

## Financial Assistance Policy

**Policy Number:** 1401.00 **Version #:** 23  
**Site:** System  
**Responsible for Review:** Vice-President Revenue Cycle; General Counsel  
**Original Effective Date:** 04/12/1999  
**Version Date:** 09/24/24 **Review Annually**  
**Next Review Date:** 09/01/25

**Policy:**

1. Children's Minnesota (Children's MN) will offer financial assistance options for patients/guarantors. This policy outlines the process for requesting financial assistance, the availability of information about the policy and the criteria used to determine eligibility. Children's understands that patients/guarantors may not be able to pay for hospital services due to unforeseen circumstances, a lack of insurance coverage or for self-pay amounts due beyond their ability to pay. This policy has been reviewed for compliance with Internal Revenue Code 501(r), Minnesota Statute 144.587-589 and the agreement with the Minnesota Attorney General related to uninsured discount and billing practices ("AG Agreement").
2. Children's MN will limit amounts charged for emergency and/or other medically necessary care provided to patients and/or guarantors eligible for financial assistance in this policy to not more than amounts generally billed (AGB) to insured patients.
3. Discounts to reduce the amounts to the amounts generally billed will be granted as a percentage off gross charges based on the criteria and approval set forth in this policy.
4. Discounts for those families receiving a hardship discount with insurance coverage will be based off the remaining deductible and/or coinsurance amounts.
5. Families participating in cost sharing programs, regardless of whether there are discounts attributed by networks, will not receive an overall discount on charges greater than amounts generally billed. Examples of these programs include, but are not limited to, Samaritan Ministries, Liberty Mutual, and Medi-Share.
6. Children's MN does not take actions that require legal or judicial processes, sell debt to third-party parties, report adverse information to credit agencies or bureaus, or defer to deny medically necessary care due to non-payment for previously provided care.

**Scope:**

1. This policy covers all services, including emergency services, with the exception of retail services such as retail pharmacy, cafeteria and parking.
2. This policy covers services provided by and billed through Children's MN at its hospital and ambulatory location, including its hospital and community based primary and specialty clinics. This policy does not cover physicians who are not employed or do not bill professional services through Children's MN. A listing of specific locations covered and not covered by this policy are located on Children's MN website at this [link](#). These listings shall be updated annually.

**Definitions:**

**Amounts Generally Billed (AGB):** Limits amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance to be not more than amounts generally billed (AGB) to insured patients.

Children’s MN has chosen the ‘look-back’ method. The AGB is calculated annually by dividing 12 months of allowed claims reimbursement by associated gross charges. The calculation includes claims for Medicare, Medicaid and all private health insurers. A new AGB percentage must be made effective by the 120<sup>th</sup> day after the 12-month period used to calculate the AGB.

**Bad Debt:** Bad debt is defined as the unpaid obligation for care provided to patients who have been determined to be able to pay, but have not demonstrated a willingness to pay.

**Financial Assistance:** Children’s MN offers financial assistance programs for patients/guarantors, including a hardship discount and an uninsured discount program. A family’s eligibility for financial assistance will depend on income, household size, ability to pay and/or insurance coverage. Household size will be defined based on applicable law.

**Hardship Discount:** Hardship discount is a discount to gross charges granted to families either with insurance or without insurance whose income and family size are less than the federal poverty guideline thresholds outlined in this policy.

**Household Size:** Household size is based on children supported by the family; any child support received must be included as income. Household can also include parents children through age 20 (consistent with Medicaid guidelines), grandparents are not included.

**Non-Covered Services:** Medical services not covered by Medicaid/Medicare or the patient’s individual insurance coverage; e.g., circumcisions, ear tubes and cosmetic.

**Plain Language Summary:** A brief description of the eligibility requirement, application process and assistance available under the financial assistance policy.

**Presumptive Eligibility:** Certain accounts may be deemed as financial assistance write offs based on management’s determination that the patient/guarantor is unable to pay all or part of the account balances. This includes accounts at the end of the collection cycle with no Medicaid coverage for the date of service and services provided to homeless families with no coverage. Documentation of rationale will be included in business office system notes and requires approval by the VP of Revenue Management or his/her designee.

