

COTEAU DES PRAIRIES HEALTH CARE SYSTEM

205 Orchard Drive
Sisseton, SD 57262-2398

FINANCIAL ASSISTANCE POLICY

Financial Assistance Policy

Coteau des Prairies Health Care System's mission is to provide quality services to everyone in our service area. As part of that commitment, Coteau des Prairies Health Care System (CDPH) appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive emergency or medically necessary medical services.

Financial Assistance is defined as healthcare services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt, which is defined as patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill.

The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account race, creed, gender, national origin, disability, age, social immigrant status, or sexual orientation.

Purpose

To establish policies and procedures necessary to ensure that patients of CDPH, who for economic and financial reasons cannot meet the requirements of the collection policy, are provided with appropriate financial assistance.

Definitions

For the purpose of this policy, terms below are defined as follows:

Application Period: Begins on the date care is provided to the patient and ends on the later of (i) the 240th day after the date the first post-discharge (whether inpatient or outpatient) billing statement is provided to the patient; or (ii) not less than 30 days after the date CDPH provides the patient the requisite final notice to commence extraordinary collection actions ("ECAs").

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance. This definition shall be used to determine the numbers of persons to apply the family size to the income guidelines.

Family Income: Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, worker's compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and miscellaneous sources;

- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis; and
- Excludes capital gain or losses.

If a person lives with a family, it includes the income of all family members (non-relatives, such as housemates, do not count). Family income (as defined above) will be determined over the twelve (12) months prior to application for assistance under this policy. Proof of income that is less than 12 months can be annualized if it is reasonable to do so.

Federal Poverty Level (FPL): Is established using the Federal Poverty Guidelines as updated annually by the United States government. The then current Federal Poverty Guidelines will be utilized by CDP in determining eligibility for financial assistance.

Financial Assistance: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Financial assistance results from the organization's policy to provide healthcare services free or at a discount to individuals who meet the established criteria as set forth in this policy.

Medically Necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Net worth: The value (assets minus liabilities) of all members included in the family (as defined above) over the twelve (12) months prior to application for assistance under this policy.

Uninsured: A patient who (i) has no health insurance or coverage under governmental health care programs, and (ii) is not eligible for any other third party payment such as worker's compensation or claims against others involving accidents.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities. CDPH shall determine whether underinsured patients are eligible to receive financial assistance for deductibles, co-insurance, or co-payment responsibilities based upon the managed care agreement between CDPH and the insurer.

Procedure

CDPH shall provide an avenue to apply for and receive free or discounted care consistent with requirements of the Internal Revenue Code and implementing regulations. For the purpose of this policy, "charity" or "financial assistance" refers to healthcare services provided by CDPH without charge or at a discount to qualifying patients.

A. Eligible Services & Providers

The following healthcare services are eligible for financial assistance:

1. Emergency medical services; and
2. Medically necessary services.

Eligible care provided by CDPH and CDPH-employed physicians and practitioners within licensed hospital space is covered by this policy.

Eligible care provided by independent community physicians and other independent service providers may not be subject to this policy. Patients may obtain a current list of providers both who are and are not subject to this policy, at no charge (i) by calling 605-698-7647, (ii) by e-mailing CDP.FA@cdphospital.com (iii) in person at the Patient Accounts Department, or (iv) by visiting the website at <https://www.cdphealth.com>. These lists are

updated quarterly. Patients should contact these other providers to determine whether care is eligible for financial assistance.

B. Eligibility Criteria

Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care program, and who are unable to pay for their care based upon a determination of financial need made in accordance with this policy. Eligibility criteria establishes classes of individuals that are eligible for financial assistance for eligible care under this policy.

A guide line to qualify as "Financially Indigent", the patient must be Uninsured or Underinsured and have a Family Income of equal to or less than 175% of Federal Poverty Level; provided, however, that patients who satisfy the minimum Family Income criteria but have a Net Worth in excess of 20% of total outstanding medical bills do not qualify as Financially Indigent.

