

Subject: Financial Assistance Policy	Reference #: FIN 6
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Community Memorial Hospital Sumner, Iowa 50674	Initial Policy Date: 5/28/04
Approved by: Chief Executive Officer	Effective Date(s): 12/18/08; 10/2013; 1/2016; 5/2017; 6/2026
Written by: Dawn Everding, CFO	

SUBJECT: Financial Assistance Policy

POLICY: CMH shall fulfill its charitable mission by providing emergency and other medically necessary health care services to all individuals without regard to their ability to pay. CMH shall provide financial assistance to eligible patients.

SCOPE: CMH strives to maintain its 501(c)(3) tax-exempt status and Schedule B describes what services and provider practices are covered under this Financial Assistance policy.

PROCEDURE: As a charitable tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), CMH meets the medically necessary health care needs of all patients who seek care, regardless of their financial abilities to pay for services provided. Similarly, patients have an obligation to obtain insurance coverage and pay for a portion of their health care services, and CMH has a duty to seek payment from patients.

Pursuant to Internal Revenue Code Section 501(r), in order to remain tax-exempt, CMH is required to adopt and widely publicize its financial assistance policy.

The purpose of this policy is to outline the circumstances under which CMH will provide discounted care to financially needy patients.

1.) Definitions.

1.1 Hospital. A facility that is required by a state to be licensed, registered, or similarly recognized as a hospital. Multiple buildings operated by a Hospital Organization under a single state license are considered to be a single Hospital.

1.2 Hospital Organization. An organization recognized, or seeking to be recognized, as described in Section 501(c)(3) that operates one or more Hospitals. This includes any other organization that has the principal function or purpose of providing Hospital care.

1.3 Allowed Amounts. Maximum amount of payment for covered health care services. This may be call “eligible expense,” “payment allowance” or “negotiated rate.”

1.4 Amounts Generally Billed to Individuals Who Have Insurance (AGB). The following method is used by CMH to calculate Amounts Generally Billed to Individuals Who Have Insurance in this policy.

1.4.1 AGB% = the amount Medicare would allow for the care, which includes any co-pays, co-insurance and deductibles due by the individual. This percentage is calculated as part of the annual filing of the Medicare Cost Report and provided to CMH on an annual basis. This percentage is referenced as the interim reimbursement rate per the final cost report calculations.

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1.4.2 AGB = (Gross Charges for Medically Necessary Care or Emergency Medical Care) X (AGB%)

1.4.3 The current AGB amount for CMH is attached as Schedule A to this policy. The AGB amount will be updated annually at the time that CMH receives notification from Medicare of the revised interim payment rates based on the most recently filed Medicare Cost Report.

1.5 Medically Necessary Care. Services that are (1) consistent with the diagnosis and treatment of the patient's condition; (2) in accordance with standards of good medical practice; (3) required to meet the medical need of the patient and be for reasons other than the convenience of the patient or the patient's practitioner or caregiver; and (4) the least costly type of service which would reasonably meet the medical need of the patient.

1.6 Emergency Medical Care. As defined in the Emergency Medical Treatment and Labor Act (EMTALA), a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in placing the health of the patient in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ part. It also includes a pregnant woman who is having contractions.

1.7 Patient(s). Includes either the patient and/or the patient's responsible party (parent, guardian, and guarantor).

1.8 FINA-Eligible Patients. Patients who follow the procedures outlined in this policy and are determined to be eligible for financial assistance under this policy.

2.) Eligibility for Financial Assistance.

2.1 Financial assistance is available for only Medically Necessary Care and Emergency Medical Care provided to FINA-Eligible Patients. Financial assistance shall be based on the following guidelines.

2.2 FINA-Eligible Patients who are below 600% of the current Federal Poverty Income Guidelines (FPIG) may be FINA-Eligible. FINA-Eligible Patients will not be billed more than the Amounts Generally Billed to Patients who have insurance.

2.3 CMH bills will be further reduced by the following amounts for patients in each FPIG category below:

<u>0-200% of FPIG:</u>	100% discount off AGB
<u>201-222% of FPIG:</u>	90% discount off AGB
<u>223-244% of FPIG:</u>	80% discount off AGB
<u>245-267% of FPIG:</u>	70% discount off AGB
<u>268-289% of FPIG:</u>	60% discount off AGB
<u>290-311% of FPIG:</u>	50% discount off AGB
<u>312-333% of FPIG:</u>	40% discount off AGB

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<u>334-356% of FPIG:</u>	30% discount off AGB
<u>357-378% of FPIG:</u>	20% discount off AGB
<u>379-400% of FPIG:</u>	10% discount off AGB
<u>401-600% of FPIG:</u>	AGB only

2.4 Household income will be considered in determining whether a Patient is eligible for assistance. Household income includes but is not limited to the following: Traditional married couples, children (biological, step, or adoption) and couples living together. (Married or couples living together requires that the parties present as a couple and share expenses, whether same sex or male/female.)