**Procedure:**

- Eligibility Criteria:**
1. A patient’s/guarantor’s eligibility for financial assistance is based on a needs assessment.
  2. Children’s has differing discount thresholds depending on whether the patient/guarantor has third party insurance.
  3. Patient/guarantor must fully comply with the Children’s MN application process to receive a financial assistance discount.
  4. This policy applies to patients/families receiving care at Children’s MN, excluding international patients.

5. A financial assistance calculator is available on our website to assist patients/guarantors in understanding whether they would qualify for assistance. <http://www.childrensmn.org/forms/financialcalculator/index.php>
6. Foundations and church groups sponsoring children who receive care at Children's MN will be given a discount equal to but not more than the Amounts Generally Billed to insured patients. Children's MN will take into consideration other factors that might impact a decision to approve or deny financial assistance.
7. Families participating in cost sharing programs regardless of whether there are discounts attributed by networks will not receive an overall discount on charges greater than AGB. These programs include, but are not limited to, Samaritan Ministries, Liberty Mutual and Medi-Share.

**Availability of information on the financial assistance policy:**

1. It is the responsibility of every employee of Children's MN to identify and inform families of the availability of financial assistance.
2. Children's MN routinely screens all inpatients and those outpatients with limited financial resources, high deductible plans or patients with Supplemental Security Income (SSI) qualifying disabilities for
  - **SSI benefits**
  - **Medicaid (including Emergency Medical Assistance)**
  - **Individual health insurance plans**
  - **Group health insurance plan**
3. Financial assistance applications forms can be obtained freely at any Children's MN hospital facility or requested via telephone, fax or mail or at walk-in during normal business hours at the financial counseling department office. Applications are also available online, at the welcome center located on each campus, and in the emergency room at all hours every day of the week.

For in person help, please stop at the welcome center on either campus to be directed to the financial counseling team. Mailing address:

**Children's – Financial Counseling**

*Phone: 612-813-6432*

*Fax: 612-813-6429*

*Mailing Address: Financial Counseling #17-750, Children's Minnesota, 2545 Chicago Ave S, Minneapolis, MN 55404*

*Location:*

4. The financial assistance policy, application and plain language summary is translated for populations with limited English proficiency. This includes any group that constitutes the lesser of 1,000 individuals or 5 percent of the community served.

**Methods to Publicize Children's Financial Assistance Policy:**

- Information about Children's MN policy is offered to all patients/families:
- upon admission
  - during a financial counselor visit
  - on Children's external website, [www.childrensmn.org](http://www.childrensmn.org)
  - on billing statements and collection letters to patients/guarantors

Signage in English and the primary language will be conspicuously displayed in all Children's MN facilities at all points of admission and registration areas including the Emergency Department.

**Patient/guarantor responsibility:**

1. The completed financial assistance application form should be submitted along with required documents to the attention of Financial Counseling at either mailing address listed in this policy for consideration.
2. Income verification information we need from the patient/guarantor:
  - Last year's Federal tax return, including all schedules and attachments
  - If you are employed, send a copy of your last pay check from your current job and/or your last pay check from all jobs this year, showing year to date income. If your income changes from month to month, please provide 90 days.
  - If you are self-employed, year to date income information. This includes all income that you received and all expenses you have paid from the beginning of this year until the current date.
  - If you have other income, including rental income or child support; send a statement of the monthly amount.
  - If you receive benefits like Supplemental Security Income (SSI) or Unemployment, send a copy of your benefits letter.
3. Asset verification information needed from parent/guarantor:
  - Bank and investment statement showing all deposits and withdrawals from all financial accounts (including HAS, Saving, Flex-spending, etc.) from the last 3 months of statements.
  - If you have other personal or real property, excluding your primary residence, send a description of this asset and documentation that identifies the value.
4. If the financial assistance application is not complete and all supporting documentation is not provided within 30 days of the follow up request from a financial counselor, the application will be closed and the patient/guarantor will receive a bill for the outstanding balance.
  - a. The application can be re-opened if a completed financial assistance application is received.
  - b. The patient/guarantor will have up to 240 days from the first post discharge billing statement to apply for financial assistance.
5. Any incomplete application will not be considered and a letter requesting missing documents will be mailed to the applicant along with the Plain Language Summary of the financial assistance policy.

