Community United Methodist Hospital Inc. is a nonprofit, faith based, and tax-exempt healthcare system. Our mission is to provide high-quality, cost-effective healthcare services and to promote wellness in the communities that we serve. In keeping with our Christian heritage, financial assistance is offered to anyone demonstrating financial need.

Effective May 1, 2016
# Table of Contents

Definitions 3

Financial Assistance Policy 4

Financial Assistance Procedure 4
  - For those without Insurance 4
  - For those with Insurance 5

Determination Period 7

Financial Assistance Determination 7

Exclusions 7

Automatic Denial 7

Other Denials of Financial Assistance 7

Appeals and Grievances 8

Catastrophic Illness 8

Emergency Services 8

Nonpayment of Bill 8

Measures to Widely Publicize the Policy 8

Providers Covered 9

Appendix:
  a. Disproportionate Share Hospital Program Application
  b. Methodist Financial Assistance Application
  c. Sliding Scale
  d. Current listing of Methodist Providers
DEFINITIONS

Amount Generally Billed or “AGB” – Amounts charged for emergency and medically necessary medical services to patients eligible for financial assistance, multiplied by the Hospital-specific percentage. Methodist will not charge FAP-eligible patients more than the amounts generally billed to individuals with Medicare or commercial insurance covering their care.

Assets - Properties owned by a person, regarded as having value and available to meet debts, commitments, or legacies.

Catastrophic – Defined as an illness that results in medical bills greater than 40% of the annual household income.

Collection Activity – We will not engage in extraordinary collection actions before we make reasonable efforts to determine whether a patient is eligible for financial assistance under this policy. Collection activities will proceed based on a separate collection policy.

Electronic Screening - Methodist strives to assist all those that request financial assistance. If an application has not been submitted or has been left incomplete, Methodist may perform an electronic screening to assess whether the patient qualifies for financial assistance under the FAP’s presumptive eligibility guidelines. This screening involves a soft credit check.

Emergency Care – Emergency care is defined as a condition for which a delay in treatment may result in death or permanent impairment of health.

Guarantor - A person other than the patient who is responsible for paying the patient’s medical bills. A patient presenting for care that is 18 years of age or older is always presumed to be the guarantor for bills relating to his or her care except if he or she is an incapacitated adult. The guarantor for a minor child is the parent that presents the child for care at the time of the initial visit unless the parent provides evidence (i.e., a divorce decree) stating that another individual is financially responsible for the child’s medical bill.

Household - For the purpose of determining financial assistance, a household is comprised of the following:

- Parents, stepparents, their minor children and stepchildren living in the same household;
- Unmarried couples who have at least one (1) minor child in common and siblings of that child living in the same household;
- A child under age eighteen (18), legal guardian and the legal guardian’s family living in the same household;
- A minor child who is also a minor parent and who lives with his parents is included in the family unit along with his child;

Medically Necessary – Those services reasonable and necessary to diagnose and provide preventive, palliative, curative or restorative treatment for physical or mental conditions in accordance with professionally recognized standards of health care generally accepted at the time services are provided. Medically Necessary care does NOT include:

1. Elective cosmetic surgery (but it would include plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity);
2. Surgical weight loss procedures;
3. Experimental procedures, including non-FDA approved procedures and devices or implants;
4. Services for which prior authorization is denied by the patient’s insurance carrier;
5. Cost of specialty replacement lenses;
6. Hearing aids and hearing aid repair;
7. Outpatient prescription medications;
8. Fertility treatment; and
9. Services or procedures for which there is a reasonable substitute or if the patient’s insurance company will provide a service or procedure that is a covered service or procedure.

Patient Liability – Patient liability is the amount of money that is the responsibility of the patient which represents that patient copay, coinsurance, and deductible amounts. This will also include any charges that were not covered by the insurance company.