A guide line to qualify as "Medically Indigent", the patient's total household income shall be at or below 400% of the current Federal poverty Income Guidelines and their hospital medical expenses for the proceeding 12month period exceeds 25% of the annual gross income.

Patients who may be eligible for Medicaid, Medicare or other governmental medical assistance programs and fail to apply for such programs within thirty (30) days of CDPH's request are not considered eligible for financial assistance under this policy.

C. Limitations on Charges & AGB

Discounts granted to eligible patients under this policy will be taken from gross charges.

Patients who are deemed to be eligible for financial assistance under this policy will not be charged for care covered by this policy more than amounts generally billed (AGB) by CDPH to individuals who have health insurance. CDPH's "amounts generally billed" or "AGB" is established using the prospective method; meaning the AGB equals the amount Medicare would allow for the care if the patient was a Medicare fee-for-service beneficiary, including all co-pays and deductibles.

D. Amount of Financial Assistance

Patients who qualify for financial assistance as Financially Indigent or Medically Indigent will be provided financial assistance in accordance with the following sliding fee scale:

1. Patients who qualify as Financially Indigent and whose Family Income is at or below 150% of the FPL receive a 100% discount on eligible care.
2. Patients who qualify as Financially Indigent and whose Family Income is over 150% of the FPL and does not exceed 175% of the FPL receive a 90% discount off of gross charges on eligible care.
3. Patients who qualify as Medically Indigent will receive assistance at the highest income category under the financially indigent guidelines (25% discount level), unless CDPH determines that circumstances justify a greater assistance amount.

Once the patient has been deemed eligible, CDPH will apply the approved discount to the patient's account. If after financial assistance is applied to the patient balance, the patient's total out of pocket responsibility results in a charge of greater than AGB, the patient shall be provided additional financial assistance such that the patient is not personally responsible for more than AGB.

In determining whether an eligible patient has been charged more than AGB, CDPH considers only those amounts that are the personal obligation of the patient. Amounts received from third party payors are not considered charged or collected from the patient.

E. Application Process & Determination

Eligibility under this policy will be determined in accordance with procedures that involve an individual assessment of financial need. Patients who believe they may qualify for financial assistance under this policy are required to submit an application on CDPH's financial assistance application form during the Application Period.

Patients may obtain a copy of this policy, a plain language summary of this policy, and a financial assistance application free of charge: a) by calling 605-698-7647 switch board or 605-698-4614; b) by e-mailing CDP.FA@cdphospital.com (c) by downloading from the CDPH website, <https://www.cdphealth.com/About-Us/Financial-Assistance.aspx>; or d) in person at (i) the emergency room, (ii) any admission areas of the hospital; or (iii) the patient financial services department located at CDP Hospital, Administration Suite, 205 Orchard Drive, Sisseton, SD 57262-2398.

Completed applications must be returned to Coteau des Prairies Health Care Systems, 205 Orchard Drive, Sisseton, SD 57262-2398

1. Completed Applications

Upon receipt of a completed financial assistance application during the Application Period, CDPH will process, review, and make a determination on the application based upon the criteria set forth in this policy. CDPH will also suspend any ECAs taken against the patient while the application is being reviewed. CDPH may, in its own discretion, accept completed financial assistance applications submitted after the Application Period.

To be considered "complete" a financial assistance application must provide all information requested on the financial assistance application form and in the instructions to the form. CDPH will not consider an application incomplete or deny financial assistance based upon the failure to provide any information that was not requested in the application or accompanying instructions.

Determination of eligibility for financial assistance shall be made by Patient Financial Services staff as defined in the scope of job responsibilities. Unless otherwise delayed as set forth herein, requests for financial assistance shall be processed promptly within 30 days of receipt of a completed application. CDPH shall notify the patient or applicant in writing of its determination as set forth below.

