

## System

Fairview Health Services

## Policy

# Financial Assistance Policy

### Purpose:

Fairview Health Services and HealthEast (collectively, "Fairview") has a long history of providing quality health care to patients within our community regardless of their ability to pay. Fairview recognizes that some patients may be unable to pay all or a portion of the cost of medically necessary health care services received because they did not have health insurance coverage or because their health care costs exceed their ability to pay. In order to provide appropriate Charity Care or other financial assistance to those in need, Fairview has a process to evaluate patient eligibility for Charity Care.

**Policy Statement:** Fairview is committed to improving the health of the community. This policy addresses the various components of the Fairview financial assistance policy.

### Definitions:

#### Medical Necessity

Medically necessary care is the care that, in the opinion of the Fairview credentialed treating physician/clinician and according to standard of care, is reasonably needed:

- To prevent the onset or worsening of an illness, condition, or disability;
- To establish a diagnosis;
- To provide palliative, curative or restorative treatment for physical, behavioral and/or mental health conditions; and/or
- To assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.
- Medically necessary services include inpatient and outpatient services as mandated under Title XIX of the Federal Social Security Act, and any inpatient or outpatient hospital service that is covered by and considered to be medically necessary under Title XVIII of the Federal Social Security Act. In addition, care provided in the hospital facility by a partnership or LLC in which the hospital owns a capital or profits interest is eligible for financial aid. Services must be performed in accordance with national standards of medical practice generally accepted at the time the services are rendered. Each service must be sufficient in amount, duration, and scope to reasonably achieve its purpose.
- Medically necessary services do not include services that are experimental interventions or cosmetic in nature.
- Other conditions supporting medical necessity of particular treatments include:
  - High quality scientific evidence that patients with this particular condition will benefit from the requested treatment;
  - The type of benefit is clinically significant; and/or
  - Less costly alternative treatments and routes of administration have been considered and rejected.

#### Experimental Interventions

Experimental interventions are treatments and interventions not generally accepted as safe and effective by experts in the relevant field in diagnosing, preventing or treating the health condition under consideration. When determining that an intervention is experimental, relevant factors include but are not limited to:

- whether the intervention is only available as part of a clinical study;
- whether relevant articles in peer reviewed journals call for further study of the intervention for the health condition under consideration; or
- whether the intervention would be used in a different body area, in a significantly different way, and/or for a different health condition, than is generally accepted by other experts in the relevant field [within Fairview, the Twin Cities, Minnesota, the US, etc.].

### **Fiscally Unsustainable Burden**

A situation where there is a significant cost to a Fairview tax-exempt entity to provide the service and the incidence of potential patient need for the service is such that the entity could not provide the same service without adequate reimbursement to all similarly situated patients and remain fiscally responsible.

### **Family**

For the purposes of this policy, a family is:

- A married couple and any dependents, as defined by IRS guidelines.
- An individual with dependents as defined by IRS guidelines.
- An unmarried person with no dependents.

Poverty guidelines will be applied separately to each family within a household if the household includes more than one family unit.

### **Provision of Care**

Fairview will provide medical screening exams and stabilizing services for emergency medical conditions without regard to ability to pay. (See HealthEast or Fairview EMTALA policies.)

Fairview provides non-emergency services that, in the opinion of a Fairview credentialed ordering physician, are medically necessary. Fairview may require that payment arrangements have been established to their satisfaction before non-emergency services are provided. Payment arrangements may include cash or credit card payment, insurance of a kind accepted by Fairview, an uninsured discount and, where applicable, financial aid (discounted or free care) approved by Fairview. Select services may not be eligible for financial aid. In non-emergency situations, Fairview reserves the right to review individual cases or requests for specific services to establish the most appropriate course of treatment from a medical and ethical perspective.

### **Uninsured Discount (Fairview Hospitals)**

Hospital patients receiving uninsured treatments as defined by the Fairview and HealthEast agreements with the Attorney General's Office effective June 2017 through June 2022 (collectively, the "Agreements") will be eligible for a discount (the "uninsured discount").