Poverty Level – This Level is determined by the Department of Health and Human Services and Services. The guidelines are updated annually and published at http://aspe.hhs.gov/poverty/index.shtml
Methodist Financial Assistance Policy

This is a joint policy that is applicable to Methodist Hospital, Methodist Hospital Union County and any Methodist Clinic (each referred to individually as the “Hospital” or, collectively, as “Methodist”). When a Methodist patient falls below 400% of the poverty level, they may qualify for financial assistance. For those patients who are uninsured, we will first assist them toward obtaining Federal or State aid. If they are unable to qualify for financial insurance benefit, government entitlement program and/or any source with which the Hospital participates, and meets the other qualifications described in this policy, then financial assistance benefits may apply. For those patients who are insured and meet the qualifications described in this policy, then financial assistance benefits may apply. To qualify for financial assistance, an application must be submitted, the patient or guarantor will be given the opportunity to meet with a financial counselor, a review will be conducted, and a determination will be made to allot full, partial, or no adjustment to open patient accounts based on the patient and/or responsible parties’ assessed financial condition. Methodist reserves the right to refuse or deny financial assistance to patients or responsible parties in certain instances including but not limited to cooperation, truthfulness, prompt notification of change of circumstance, and failure to provide Methodist with any item it requires as part of its FAP determination and decision-making process.

Financial Assistance Procedure

FOR THOSE WITHOUT INSURANCE

All uninsured patients are given an automatic 10% discount from charges regardless of financial resources. An additional discount will be offered to anyone who completes the financial assistance process. To qualify for further assistance, follow the steps below.

1. Disproportionate Share Hospital Program - All uninsured patients must first be screened for the State of Kentucky’s Disproportionate Share Hospital Program (Appendix A). The DSH application, provided by the state, mandates that applicants must prove total income to be less than 100% of the Federal Poverty Guideline, as shown in Attachment 1, to be eligible for assistance. Additionally, a Medicaid application denial must be furnished for DSH eligibility. All eligible patients for DSH are awarded 100% adjustment of applicable outstanding balances. All other patients not approved or found eligible for DSH may apply for Methodist Hospital financial assistance.

2. Application – A truthfully completed Methodist Financial Assistance application (Appendix B) must be returned along with current bank statements (Checking, Savings, and Investment), the previous year’s tax return and/or 3 current pay stubs.
3. **Financial Counselor Assistance** - A Methodist Financial Counselor is available to help patients with the financial assistance application process. The Financial Counselor may conduct a patient financial advocacy screening. During this screening, alternative coverage sources such as government programs or entitlements may be identified.

4. **Presumptive Financial Assistance** - There are instances where up to 100% financial assistance may be approved despite lack of documentation due to information available through other sources that demonstrates presumptive need. Presumptive assistance may be determined on the basis of individual life circumstances which may include:
   - Participation in Women, Infants, and Children programs (WIC)
   - Food stamp eligibility
   - Subsidized school lunch program eligibility
   - Low income/subsidized housing is proven as a valid address
   - Patient is deceased with no known estate
   - Electronic screening which includes using predictive models that rely on credit scores
   - Prior FAP-eligibility determinations granting 100% discounts made within the last 365 days

5. **Asset test** - If all responsible individuals’ combined assets are equal to or less than $2,000 per household member, then this policy’s asset test will not apply. If combined household Assets exceed $2,000 per member, then those assets will be considered in determining a responsible individual’s income and eligibility for financial assistance.

6. **Determination**
   - For those uninsured patients that fall at or below 200% of the federal poverty level, the remaining balance on qualifying accounts will be granted a full charity discount. Full charity leaves the patient with a $0 balance on any qualifying accounts.
   - For those uninsured patients that fall at or below 400%, but are above 200% of the federal poverty level, the remaining balance on qualifying accounts will be granted a partial charity discount. Partial discounts are calculated using a sliding scale (Appendix B) based on household resources. Any person approved for a partial discount will not pay more than AGB.
   - Uninsured patients who complete the application process but who do not qualify for financial assistance will receive an additional 25% discount. This 25% discount combined with the 10% self-pay discount will equal to a total discount of 35%.

**FOR THOSE WITH INSURANCE**

Methodist recognizes that not all those with insurance have the means to meet larger healthcare expenses. Therefore, all insured patients are eligible to apply for financial assistance. To qualify, follow the steps below.

1. **Application** - A truthfully completed Methodist Financial Assistance application (Appendix B) must be returned along with current bank statements (Checking, Savings, and Investment), the previous year’s tax return and/or 3 current pay stubs.
2. **Financial Counselor Assistance** - A Methodist Financial Counselor is available to help patients with the financial assistance application process. The Financial Counselor may conduct a patient financial advocacy screening. During this screening, alternative coverage sources such as government programs or entitlements may be identified.

