HRMC Huron Regional Medical Center	TITLE: **Patient Payment, Discounting & Financial Assistance**
PAGE: 1 of 4	**ORGANIZATIONAL FUNCTION: Leadership**
ISSUED: 5/95	**DISTRIBUTION: Business Office, Social Services**
REVIEWED: Annually	**APPROVED BY: Finance Committee; Board of Directors**
REVISED: 3/13; 10/14; 8/15	**FORMULATED BY: Business Office Director, VP-Finance**

STATEMENT OF PURPOSE: To establish guidelines for financial assistance and patient payments including upfront collections at the time of service.

TEXT:

1. HRMC will not discriminate in providing medically necessary services to those in need regardless of their ability to pay.

2. At the time of registration or prior to discharge, all patients will be given a Summarized Billing, Payment and Financial Assistance Policy, which includes notice of availability and application information for financial assistance. This statement is also distributed to patients in their first time statements and can be accessed on HRMC's website at www.huronregional.org.

3. Prior to registration we will identify the patient deductible and co-insurance owed and 50% of that amount will be collected at registration. Self-pay patients pay a minimum deposit of $350.00 or the lesser of the charge. Payment arrangements for the remaining balance will be made per policy (see 7B).

4. HRMC Physicians Clinic is a department of the hospital therefore, office visit co-pays may not apply and charges may be subject to the patient's outpatient deductible and co-insurance. Office visit co-pays will be collected at the time of service. Self-pay patients pay a minimum deposit of $50.00 for an office visit or $100.00 for a procedure. Payment arrangements for the remaining balance will be made per policy (see 7B).

5. HRMC will file all insurance claims once the patient has provided the necessary information. HRMC has signed preferred provider contracts and therefore considered in network with the following carriers:
    - America's PPO
    - Assurant Health
    - Avera Health (Not including Avera Select)
    - Coventry Health Care/First Health
    - Dakotacare
    - First Choice of the Midwest
    - GEHA (Government Employees Hospital Association)
    - Humana Choice Care Network
    - Integrated Health Plan, Inc.
    - Medica (Select Care)
    - Everence
    - Midlands Choice
    - Sanford Health (Not including Sanford Elite)
    - TLC Advantage
    - United Healthcare
    - Wellmark (Blue Cross/Blue Shield)

6. All patients will receive a summary of charges shortly after discharge. Once payment or denial has been received from a third party payor, additional statements will be sent and reminder calls made over the next 120 days. If the account is not paid as agreed a final notice will be mailed and Extraordinary Collection Actions (ECA) will be pursued.

7. Outstanding balances to be paid based on the following options:
   A. Payment in full by cash, check, or credit/debit card within 30 days of third party payment or denial notification. Payments can be made online at www.huronregional.org.

   B. Monthly payment options based on the following schedule

Balance Due	**Minimum Monthly Payment**
$50 or less	100% of Balance Due
$51 to $500	$50
$501 to $2,000	10% of Balance Due
$2,001 to $4,000	8% of Balance Due
$4,001 to $10,000	7% of Balance Due
$10,000 and higher	6% of Balance Due.

   All monthly payment plans are assessed interest equal to 10% annually on the unpaid balance. A $35 return check charge will be imposed on checks returned from the bank

   Accounts in which monthly payments have been established (see 7B) will be monitored for consistent and timely payments. If two monthly payments are missed or not paid per the schedule, the account may be placed with a third party collection agency. Receipt of payments below the minimum monthly payment amount described above will not discontinue collection efforts for the full outstanding balance.

   C. Financial Assistance - HRMC will grant financial assistance for medically necessary services to individuals who supply a completed financial assistance application and meet the required criteria. This assistance is the last resort in satisfying a patient's account and cannot be applied in lieu of governmental assistance programs.

      1) Financial Assistance is available up to 240 days from discharge. Applications are available in both English and Spanish at the HRMC Business Office (605) 353-6223, (605) 353-6593, or 1-800-529-0115 (in state only), ext. 223 or 593 or www.huronregional.org

      2) Financial Assistance applications need to be signed, completed and returned within 60 days along with the required documentation requested in the application cover letter.
         a) If an incomplete Financial Assistance Program (FAP) application is received HRMC will suspend any ECA in process and notify patient in writing that additional information or documentation is required within 60 days to make determination.

         b) HRMC will provide applicant with one written notice within 30 days from the application completion deadline or last day of the application period (240 days) that ECA will proceed if application is not completed or balance is not paid.

      3) Once a completed application is supplied HRMC will grant financial assistance to qualified individuals based on the following criteria.

         a) The poverty income guidelines as published by the Federal Department of Health and Human Services (HHS) will determine eligibility and extent of financial assistance adjustments.

The 2014 guidelines are:	Size of Family Unit	Poverty Guideline
	1	$11,670
	2	$15,730
	3	$19,790
	4	$23,850
	5	$27,910
	6	$31,970
	7	$36,030
	8	$40,090

The threshold increases for each additional family member by $4,060.

b) The definition of family and residency will be applied consistently as defined in local, state and federal programs and guidelines.

c) Application for State of residence (State) and/or County of residence (County) assistance must be made, if eligibility for such assistance exists in the judgment of Business Office staff.

4) A final review and determination is made by the Vice President of Finance and financial Assistance Adjustments will be made as follows:

Income Level	Adjustment
0-125% of Poverty Guidelines	100% Discount
126-174% of Poverty Guidelines	75% Discount
175-200% of Poverty Guidelines	50% Discount

The applicant will be notified in writing by the President/CEO if financial assistance is granted. If the applicant does not qualify for financial assistance a letter of denial will be sent by the Business Office Director which includes the reason for denial and available payment options.

5) Financial assistance dollar amounts will be reported to the Finance Committee of the Board of Directors monthly.

6) Individuals qualifying for financial assistance will be charged no more than the Amounts Generally Billed (AGB) other payers. This amount is reviewed and updated periodically and implemented within 45 days of board approval.

7) Financial assistance may be denied for patients who:
- Are "indigent by design" as defined by SDCL 28-13-27, an individual who meets any one of the following criteria:
  - Is able to work but has chosen not to work.
  - Has failed to purchase major medical health insurance made available through any employer-based health benefit plan although the person was financially able to purchase or elect the insurance or health benefit.
  - Has failed to purchase available major medical health insurance, although the individual including a student at a postsecondary institution was insurable and was financially able to purchase the insurance including coverage through the Affordable Care Act.
  - Has transferred resources for purposes of establishing eligibility for medical assistance.
- Fail to pre-authorize care with the County after being advised they must do so
- Have adjusted resources/assets in excess of the hospital bill amount as determined by SDCL 28-13-32.8

- Fail to return financial assistance application or supply all required documentation within 60 days of request.

8. Upon request, balances other than insurance copay and deductible amounts that do not qualify for financial assistance may be given prompt pay discounts for payment in full of 40% if paid within 30 days, 30% if paid within 60 days or 20% if paid within 90 days.

9. If the patient qualifies for county assistance the patient will be allowed monthly payments based on the ability to pay calculation over 5 years including 10% interest.

10. Accounts of Medicare beneficiaries deemed indigent based on hospital policy and CMS Provider Reimbursement manual Part I, chapter 3 will be treated as Medicare bad debt for cost reporting purposes.

11. Third Party (Insurance Companies not already contracted with)**,** settlement requests will be directed to the Vice President-Finance and discounts given as follows:

    5% discount if payment released within 5 business days, or
    3% discount if payment is released within 10 business days.

12. Managed Care Contracts requesting discounts will be reviewed by the Finance Committee and acted upon by the Board of Directors.