#### **I. Eligibility for Discount:**

- A. Uninsured patients will be identified during the pre-registration, registration or admission process, or at other points in the billing and collections process. Uninsured patients with a household income equal to or below \$125,000 who receive medically necessary treatment will be eligible for an uninsured discount equivalent to Fairview's highest revenue private payer contracted rate. In its discretion, Fairview or Fairview's business units may extend the discount to patients with a household income above \$125,000.
- B. Discount Exclusions:
  - 1. Patients who are not Minnesota or Wisconsin residents at the time of service are not eligible for the uninsured discount.
  - 2. Patients who receive cosmetic, elective, experimental or other non-medically necessary services are not eligible for the uninsured discount.
  - 3. The uninsured discount applies only to hospital and hospital-based services and selected hospital employed provider services. Patients who receive freestanding clinic services, services from non-Fairview providers, services from Fairview entities not covered by the Attorney General Agreement and other non-hospital services shall not receive the uninsured discount.

#### **II. Discount to Billed Charges:**

Discount levels will be established at the beginning of each year by the Vice President of Revenue Management. The discount will be based on the average reimbursement rate provided to Fairview's highest revenue private payer for hospital-based services. The site Finance Lead, the Vice President of Revenue Management, and the Vice President of Revenue Cycle or their designee must approve decisions outside of the guidelines established, following a thorough review of the presumptive circumstances in each case.

### **Financial Assistance**

In addition to the uninsured discount, Fairview offers financial assistance for eligible services in the form of discounted care to individuals who meet qualification criteria. Emergency care and non-emergency services ordered by a Fairview credentialed physician that, in the opinion of the ordering physician, are medically necessary, are eligible for financial aid, as is care provided in the hospital facility by a partnership or LLC in which the hospital owns a capital or profits interest.

Nonemployee third-party providers who deliver emergency or other medically necessary care in the hospital facility are listed in an attachment to this Financial Assistance Policy. The attachment explains whether care provided by these providers is covered by this Financial Assistance Policy.

Fairview reserves the right to review financial assistance requests for non-emergency services to explore alternative treatments or service locations and to refuse financial aid requests that would establish a precedent creating a fiscally unsustainable burden for the entity.

Patients who receive care at Fairview are expected to contribute to the cost of their care based on their ability to pay. Fairview financial assistance is not a substitute for employer-sponsored, public or individually purchased insurance. In order to qualify for financial aid, patients are expected to:

- Access public or private insurance options for which they are eligible, including providing Fairview with any and all information needed to enroll in a publicly sponsored insurance program.
- Comply with financial assistance application requirements, including the production of necessary documentation.

### **Financial Assistance Eligibility**

Fairview bases eligibility for financial assistance on household income and assets. The financial assistance application form must be accompanied by a form of verification of family income and assets. Acceptable verification of income and assets includes the following for all adult members of the family: two most recent payroll stubs, statements demonstrating Social Security, unemployment, disability and spousal/child support benefits, bank and brokerage account statements (for cash, IRA, stock, 401K accounts), and the most recent year's tax return. An income statement for self-employed applicants is required. In the absence of income, a Declaration of No Income statement will be accepted.

Income guidelines will be revised in conjunction with the Federal Poverty Guideline updates published by the Center for Medicare and Medicaid Services. Income guidelines for financial aid eligibility at Fairview are as follows:

<b>Family income as % of Federal Poverty Guidelines</b>	<b>% Discount from gross charges (on Balance after Uninsured Discount)</b>
0-200%	100%
201%-300%	50%

Assets guidelines for financial aid eligibility at Fairview are as follows: If a family has cash/IRA/stock/401K assets totaling \$25,000 up to \$500,000, at least 10 percent of the available assets must be applied to the balance due to Fairview before the person/family will qualify for financial assistance. If assets exceed \$500,000 they are not eligible for Financial Assistance.