If a patient is eligible for financial assistance, CDPH will:

- a. Notify the patient in writing of the financial assistance provided, and if the patient qualifies for financial assistance other than free care, provide the patient with a revised bill setting forth: (i) the amount the patient owes after financial assistance; (ii) how the revised amount was determined; and (iii) either the AGB for the care provided or instructions on how the patient can obtain information regarding the AGB for the care provided;
- b. Provide the patient with a refund for any amount the patient has paid in excess of the amount owed to CDPH (unless such amount is less than \$10); and
- c. Take reasonable measures to reverse any ECAs taken against the patient.

If a patient is determined to be ineligible for financial assistance, CDPH will notify the patient in writing of the determination and describe the basis for CDPH's determination.

If a patient submits a completed financial assistance application during the Application Period and CDPH determines that the patient may be eligible for participation in Medicaid or other governmental assistance programs, CDPH will notify the patient in writing of such potential eligibility and request that the patient take steps necessary to enroll in such program. In such circumstances CDPH will delay the processing of the patient's financial assistance application until the patient's application for Medicaid or other applicable governmental assistance program is completed, submitted to the requisite governmental authority, and a determination has been made. If the patient fails to submit an application within thirty (30) days of CDPH's request, CDPH will process the completed financial assistance application and financial assistance will be denied due to the failure to meet the eligibility criteria set forth above.

2. Incomplete Applications

Incomplete applications will not be processed by CDPH. If a patient submits an incomplete application, CDPH will suspend ECAs and provide the patient with written notice setting forth the additional information or documentation required to complete the application. The written notice will include the contact information (telephone number and physical location of the office) of patient financial services. The notice will provide the patient with at least 14 days to provide the required information before ECAs will be resumed.

Regardless of whether the patient timely submits the requested information, if the patient submits a completed application prior to the end of the Application Period, CDPH will accept and process the application as complete.

3. Presumptive Eligibility

CDPH's values of human dignity and stewardship shall be reflected in the application process, financial need determination, and granting of financial assistance. There are instances when a patient may appear eligible for financial assistance, but there is no financial assistance form on file due to a lack of supporting documentation. In the event there is no evidence to support a patient's eligibility for financial assistance, presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. Participation in State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance program that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; or
8. Patient is deceased with no known estate.

Previously submitted financial assistance application information may also be used for presumptive eligibility.

Patients granted financial assistance under presumptive eligibility shall be provided a 100% discount.

4. Questions and Assistance with Applications

For questions and/or assistance with filling out a financial assistance application, the patient may contact patient financial services (i) by calling 605-698-7647, (ii) by e-mailing CDP.FA@cdphospital.com (iii) or in person to the Patient Financial Services Department.

It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the Application Period.

The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.

F. Collection Actions

CDPH or its authorized representatives may refer a patient's bill to a third party collection agency or take any or all of the following extraordinary collection actions ("ECAs") in the event of non-payment of outstanding bills:

- a. Reporting to credit bureaus;
- b. Legal suit;
- c. Selling the account to a third party; or
- d. Garnishment of wages.

CDPH may refer a patient's bill to a collection agency whenever deemed necessary by the hospital. Referral of bills to collection agencies are not ECAs. CDPH(or its third party contractors) will not take ECAs against a patient or any other individual who has accepted or is required to accept financial responsibility for a patient unless and until CDP has made "reasonable efforts" to determine whether the patient is eligible for financial assistance under this policy.