3. **Presumptive Financial Assistance** - There are instances where up to 100% financial assistance may be approved despite lack of documentation due to information available through other sources that demonstrates presumptive need. Presumptive assistance may be determined on the basis of individual life circumstances which may include:
   - Participation in Women, Infants, and Children programs (WIC)
   - Food stamp eligibility
   - Subsidized school lunch program eligibility
   - Low income/subsidized housing is proven as a valid address
   - Patient is deceased with no known estate
   - Electronic screening which includes using predictive models that rely on credit scores
   - Prior FAP-eligibility determinations granting 100% discounts made within the last 365 days

4. **Asset test** - If all responsible individuals’ combined assets are equal to or less than $2,000 per household member, then this policy’s asset test will not apply. If combined household Assets exceed $2,000 per member, then those assets will be considered in determining a responsible individual’s income and eligibility for financial assistance.

5. **Determination**
   - For those insured patients that fall at or below 200% of the federal poverty level, the patient will be granted full charity discount. Full charity leaves the patient with a $0 balance on any qualifying account.
   - For those insured patients that fall at or below 400%, but are above 200% of the federal poverty level, the remaining eligible balance (REB) on qualifying accounts will be granted a partial discount. Partial discounts are calculated using a sliding scale based on household resources. Any person approved for a partial discount will not pay more than AGB.

6. **Remaining Eligible Balance (REB)**
   The REB is calculated using the following method:

   \[
   \text{REB} = \text{Methodist Charge} + \text{Less Insurance Payment} - \text{Less Contractual Adjustments}
   \]

   Notwithstanding anything else in this Policy, no patient – whether insured or uninsured – who is determined to be eligible for financial assistance will be charged more for emergency or other medically necessary care than AGB. Additional information about the AGB and its calculation are available in Admissions at Methodist Hospital and Methodist Hospital Union County or by calling a Methodist Financial Counselor at 270-827-7462.
DETERMINATION PERIOD

- Methodist will only consider applications for financial assistance if they are received within 240 days of the date on which the first post-discharge billing statement for the care was provided.
- If a patient receives financial assistance, his or her other accounts with service dates falling within eight months of the initial date of care and the date on which Methodist’s eligibility determination was made will also be eligible for a financial assistance adjustment at the same rate.
- Future accounts with service dates up to and including one year after Methodist’s eligibility determination will be approved for adjustment at the same rate of the initial determination.
- Future accounts with service dates greater than one year after Methodist’s eligibility determination will not be considered under the same application and will require a new application.
- Patients are required to provide prompt notification to Methodist of changes to their financial circumstances. A patient whose financial situation has changed may request to be re-evaluated at any time.

FINANCIAL ASSISTANCE DETERMINATION

Financial assistance applications shall be reviewed in accordance to total gross charges. Patients determined to be eligible for less than $1,000 in adjustments at the time of review may have their discount approved by the Patient Access Supervisor. Patients determined to be eligible for more than $1,000 in adjustments at the time of review may have their discount approved as follows:

<table>
<thead>
<tr>
<th>Amount Range</th>
<th>Approval Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,001 - $5,000</td>
<td>Patient Access Manager</td>
</tr>
<tr>
<td>$5,001 - $50,000</td>
<td>Director of Revenue Cycle</td>
</tr>
<tr>
<td>$50,001 - $500,000</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>$500,001 +</td>
<td>Methodist Board of Directors</td>
</tr>
</tbody>
</table>

EXCLUSIONS

Services that are NOT Medically Necessary, as defined in this Policy, will not be considered for financial assistance or charity care.

AUTOMATIC DENIAL

Falsification of information during the application process will result in automatic denial of financial aid application. Falsification includes but is not limited to the omission of significant assets, property, or real estate.

OTHER DENIALS OF FINANCIAL ASSISTANCE

When a request for financial assistance is denied the responsible party shall receive written notice of denial, which shall include:

- The reason or reasons for denial.
- The date of the decision.
- Instructions on how to request reconsideration of the denial or appeal.

If the responsible party does not provide the requested information and Methodist does not have enough verified information to determine eligibility, the denial notice shall also include:
• A description of the information not provided by the patient or guarantor, including the date of the request.
• A statement that eligibility for financial assistance cannot be established based upon the information presented to the Hospital.
• Eligibility will be reconsidered if the responsible party requests reconsideration and provides the specified information within 30 days from the date of denial letter.