Fairview will not use any presumptive eligibility software to approve or deny patients for financial aid. For patients who are determined to have current eligibility for Medical Assistance or MinnesotaCare (together "MA"), any patient balance incurred prior to the MA effective date will be eligible for financial aid.

### **Processing Financial Assistance Applications**

- Fairview will provide financial counseling to patients and their families to assist with identifying appropriate options for meeting financial obligations. Patients who express financial hardship will be offered a financial

assistance application.

- To apply for financial assistance, a person must complete a financial assistance application and provide the required documentation regarding family income and assets (see below). A financial assistance application can be obtained free of charge by calling HealthEast Customer Service at 651-232-1100 or Fairview Customer Service at 612-672-6724. Assistance with the application can be obtained by calling these numbers as well.

A patient who has not previously indicated an inability to pay may contact HealthEast Customer Service or Fairview Customer Service after receiving a bill, or a Financial Counselor may contact the patient. Customer Service Representatives will refer the patient to the appropriate staff to apply for any appropriate public assistance programs, and screen the patient for financial aid eligibility. Candidates for financial assistance will be provided with an application form.

- Completed application forms will be forwarded to the Charity Care Coordinators.
- If an incomplete application is returned to Fairview, a phone call will be made and/or a letter will be sent to the responsible party explaining what is required.
- Fairview will provide written notice of its assistance determinations within 30 calendar days of receiving a complete financial assistance application. This notification will include the level of reduction consistent with the patient's ability to pay. Denials will include the reason for denial and instructions for the process by which the patient may apply for reconsideration. A determination of qualification for financial assistance is effective (will apply to care provided that otherwise meets the requirements of this policy) for 6 months without the need to reapply.
- The patient may request reconsideration of the determination of eligibility for Fairview financial assistance by submitting in writing additional information, such as income verification or an explanation of extenuating circumstances, to the designated approver within 30 days of the denial notification. If the previous denial of eligibility for financial assistance is reaffirmed, written notification will be sent to the responsible party. Collection follow-up on accounts will be suspended through the reconsideration process.
- Financial Assistance discounts will be applied to the balance of approved accounts remaining after application of the uninsured discount if the patient is eligible under the terms of the Agreement. Following a determination of financial assistance eligibility, a financial assistance eligible individual will not be charged more than the amount generally billed (AGB) to individuals who have insurance for emergency or medically necessary care. The AGB is calculated for each hospital using the look-back method for reimbursement received from all commercial and Medicare accounts for the previous fiscal year. An information sheet stating Fairview's amount generally billed percentage may be obtained free of charge by contacting HealthEast Customer Service at 651-232-1100 or Fairview Customer Service at 612-672-6724.

The patient is responsible for any remaining balance after the financial assistance discount has been applied. If the balance is not paid within the stipulated time frame, the account will be handled through the usual collections process, which is described in the HealthEast or Fairview Billing and Collections policy, available at [www.Healtheast.org](http://www.Healtheast.org) or [www.Fairview.org](http://www.Fairview.org). Fairview does not condone or allow its agents to engage in abusive or illegal collection practices.

#### **Publication of Financial Assistance Availability**

Fairview will make the public aware of its financial aid policy through various means, such as publishing the financial assistance policy, the financial assistance application form, and a plain language summary of the financial assistance policy on the HealthEast or Fairview web sites ([www.Healtheast.org](http://www.Healtheast.org) or [www.Fairview.org](http://www.Fairview.org)), including a plain language summary of the financial assistance policy, making electronic (with patient consent) or printed materials available to patients in public locations in the hospital and by mail or email (with patient consent), through conspicuous public displays in the hospital emergency room and admitting areas, and on patient billing statements. Fairview will inform and notify members of the community served by Fairview about its financial assistance policy through their website, newsletters, and by distributing copies of financial assistance brochures to community members by way of the Fairview Clinics.