The Patient Accounts Department is responsible to determine whether reasonable efforts have been made to determine whether a patient is eligible for financial assistance. "Reasonable efforts" is determined based upon the financial assistance application status of the patient as follows:

1. No Application Submitted

If a patient has not submitted a financial assistance application, CDPH has taken "reasonable efforts" so long as it:

- a. Does not take ECAs against the patient for at least 120 days from the date CDPH provides the patient with the first post-discharge bill for care;
- b. Provides a final written notice to the patient at least thirty (30) days' prior to taking an ECA that:
 - o Notifies the patient of the availability of financial assistance;
 - o Identifies the specific ECA(s) CDPH intends to initiate against the patient, and
 - o States a deadline after which ECAs may be initiated that is no earlier than 30 days after the date the notice is provided to the patient;
- c. Provides a plain language summary of the financial assistance policy with the aforementioned final notice; and
- d. Makes a reasonable effort to orally notify the patient about the potential availability of financial assistance at least 30 days prior to initiating ECAs against the patient describing how the individual may obtain assistance with the financial assistance application process.

2. Incomplete Application

If a patient submits an incomplete financial assistance application during the Application Period, "reasonable efforts" will have been satisfied if CDPH:

- a. Provides the patient with the written notice described in E.2 above; and
- b. Suspends ECAs that have been taken against the patient, if any, for not less than the response period allotted in the notice.

If the patient fails to submit the requested information within the allotted time period, ECAs may resume; provided, however, that if the patient submits the requested information during the Application Period, CDPH will suspend ECAs and make a determination on the application as set forth in F.3 below.

3. Completed Application

If a patient submits a completed financial assistance application, "reasonable efforts" will have been made if CDPH does the following:

- a. Suspends all ECAs taken against the individual, if any, until such time as a determination has been made on the application;
- b. Makes a determination as to eligibility for financial assistance as set forth in E.1 above; and
- c. Provides the patient with a written notice either that (i) complies with that set forth in E.1 above setting forth the financial assistance for which the patient is eligible or (ii) denies the application. The notice must include the basis for the determination.

If CDPH has requested that the patient apply for Medicaid or other governmental assistance programs, CDPH will suspend any ECAs it has taken against the patient until the patient's Medicaid (or other assistance program) application has been processed or the patient's financial assistance application is denied due to the failure to timely apply for Medicaid coverage.

G. **Notification**

A copy of this policy, a plain language summary of this policy, the financial assistance application and instructions, and all other FAP-related documents will be posted on the CDPH website.

Paper copies of this policy, a plain language summary of this policy, and the financial assistance application and instructions will be made available free of charge upon request by mail and in emergency rooms, admitting and registration departments, and hospital business offices.

Furthermore, CDPH will post conspicuous notices of the availability of financial assistance in emergency rooms, admitting and registration departments, and hospital business offices. CDPH will also publish and widely publicize a plain language summary of this financial assistance policy in brochures available in patient access sites. CDPH will also provide these brochures to local community charities.

Members of the public may readily obtain a Provider list free of charge, both online and on paper.

Patients will be provided a plain language summary of the financial assistance policy not later than upon discharge.

Furthermore, all billing statements will include a conspicuous written notice regarding the availability of assistance, including the contact information identifying where the patient may obtain further information and financial assistance-related documents and the hospital's website where such documents may be found.

In addition, CDPH personnel will discuss with the patient the availability of various government benefits, such as Medicaid or state programs, and assist the patient with qualification for such programs, when applicable.

H. Translation

CDPH shall ensure that this policy, the plain language summary of this policy, the financial assistance application and instructions, and all other related financial assistance documents are translated into the primary language spoken by the lesser of 1,000 individuals or 5% of the community population serviced by CDPH. This determination shall be made on an annual basis.

In implementing this policy, CDPH management shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

I. Emergency Medical Care

Emergency medical treatment will be provided without regard to ability to pay and regardless whether the patient qualifies for financial assistance under the financial assistance policy. CDPH will not take any action that may interfere with the provision of emergency medical treatment, for example, by demanding payment prior to receiving treatment for emergency medical conditions or permitting debt collection activities that interfere with the provision of emergency medical care in the emergency department. Emergency medical treatment will be provided in accordance with CDPH policies governing and implementing the Emergency Medical Treatment and Active Labor Act.

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