Center, 11116 Medical Campus Road, Hagerstown, Maryland 27142 Attn: Financial Counseling Team.
2. Upon denial, patients shall be informed that the Maryland Health Educationand Advocacy Unit (HEAU) is available to assist patients in filing and mediation of a reconsideration request. The HEAU contact information is:

   HEAU Hotline:
   Mon-Fri 9am-4:30pm
   410-528-1840
   Toll free: 1-877-261-8807
   FAX: 410-576-6571
   heau@oag.state.md.us

   https://www.marylandattorneygeneral.gov/pages/cpd/heau/default.aspx
3. Patients are encouraged to submit additional supporting documentation justifying why the denial should be overturned.
4. Appeals are documented and reviewed by the next level of management abovethe representative who denied the original application.
5. If the first level appeal does not result in the denial being overturned, patients have the option of escalating to the next level of management for additional reconsideration.
6. Appeals can be escalated up to the Chief Financial Officer, who will render the final decision.
7. Patients who have formally submitted an appeal will receive a letter of the final determination.
8. If a patient, or a patient's representative, feels Meritus is in violation of the financial assistance requirements as detailed in Maryland Code, Health-General §19-214.1 and §19-214.3, they may file a complaint with the Health Services Cost Review Commission (HSCRC) by emailing hscrc.patient-complaints@maryland.gov.

**H. PATIENT REFUND**

1. If, within a two (2) year period after the date of service, a patient is found to be eligible for free or reduced-cost care under Meritus' Financial Assistance Program, for that date of service, the patient shall be refunded payments in excess of their financial obligation where such refund is greater than $25.
    a. The two (2) year period may be reduced to 240 days (approximately 8 months) after receipt of the first post-discharge billing statement where Meritus' documentation demonstrates a lack of cooperation by the patient, or guarantor, in providing documentation or information necessary for determining patient's eligibility.
2. If a patient is found to be eligible for financial assistance after Meritus has initiated extraordinary collection actions (ECA), such as reporting to a credit agency, liens, or lawsuits, Meritus will not take any further ECA and will take all reasonable steps available to reverse any ECA already taken.

**I. OPERATIONS**

1. Meritus will designate a trained person or persons who will be responsible for taking Financial Assistance Applications. These staff can be Financial Counselors, Self-Pay Collection Specialists, or other designated trained staff.
2. Every effort will be made to determine eligibility prior to date of service. Where possible, designated staff will consult via phone or meet with patients who request financial assistance to determine if they meet preliminary criteria for assistance. Patients can also apply and submit necessary documentation through their MyChart account.
    a. Staff will complete an eligibility check with the applicable state Medicaid program to determine whether patients have current coverage or may be eligible for coverage.
        1) To facilitate this process, each applicant must provide information about family size and income (as defined by Medicaid regulations).
    b. Meritus will provide patients with the Maryland State Uniform Financial Assistance Application and a checklist of what paperwork is required for a final determination of eligibility.
        1) Patients may be required to submit the following documentation with their completed application:
            (a) A copy of their most recent Federal Income Tax Return (if married and filing separately, then also a copy of spouse's tax return and a copy of any other person's tax return whose income is considered part of the family income);
            (b) Proof of disability income (if applicable);
            (c) A copy of their most recent pay stubs (if employed), other evidence of income of any other person whose income is considered part of the family income or documentation of how they are paying for living expenses;
            (d) Proof of social security income (if applicable);
            (e) A Medical Assistance Notice of Determination (if applicable);

(f) Reasonable proof of other declared expenses; and

(g) If unemployed, reasonable proof of unemployment, such as statement from the Office of Unemployment Insurance, a statement from current source of financial support, etc.

3. If a patient has not submitted a completed Financial Assistance Application or any required supporting documentation within 30 days after a formal application request, a letter will be sent reminding the patient that financial assistance is available and informing the patient of the collection actions that may be taken if no documentation is received.
   a. A deadline for submission, prior to initiation of extraordinary collection actions, will be included in the letter. Such deadline may not be earlier than 30 days after the date on which the reminder letter is sent.
   b. No extraordinary collection actions, such as reporting to a credit agency, liens, or lawsuits, will be taken prior to 180 ~~120~~ days after the first post-discharge billing statement (approximately 6 4 months).
   c. If documentation is received after collection actions have been initiated, but within 240 days after patient receipt of the first post discharge billing statement, Meritus shall cease all collection actions and determine whether the patient is eligible for financial assistance.
4. A Plain Language Summary of this policy shall be included with the letter and Meritus staff shall make a reasonable effort to orally notify the individual of Meritus' Financial Assistance Program.
5. Once a patient has submitted all the required information, appropriate personnel will review the application and forward it to the Patient Financial Services Department for final determination of eligibility based on Meritus guidelines.
   a. For complete applications, the patient will receive a letter notifying them of approval/denial within 14 days of submitting the completed applications.
   b. If an application is determined to be incomplete, the patient will be contacted regarding any additional required documentation or information.
   c. If a patient is determined to be ineligible prior to receiving services, all efforts to collect co-pays, deductibles, or a percentage of the expected balance for the service will be made prior to the date of service or may be scheduled for collection on the date of service.
   d. If a patient is determined to be ineligible after receiving services, a payment arrangement may be obtained, subject to Meritus approval, on any balance due by the patient.
6. Except as noted below, once a patient is approved for financial assistance, such financial assistance shall be effective as of the date treatment is received and the following twelve (12) calendar months.
   a. For those who qualify for reduced-cost care due to medical hardship, such qualification will apply for a twelve (12) month period.
   b. If additional healthcare services are provided beyond the approval period, patients must reapply to continue to receive financial assistance.

**Commented [PT4]:** Updated to 180 in COMAR

7. The following may result in the reconsideration of financial assistance approval:
   a. Post approval discovery of an ability to pay; and
   b. Changes to the patient's income, assets, expenses or family status which are expected to be communicated to Meritus.
8. Meritus will track patient qualification for financial assistance or medical hardship. However, it is ultimately the responsibility of the patient to inform Meritus of their eligibility status at the time of registration or upon receiving a statement.

**J. CREDIT & COLLECTIONS POLICY**

1. Meritus maintains a separate Credit & Collections Policy that outlines what actions Meritus may take in the event a patient fails to meet their financial responsibility.
2. A copy of this policy may be obtained by requesting a copy from Meritus staff or by visiting Meritus' website at www.meritushealth.com/financialassistance.

**K. PROVIDER LIST**

1. Meritus maintains a list of all Meritus and non-Meritus providers who may care for patients while at Meritus. This list indicates whether the provider is covered by this policy. Non-Meritus providers are not covered and bill separately for their services.
2. A copy of this list may be obtained by requesting a copy from Meritus staff or by visiting Meritus' website at www.meritushealth.com/financialassistance.

**RESPONSIBILITY**

Vice President, Revenue Cycle and Clinical Support Services

**REFERENCES**

I.R.C. § 501(r) (2015).
26 C.F.R. § 1.501(r)-4 (2015).
Md. Code Regs. 10.37.10.26.

**RELATED POLICIES**

0444, Credit & Collections