2.5 In addition to household income, CMH will consider the extent to which the Patient's household has assets that could be used to meet his or her financial obligation. Assets may include, but are not limited to, cash, savings and checking accounts, certificates of deposit, stocks and bonds, individual retirement accounts (IRAs), trust funds, real estate (excluding the Patient's home) and motor vehicles. CMH will also take into account any liabilities that are the responsibility of the Patient's household.

2.6 Information from a Patient's (or member of Patient's household) prior financial assistance applications may be used to determine current eligibility for assistance. CMH also uses third party agencies to assist with collections. If those agencies provide CMH with a statement regarding a Patient's likely FPIG level, CMH will use that information in determining the FINA-Eligibility status and the level of discount available.

2.7 Presumptive Eligibility. Patients who meet presumptive eligibility criteria under this Section may be granted financial assistance without completing the financial assistance application. Documentation supporting the Patient's qualification for or participation in a program listed below at 2.7.1 must be obtained and kept on file. Documentation may include a copy of a government issued card or other documentation listing eligibility or qualification, or print screen of web page listing the Patient's eligibility. Unless otherwise noted, a Patient who is presumed eligible under these presumptive criteria will continue to remain eligible for six months following the date of the initial approval, unless CMH personnel have reason to believe the Patient no longer meets the presumptive criteria.

2.7.1 Patients who qualify and are receiving benefits from the following programs may be presumed eligible for 100% financial assistance:

2.7.1.1 The U.S. Department of Agriculture Food and Nutrition Service *Food Stamp Program*.

2.7.1.2 Limited eligibility – Illegal undocumented persons/3-day emergency window.
The Iowa Department of Human Services allows for up to three days of Medicaid benefits to pay for the cost of emergency services for undocumented persons who do not meet citizenship, alien status, or social security number requirements. The emergency services must be provided in a Hospital that can provide the required care after the emergency medical condition has occurred. Presumptive eligibility

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for this category will be considered valid 6 months from the date of the emergent event.

2.7.1.3 Medicaid program (excluding lock-in and/or spend-down)

2.7.1.4 Women, Infants, and Children (WIC) nutrition assistance

3.) Communicating Financial Assistance Information.

3.1 CMH will communicate the availability of financial assistance to all Patients and within the community. Copies of the financial assistance policy, financial assistance application and Plain Language Summary will be available by mail, on the CMH website, and in person at CMH.

3.2 The CMH billing office is available by phone at 563-578-2158 to answer questions about the policy, or Patients should go to CMH financial counseling office to obtain this information.

3.3 CMH will develop a Plain Language Summary of this policy.

3.3.1 The Plain Language Summary will be available by mail, on the CMH website, and in person at CMH.

3.3.2 The Plain Language Summary will be offered as part of the Patient intake and/or discharge process.

3.3.3 The Plain Language Summary must be included when a Patient is sent written notice that Extraordinary Collection Actions may be taken against him/her. CMH's Billing and Collections Policy describes the actions CMH may take in the event of nonpayment, including extraordinary collection actions. A free copy of the Billing and Collections Policy is available on CMH's website, by mail upon request, and in person at CMH.

3.4 This financial assistance policy, the Plain Language Summary, and all financial assistance forms must be available in English and in any other language in which limited English proficiency (LEP) populations constitute the lesser of 1,000 persons or more than 5% of the community served by CMH. These translated documents will be available by mail, on the CMH website, and in person at CMH.

3.5 These notices and documents may be provided electronically.

4.) Method for Applying for Financial Assistance

4.1 Patient Applies For Insurance Coverage or Seeks Third-Party Responsibility. In order to be considered for financial assistance, the Patient must also furnish information to identify other financial resources that may be available to pay for the Patient's health care, such as Medicaid, Medicare, third party liability, etc. Patients with valid health care coverage through non-UnityPoint Health network providers are required to access their primary network before being considered for financial assistance.

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4.1.1 This policy does not apply to the portion of a Patient's services that have been, or may be, paid for by a first or third party payer such as an automobile insurance company or worker's compensation. As allowed by the State of Iowa, when a Patient presents for services following an accident or injury, CMH may place a hospital lien against the third party settlement.

4.2 Patient Must Complete the Financial Assistance Application. To be considered for financial assistance, the Patient must furnish CMH with a completed financial assistance application and required supporting documentation. The application may be completed using information that is collected in writing, orally, or through a combination of both.

4.3 Patient Notified of Eligibility. After receiving the Patient's financial information, CMH will notify the Patient of his/her eligibility determination within a reasonable period of time.

4.3.1 If the Patient does not initially qualify for financial assistance, the Patient may reapply if there is a change in income, assets, or family responsibilities.

4.3.2 A Patient who qualifies for financial assistance must cooperate with CMH to establish a reasonable payment plan that takes into account available income and assets, the amount of the discounted bill(s), and any prior payments.