#### **Charity Care/Financial Assistance Reclassification**

Fairview may decide not to seek payment for a patient account balance based on an inability to pay established through the usual collection process. Where our decision not to seek payment is based on a patient's financial hardship, these balances will be re-classified by Fairview as financial aid or charity care, with approval of the System Director of Revenue Cycle or designee.

#### **Costs in Excess of Government Reimbursement**

Uncompensated costs resulting from Medicare, Medicaid and state/local indigent care programs are included as community benefit because of the significant difference between actual costs and reimbursement.

## Charity Care Program

- Appendix A contains further information regarding qualifications for Charity Care.
- Appendix B contains further information regarding the falsification of information.
- Appendix C contains further information regarding cooperation and use of insurance.
- Appendix D contains further information regarding Charity Care exclusions.
- Appendix E contains further information regarding other discount options.
- Appendix F contains further information regarding billing and collections.

# Financial Assistance Policy

## Appendix A

### Charity Care Program Eligibility

- Only emergency and medically necessary services qualify for Charity Care. Fairview reserves the right to determine on a case-by-case basis whether services meet the definition of “medically necessary” for the purpose of eligibility for Charity Care.
- To qualify for Charity Care, a patient must meet income and asset guidelines as follows:
  1. Income Level: The patient’s combined annual household income must be at or below TBD of the Federal Poverty Level (FPL).

**Income Limits by Family Size**

Family Size	Annual Gross Income (200% FPL)	Annual Gross Income (300% FPL)
1	\$24,280	\$36,420
2	\$32,920	\$49,380
3	\$41,560	\$62,340
4	\$50,200	\$75,300
5	\$58,840	\$88,260

2. Assets guidelines for financial aid eligibility at Fairview are as follows: If a family has cash/IRA/stock/401K assets totaling \$25,000 up to \$500,000, at least ten (10) percent of the available assets must be applied to the balance due to Fairview before the person/family will qualify for financial assistance. If assets exceed \$500,000, they are not eligible for Financial Assistance.
  3. Details regarding the required documentation to verify income and assets are found below under “Application Process”.
- Calculation of Income:
    - For adults, the term “Total Yearly Income” on the Charity Care Application refers to the sum of yearly gross income of the applicant and the applicant’s spouse from all sources. If the applicant is a minor, the term “Total Yearly Income” refers to the combined gross income of the applicant’s parent(s) and/or legal guardian. The “Total Yearly Income” figure used on the Charity Care Application refers to the documented income annualized over 12 months. A minimum of the last 3 months of income verification will be requested to assist in calculating current annual income. If the last 3 months of income verification is not available, the patient may provide the most recent amount of the documented total

yearly income. Charity Care cannot be granted if the patient receives a third-party financial settlement associated with the care rendered by Fairview sufficient to cover the outstanding claims as such funds are expected to be used to satisfy the balance owed to Fairview by the patient. A patient applying for Charity Care will report the number of people in the patient's household to determine household size, income, and assets as follows:

Adults: In calculating the number of people in an adult applicant's household, Fairview will include the applicant, the applicant's spouse, and any legal dependents.

Minors: In calculating the number of people in a minor applicant's household, Fairview will include the applicant, the applicant's father/guardian, mother/guardian, and any dependents of the father, mother or minor.

Parents living in the home with their adult child will not count toward the household size or income of that child unless legal guardianship/conservatorship can be proven through official legal documentation.

# Financial Assistance Policy

## Appendix B

### **Falsification of Information**

- Falsification of Information:
  - Falsification of income information or a refusal to cooperate with Fairview through the application process will result in denial of the Charity Care Application. If, after an applicant is granted Charity Care, Fairview learns that a material provision of the Charity Care application is untrue, the Charity Care application and any Charity Care granted may be withdrawn as determined by Fairview's sole discretion.