**Financial Counseling office responsibility:**

1. Once a completed application is received, the financial counselor will review the fully completed application and all supporting documentation under the following guidelines:
  - If the patient/guarantor is uninsured, the eligibility screening shall be based on family size and income using the then current federal poverty guidelines (refer to Appendix A) and meeting the eligibility guidelines outlined in this policy.
  - If the patient and/or guarantor is insured, eligibility is determined by a review of the financial assistance application and then current federal poverty guidelines. Eligible patients/guarantors will receive a 30% discount off the deductible and coinsurance. There will be no discount to any copayment due at time of service.
  - If the patient/guarantor elects not to apply for available coverage including government assistance, they will be provided a letter documenting this decision and process Children's MN will take to collect on any unpaid balances. In addition, patients/guarantors may be asked to sign a document authorizing Children's MN the ability to follow up directly with health sharing organizations and request payments remitted directly to Children's MN vs. the patient family.

2. Following a conclusion of the review process, the financial counseling office will send a letter of eligibility determination to the patient/guarantor sharing the outcome of the financial assistance review.
3. The financial counseling office will notify the patient/guarantor of an incomplete financial assistance application during the application period.
4. The review process may take up to six weeks from the date of receipt of the completed application and all supporting documents.
  - a. Any open accounts are placed on a 30 day hold during the application process.
  - b. If approved for Children’s MN financial assistance, the effective date of the approval and level of assistance will be communicated to the patient/guarantor via letter including any discount on outstanding balances.
5. Financial assistance determinations are effective for any outstanding balances and will continue for one year from the approval date.

**Billing office responsibility:**

1. A plain language summary of Children’s MN financial assistance policy will be included on the hospital and clinic billing statements.
2. Children’s MN and its collection agencies will refrain from initiating any collection efforts for at least 120 days from the date of the first post discharge billing statement for care.
3. Refund any amounts paid above the amount required by the financial assistance policy with the exception of copayments due at time of service for insured patients.
4. All approved financial assistance discounts will be posted in the respective billing systems after the patient has been discharged.
5. If a partial discount is granted, the patient/guarantor will receive a statement following the application of the discount. The remaining balance is required to be paid in full or through a payment plan. Interest free payment plans may be available depending on the account balance.

**Collection and billing policy:**

Children’s MN maintains a separate Billing and Collection Process Policy. This policy is widely available on Children’s MN website, upon request by mail, in the emergency department and in patient registration areas.

**Financial Assistance Approval:**

All write offs require prior authorization as follows:

- Professional (clinic) services co-pay – clinic manager
- Account balances \$0-4,999 – automatic upon approval of financial assistance
- Account balances greater than \$5,000 – VP of Revenue Management or designee

**Exceptions:**

1. The patient/guardian may choose to request an exception or appeal Children’s MN financial assistance decision.
2. Requests for appeal will be considered on a case by case basis after the denial of financial assistance.
3. The request for appeal or exception should be sent to the financial counseling department at the address listed in this policy. The request will be reviewed by the manager of registration and financial counseling and the VP of revenue management.
4. Exceptions to this policy may be granted for families who either have income exceeding the guidelines established or who have insufficient means to pay based on the information provided by the family and reviewed by Children’s MN.
5. The following ratios will be used in determining ability to pay:

- Families with income exceeding 350% of poverty with an account balance greater than 10% of gross income will receive a discount equal to the percentage determined for amounts generally billed (AGB).
- All other requests for exceptions and or appeals require written documentation supporting the circumstances and need.
- A patient and/or guarantor may submit a new application if their financial circumstances change.

**Board of Directors' Responsibility:** The board of directors or a delegated board committee shall perform an annual review of the policies concerning medical debt collection, uninsured discount and financial assistance. The Board shall also review the results of the annual audit related to these areas in accordance with the Minnesota Attorney General's Agreement.