APPEALS AND GRIEVANCES
A guarantor or patient has the right to appeal the decision made by Methodist. The following steps must be followed in order for an appeal to be considered:
• Written appeal must be sent to Methodist with supporting documentation pertinent to the reasons for denial.
• The written request must be submitted within 45 days from the date the decision was mailed to the patient/guarantor.
Methodist will issue a written decision and explanation for that decision to the grievant and other relevant parties within 30 days of the receipt of all necessary information. The Revenue Cycle Management team will review all appeals and/or grievances received.

CATASTROPHIC ILLNESS
Methodist recognizes that catastrophic illness can have catastrophic effects on the finances of a household. Methodist may use reasonable discretion to offer financial assistance to those affected by extraordinary circumstances.

EMERGENCY SERVICES
Under no circumstances will care be refused in valid emergencies. Urgent care situations involving minor cuts, broken or dislocated bones, abnormally high temperatures, etc., may also fall within the “emergency” category.

NONPAYMENT OF BILL
If a patient does not pay his or her bill, then the Hospital is authorized to take certain collection actions described in the Methodist Billing and Collection Policy. The Billing and Collection Policy is available on Methodist’s website at www.methodisthospital.net. In addition, a free copy of the Billing and Collection Policy can be obtained by any member of the public upon request in Admissions and the Emergency Department registration at Methodist Hospital and Methodist Hospital Union County, as well as all clinics affiliated with those hospitals or by calling a Methodist Financial Counselor at 270-827-7462.
Methodist will not engage in extraordinary collection actions against FAP-eligible individuals for at least 120 days from the date it provides its first post-discharge billing statement and while Methodist makes reasonable efforts to determine whether a patient is eligible for financial assistance under this Policy.

MEASURES TO WIDELY PUBLICIZE THE POLICY
Methodist is committed to publicizing this Policy widely within the communities it serves. Accordingly, Methodist will take the following steps to ensure that community members are aware of the Policy and have access to it.

• Methodist will make a copy of its current Policy available to the community by posting a downloadable version on its website along with downloadable copies of a plain language
summary of the Policy, the Billing and Collection Policy and the Financial Assistance Application and instructions. There will be no fee for downloading these forms.

- Methodist will provide hard copies of these forms in various locations throughout its facilities so that they will be available to patients and their families.
- Methodist will include a conspicuous notice about this Policy with any invoices covering amounts charged for services.
- Methodist will make information about this Policy available to appropriate governmental agencies and nonprofit organizations.
1) Administer Financial Assistance Policy by using the guidelines from the columns below.
2) Identify the family size.
3) Move right until the income from the Financial Assistance application exceeds the dollar amount in the corresponding column.
4) The percentage at the top of that corresponding column is the percentage that will be applied to the applicant's predetermined balance.

<table>
<thead>
<tr>
<th>FPL Amount per Family Unit Size</th>
<th>200%</th>
<th>250%</th>
<th>300%</th>
<th>350%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,880</td>
<td>1</td>
<td>23,760</td>
<td>29,700</td>
<td>35,640</td>
<td>41,580</td>
</tr>
<tr>
<td>18,020</td>
<td>2</td>
<td>32,040</td>
<td>40,050</td>
<td>48,060</td>
<td>59,070</td>
</tr>
<tr>
<td>20,160</td>
<td>3</td>
<td>40,320</td>
<td>50,400</td>
<td>60,480</td>
<td>70,560</td>
</tr>
<tr>
<td>24,300</td>
<td>4</td>
<td>48,600</td>
<td>60,750</td>
<td>72,900</td>
<td>85,050</td>
</tr>
<tr>
<td>28,440</td>
<td>5</td>
<td>56,880</td>
<td>71,100</td>
<td>85,320</td>
<td>99,540</td>
</tr>
<tr>
<td>32,580</td>
<td>6</td>
<td>65,160</td>
<td>81,450</td>
<td>97,740</td>
<td>114,030</td>
</tr>
<tr>
<td>36,730</td>
<td>7</td>
<td>73,460</td>
<td>91,825</td>
<td>110,190</td>
<td>124,882</td>
</tr>
<tr>
<td>40,890</td>
<td>8</td>
<td>81,780</td>
<td>102,225</td>
<td>122,670</td>
<td>143,115</td>
</tr>
</tbody>
</table>

Add 4,160 pp