# Financial Assistance Policy

## Appendix C

### Charity Care Program Cooperation and Use of Insurance

Because the Charity Care Program is not a substitute for personal responsibility, persons seeking financial assistance through the Program are expected to cooperate with Fairview's procedures for determining eligibility and to contribute to the cost of services to the extent of their individual ability. Fairview encourages individuals who have the financial ability to purchase health insurance in order to assure their ongoing access to preventive health services and to protect their individual assets. All patients are screened and may be required to apply through MNsure for Medicaid, MinnesotaCare, Qualified Health Plan or other acceptable form of healthcare coverage as outlined in the Affordable Care Act (ACA) to be considered cooperative, if eligible.

- If a patient is potentially eligible for a third party funding source and does not cooperate due to extenuating circumstances beyond the patient's control, the patient will be required to submit a letter of explanation. The letter will be reviewed by Fairview management.
- A patient will not be eligible for Charity Care or any other Fairview Financial Assistance Program if a patient has a third party payer and does not submit the payer information to Fairview within a timely manner resulting in a denial to Fairview.
- Generally, if a patient elects not to take insurance through his/her employer if available, they will not be eligible for Charity Care. They must apply through MNsure for Medical Assistance, MinnesotaCare or a Qualified Health Plan.
- If a patient elects not to bill his/her insurance for a particular procedure or date of service, that visit will not be eligible for Charity Care.



# Financial Assistance Policy

## Appendix D

### **Charity Care Program Exclusions:**

Fairview Charity Care Programs and other Charity Care Plans do not cover the following:

- Patients who do not comply with the Charity Care application process may be denied Charity Care.
- If a patient's account is pending with an insurance company Charity Care will be denied if the applicant fails to cooperate with claims filing or collecting from potential third party resources.
- Services from non-Fairview providers, other Fairview providers not covered by this policy.
- Services performed at Fairview Express Clinics.
- Expenses related to transportation or personal living expenses.
- Transplant related charges incurred upon transplant through one-year post transplant for transplant patients are not eligible for a Charity Care discount. Any recommendation for an adjustment to these charges must go through the Financial Exception process.
- Non-United States citizens or United States citizens living outside of the United States are not eligible for Charity Care; this includes patients on a visa and international students. This does not include undocumented individuals living in the United States.
- Fairview Free Standing Clinics do not participate with out of state Medical Assistance. Therefore, patients with free-standing clinic charges who have out-of-state Medicaid coverage are not eligible for Charity Care.
- Services considered non-covered by most insurance providers unless it is considered standard of care.
- Because of the retail nature of the business, Fairview Home Medical Equipment and Fairview Orthotics & Prosthetics are not covered under this policy.
- Fairview Homecare, Fairview Pharmacy and Fairview Range have their own Charity Care policies and are not covered under this policy.
- Fairview affiliated locations which are separate corporate entities and not subject to this policy, such as, but not limited to, Fairview Maple Grove Ambulatory Surgery Center, and Crosstown Surgery Center.
- Professional services provided at non-Fairview entities are not covered under this program.

