

Financial Assistance Policy

Policy:

Children's will offer financial assistance options for patients and or 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 and/or 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).

Children's 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.

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.

Discounts for those families receiving a hardship discount with insurance coverage will be based off the remaining deductible and/or coinsurance amounts.

Non-covered services will be granted a discount equal to the uninsured discount.

This policy covers all services, including emergency services, with the exception of retail services such as retail pharmacy, cafeteria and parking.

This policy covers services provided by and billed through Children's 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. A listing of specific locations covered by this policy is attached on Appendix A, which shall be updated quarterly.

In addition, Children's has available an uninsured discount policy for patients/families with no insurance or no coverage for the services provided whose income exceeds the financial assistance guidelines but has an annual household income of less than \$125,000. This discount is granted in accordance with the Minnesota Attorney General Agreement. (see policy #1400.03 Uninsured Discount Program)

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 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 120th 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.

Extraordinary collection actions (ECA): There are four types of collection actions that are considered extraordinary collection actions (ECA):

- 1) Taking actions that require legal or judicial process (eg. Liens, foreclosures, garnishments, seizure of bank accounts or property, civil action, arrest...)
- 2) Selling debt to third parties
- 3) Reporting adverse information to credit agencies or bureaus
- 4) Deferring or denying (or requiring a payment before providing) medically necessary care because of non payment for previously provided care that is covered under the financial assistance policy.

Financial Assistance: Children’s offers financial assistance programs for patients and/or 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 but with indication of current Medicaid coverage 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 Director of Revenue Management or his/her designee.

Procedure:

Eligibility Criteria: A patient and/or guarantors eligibility for financial assistance is based on a needs assessment.

Children’s has differing discount thresholds depending on whether the patient and/or guarantor has third party insurance.

Patient/guarantor must fully comply with the Children’s application process to receive a financial assistance discount.

Patient/guarantor must apply for all available state and federal funding available to them prior to receiving Children’s financial assistance.

This policy applies to patients / families residing in the five state service area (Minnesota, Iowa, North Dakota, South Dakota and Wisconsin). Patients outside this area will be reviewed on a case by case basis.

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>

Children’s, at its discretion, can elect that this policy not to apply to families or individuals who do not act in good faith to add children to available insurance policies or state funded programs or do not return insurance requested coordination of benefits within the required time frame requested by Children’s and/or the insurance company.

Foundations and church groups sponsoring children who receive care at Children’s will be given a discount equal to not more than the amounts generally billed to insured patients. Children’s will take into consideration other factors that might impact a decision to approve or deny financial assistance. The exception process is defined in a separate section of this policy.

Availability of information on the financial assistance policy: It is the responsibility of every employee of Children’s to identify and inform families of the availability of financial assistance.

Children’s 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)**
- **COBRA**
- **Individual health insurance plans**
- **Group health insurance plan**

Financial assistance applications forms can be obtained freely at any Children’s 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 at the welcome center located on each campus and in the emergency room at all hours every day of the week.

Children’s – Minneapolis

Phone: 612-813-6432

Fax: 612-813-6429

Mailing Address: Financial Counseling #32-2109, Children’s of Minnesota, 2525 Chicago Ave S, Minneapolis, MN 55404

Location: Family Resource Center, 2nd Floor, across from the hospital Welcome Center desk

Children’s – St. Paul

Phone: 651-220-6367

Fax: 651-220-6125

Mailing Address: Financial Counseling #60-247, Children’s of Minnesota, 345 N Smith Avenue, St Paul, MN 55102

Location: Family Resource Center, River Tower, 3rd Floor, #3107

The financial assistance policy, application and plain language summary is translated for populations with limited English proficiency.

Methods to Publicize Children’s Financial Assistance Policy: Information about Children’s policy is offered to all patients/families

- upon admission
- during a financial counselors visit
- on Children’s external website, 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 facilities at all points of admission and registration areas including the Emergency Department

Collection and billing policy: Children’s maintains a separate Billing and Collection Process Policy. This policy is widely available on Children’s 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 – financial counselor
- Account balances \$5,000-\$100,000 – finance director
- Account balances greater than \$100,000 – chief financial officer

Exceptions: The patient and/or guardian may choose to request an exception or appeal Children’s financial assistance decision.

Requests for appeal are due within 45 days after the denial of financial assistance.

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 director of revenue management.

A response to the appeal will be provided within 2 weeks of receiving the request.

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.

The following ratios will be used in determining ability to pay:

1. 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)
2. All other requests for exceptions and or appeals require written documentation supporting the circumstances and need.
3. A patient and/or guarantor may submit a new application if their care needs or 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.

% OF FEDERAL POVERTY LEVEL (FPL)	Insured - up to 350% FPL	uninsured up to 275% FPL	uninsured up to 350%
Discount	30%	100%	Community Clinic AGB 41% Hospital AGB 48%
Family Size			
1	\$41,195	\$32,368	\$41,195
Monthly	\$3,433	\$2,697	\$3,433
2	\$55,755	\$43,808	\$55,755
Monthly	\$4,646	\$3,651	\$4,646
3	\$70,315	\$55,248	\$70,315
Monthly	\$5,860	\$4,604	\$5,860
4	\$84,875	\$66,688	\$84,875
Monthly	\$7,073	\$5,557	\$7,073
5	\$99,435	\$78,128	\$99,435
Monthly	\$8,286	\$6,511	\$8,286
6	\$113,995	\$89,568	\$113,995
Monthly	\$9,500	\$7,464	\$9,500
7	\$128,555	\$101,008	\$128,555
Monthly	\$10,713	\$8,417	\$10,713
8	\$143,115	\$112,448	\$143,115
Monthly	\$11,926	\$9,371	\$11,926
9	\$157,675	\$157,675	\$157,675
Monthly	\$13,140	\$13,140	\$13,140
10	\$172,235	\$135,328	\$172,235
Monthly	\$14,353	\$11,277	\$14,353
11	\$186,795	\$146,768	\$186,795
Monthly	\$15,566	\$12,231	\$15,566

Based on the Federal Poverty Guidelines, updated January , 2015

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

* Amounts generally billed