4.3.2.1 A Patient who qualifies for financial assistance must make a good faith effort to honor the payment plans. The Patient is responsible for communicating any change in his/her financial situation that may impact his/her ability to pay the discounted health care bills or to honor the provisions of any payment plans.

5.) Aged Accounts: Accounts that have been in self pay status for greater than two years will not qualify for financial assistance due to a lack of timeliness in the application process.

6.) Authority for Approval.

Less than \$10,000	CEO and CFO
Greater than \$10,000	Board of Directors

A quarterly report will be submitted to the Finance Committee of the Board of Directors listing all charity care approvals with a total for the year.

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SCHEDULE A – Amounts Generally Billed

	Amounts Generally Billed (AGB) as a % of Charges	AGB Discount
8/1/15- 7/31/2016 (rate letter dated 07/14/2015)	64%	36%
8/15/2016 – 1/1/2017 (rate letter dated 8/9/2016)	58%	42%
1/1/2017 – 5/31/2017 (rate letter dated 12/12/2016)	63%	37%
6/1/2017 (rate letter dated 5/31/2017)	69%	31%
1/1/2019 (rate letter dated 8/29/2018)	67%	33%
1/1/2020 (rate letter dated 7/30/2019)	63%	37%
1/1/2021 (rate letter dated 8/31/2020)	63%	37%
1/1/2022 (rate letter dated 8/12/2021)	64%	36%
1/1/2023 (rate letter dated 9/13/2022)	58%	42%
1/1/2024 (rate letter dated 8/11/2023)	56%	44%
1/1/2025 (rate letter dated 8/13/2024)	61%	39%
1/1/2026 (rate letter dated 5/30/2025)	63%	37%
1/1/2027 (rate letter dated 6/17/2026)	56%	44%

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SCHEDULE B - Covered Services and Provider Practices

Hospital Facility	Provider Practice Name	Eligible for Financial Assistance Under CMH Policy	Eligible for Financial Assistance Under Other UPH Policy	Not Eligible For Financial Assistance
UPH-Community Memorial Hospital	Community Memorial Hospital	X		
UPH-Community Memorial Hospital	Community Memorial Hospital Medical Clinic	X		
UPH-Community Memorial Hospital	Fredericksburg Medical Clinic	X		
UPH-Community Memorial Hospital	Community Memorial Hospital Emergency Department	X		
UPH-Community Memorial Hospital	Community Memorial Hospital Surgery Department – Hospital services only, excludes Professional charges (see CVMS below)	X		
UPH-Community Memorial Hospital	Community Memorial Hospital Physical Therapy Department (Performance Rehab)	X		
UPH-Community Memorial Hospital	Cedar Valley Medical Specialists, P.C. – Including Drs. Kantamneni, and Daoud			X
UPH-Community Memorial Hospital	Dr. Morreale			X
UPH-Community Memorial Hospital	Health Enterprises of Iowa - Anesthesiology Group			X
UPH-Community Memorial Hospital	UnityPoint Clinics – Including Dr. Gorsche, Kari Haislet, ARNP, Julie Gleason, ARNP, Holly Gaede, ARNP, Stephanie Smith, ARNP, Cassie Kurash, ARNP			X
UPH-Community Memorial Hospital	Cedar Valley Medical Specialists – Department of Radiology			X
UPH-Community Memorial Hospital	UPH-Allen Radiology Department		X	
UPH-Community Memorial Hospital	Virtual Radiology Group (V-Rad)			X

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SCHEDULE C – Covered Services and Provider Practices

Community Memorial Hospital and Community Memorial Hospital Medical Clinic are covered under the CMH Financial Assistance Policy. Generally, services that patients receive at CMH are covered under the policy; however, please see the separate sections below for clarification of what services a Patient may receive that are not covered under this policy. Also, as part of CMH's mission, we want to make our Hospital/Hospital Organization available to all providers in our community who may or not be employed by CMH. Providers can be physicians, nurse practitioners, physician assistants, etc. To assist in understanding which of these providers are covered under this policy, the comprehensive Provider Practice Listing following the chart below details whether:

- (1) Their professional services are covered under this Financial Assistance Policy.
- (2) Their professional services are covered under a separate UnityPoint Health Policy (1.BR.34(a)), Financial Assistance – Non-Hospital Entities, because they are employed by UnityPoint Health Clinic.
- (3) Their professional services are not covered under any UnityPoint Health financial assistance policies as they are not employees of UnityPoint Health.

UnityPoint Health Hospital	Services Not Covered under Financial Assistance Policy (see Separate Provider Listing in Schedule B as well)
UnityPoint Health – Community Memorial Hospital & CMH Medical Clinic	The physician/professional portion services for pathology, radiology/imaging, and anesthesiology will not be covered under this financial assistance policy and will be billed separately.