# Financial Assistance Policy

## Appendix E

### Charity Care Program – Other Discount Options

- Financial Exceptions
  - Designated Fairview Management shall evaluate all exceptions to determine the patient's ability to pay. Only exception cases pertaining to patients without the financial resources to pay shall be processed and reported as Charity Care. All other cases shall be processed and reported as administrative adjustments and not Charity Care or Bad Debt, as defined under state and federal guidelines. An applicant who exceeds FPL guidelines and has total outstanding medical debt which exceeds the gross household income for the past year may be allowed to apply for Charity Care through a Financial Exception.
- Senior Partners:
  - Fairview Senior Partners is a partnership between Fairview and the Senior Community Services. Fairview has agreed to waive hospital and clinic co-insurances and deductibles. Members of this program understand that they are responsible for any items not covered by Medicare, such as take home drugs. The Charity Care Coordinator shall adjust accounts. Amounts collected from Medicare shall be offset against the Charity Care adjustment.
  - Applications for enrollment
    - All applications are sent to and processed by Senior Community Services or the outlying State offices. Patients may request an application or more information by calling 952-767-0665 or visiting [www.seniorcommunity.org](http://www.seniorcommunity.org).
    - There is an annual \$42 fee for approved applications.
  - Eligibility Criteria
    - Patient must be enrolled in Medicare parts A and B and not be on a replacement plan.
    - Cannot have a Medicare supplement.
    - Income cannot exceed 200% of the FPL.
    - Assets cannot exceed \$47,100 (excludes one home and one car)
- Retro Charity Care/Medically Indigent Charity Care
  - If a patient has current MA or MinnesotaCare and all previous dates of service are not covered by MA/MinnesotaCare, any account incurred prior to the MA approval date may be eligible for Charity Care if the propensity to pay is low as indicated by Fairview's Financial Assistance tool.
- Uninsured Discount
  - In addition to the programs available under the Financial Assistance Policy, uninsured Minnesota residents will be eligible for the uninsured discount for hospital services prior to the application of a Charity Care discount. This discount is based on the Attorney General Collection Standards agreement and is not a charity care program.

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# Financial Assistance Policy

## Appendix F

### Billing and Collections

- Fairview has a separate Billing and Collections policy which is available via the website [www.Healtheast.org](http://www.Healtheast.org) or [www.Fairview.org](http://www.Fairview.org) or by calling Fairview Customer Service 612-672-6724 or 1-888-702-4073 or HealthEast Customer Service at 651-232-1100. This policy includes more specific information about:
  - Billing Process: Fairview will issue billing statements in accordance with established timelines and will provide a minimum of 120 days from the first post-visit bill before initiating extraordinary collection actions on an account.
  - Resolving Accounts: Fairview will provide a minimum of 240 days to resolve open accounts through various options, such as identifying eligible insurance or medical assistance, payment arrangements, charity care or other means.
  - Collection Actions: In the event of non-payment, Fairview may refer accounts to collection agencies and/or legal collection firms for follow up. Fairview will provide patient notification at least 30 days before initiating extraordinary actions on an account.

### Provider List

- Fairview has a list of all provider groups that provide emergency and medically necessary services to patients at a Fairview Hospital facility. The list identifies which providers are and are not covered by Fairview's Financial Assistance Policy (see attached link). [www.fairview.org/providerlists](http://www.fairview.org/providerlists) or [https://www.healtheast.org/images/stories/billing/covered\\_providers.pdf](https://www.healtheast.org/images/stories/billing/covered_providers.pdf)

### Entity Adoption:

Fairview Lakes Medical Center has adopted this policy.  
Fairview Northland Medical Center has adopted this policy.  
Fairview Range Medical Center has adopted this policy.  
Fairview Ridges Hospital has adopted this policy.  
Fairview Southdale Hospital has adopted this policy.  
University of Minnesota Medical Center, Fairview has adopted this policy.  
HealthEast St. John's Hospital has adopted this policy.  
HealthEast St. Joseph's Hospital has adopted this policy.  
HealthEast Woodwinds Hospital has adopted this policy.  
HealthEast Bethesda Hospital has adopted this policy.  
HealthEast Clinics and other Tax exempt entities have adopted this policy.  
Fairview Medical Group has adopted this policy.

### Policy Owner:

Vice President of Revenue Cycle

### Approved By:

Fairview Board of Directors

### Date(s):

**Date Effective:** 2-18-07, Board Approved

**Replaces –** Community Care Section Board Approved Financial Arrangements for Patient Services dated 12-16-04

**Date Revised:** 2/1/15; 12/1/15; 12/29/2015; 1/29/2016, 7/24/2017

**Date Reviewed:** Fairview Board Reviewed and Re-Approved: 4/16/15, 6/17/16, 8/17/17

**Date Revision Implemented:** 6/1/15, 6/17/16, 11/1/17