**Related Document(s):** [Providers Covered Under Children's Financial Assistance Policy](#)  
[Providers NOT Covered Under Children's Financial Assistance Policy](#)

**Related Policy(s):** [1400.01 Billing and Collection Process](#)  
[1400.02 Outside Counsel for Collection Matters](#)  
[1400.03 Uninsured Discount Program](#)  
[1400.04 Collection Agency](#)

**Version Dates:**  
 Version 1: 01/08/1998  
 Version 2: 06/18/2002  
 Version 3: 10/28/2004  
 Version 4: 10/10/2005  
 Version 5: 06/06/2006  
 Version 6: 10/23/2007  
 Version 7: 02/13/2009  
 Version 8: 06/23/2010  
 Version 9: 02/08/2011  
 Version 10: 03/01/2011  
 Version 11: 01/19/2012  
 Version 12: 06/27/2013  
 Version 13: 06/26/2014  
 Version 14: 10/01/2015  
 Version 15: 07/01/2016  
 Version 16: 09/20/2017  
 Version 17: 09/20/2018  
 Version 18: 09/09/2019  
 Version 19: 02/13/2020  
 Version 20: 06/10/2021  
 Version 21: 12/13/2022  
 Version 22: 12/13/2023  
 Version 23: 09/24/24 (no changes)

Approval Group(s) Version #	Group	Date
23	Audit and Compliance Committee of the Board	09/24/24
23	Administrative Policy Committee	10/10/24

## Appendix A

### 2024 Poverty Guidelines with Children's Sliding Fee Scale

% OF FEDERAL POVERTY LEVEL (FPL)		Insured - up to 350% FPL	Uninsured up to 275% FPL	Uninsured up to 350%	Uninsured over 350% FPL, but less than \$125,000 annually
		350%	275%	350%	>350%
Discount	FPL	30%	100%	Clinic AGB 47% Hospital AGB 57%	Clinic 47% Hospital 49%
Family Size					
1	\$15,060	\$52,710	\$41,415	\$52,710	<\$125,000
<b>Monthly</b>		<b>\$4,393</b>	<b>\$3,451</b>	<b>\$4,393</b>	
2	\$20,440	\$71,540	\$56,210	\$71,540	<\$125,000
<b>Monthly</b>		<b>\$5,962</b>	<b>\$4,684</b>	<b>\$5,962</b>	
3	\$25,820	\$90,370	\$71,005	\$90,370	<\$125,000
<b>Monthly</b>		<b>\$7,531</b>	<b>\$5,917</b>	<b>\$7,531</b>	
4	\$31,200	\$109,200	\$85,800	\$109,200	<\$125,000
<b>Monthly</b>		<b>\$9,100</b>	<b>\$7,150</b>	<b>\$9,100</b>	
5	\$36,580	\$128,030	\$100,595	\$128,030	<\$125,000
<b>Monthly</b>		<b>\$10,669</b>	<b>\$8,383</b>	<b>\$10,669</b>	
6	\$41,960	\$146,860	\$115,390	\$146,860	<\$125,000
<b>Monthly</b>		<b>\$12,238</b>	<b>\$9,616</b>	<b>\$12,238</b>	
7	\$47,340	\$165,690	\$130,185	\$165,690	<\$125,000
<b>Monthly</b>		<b>\$13,808</b>	<b>\$10,849</b>	<b>\$10,713</b>	
8	\$52,720	\$184,520	\$144,980	\$184,520	<\$125,000
<b>Monthly</b>		<b>\$15,377</b>	<b>\$12,082</b>	<b>\$15,377</b>	
9	\$58,100	\$203,350	\$159,775	\$203,350	<\$125,000
<b>Monthly</b>		<b>\$13,140</b>	<b>\$13,315</b>	<b>\$13,140</b>	
10	\$63,480	\$222,180	\$174,570	\$222,180	<\$125,000
<b>Monthly</b>		<b>\$18,515</b>	<b>\$14,548</b>	<b>\$18,515</b>	
11	\$68,860	\$241,010	\$189,365	\$241,010	<\$125,000
<b>Monthly</b>		<b>\$20,084</b>	<b>\$15,780</b>	<b>\$20,084</b>	

Based on the Federal Poverty Guidelines, updated 1/16/2024

Family size is determined by the number of people listed on the family's most recent income tax form.

AGB (Amounts Generally Billed) updated per IRS guidelines based on 2023 paid claims using data thru 12/31/2023

Uninsured discount updated per MN Statute 144.589 based on 2023 paid claims