

<p style="text-align: center;">LINDSBORG COMMUNITY HOSPITAL (LCH) ADMINISTRATIVE FINANCIAL SERVICES POLICY AND PROCEDURE</p>
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FINANCIAL ASSISTANCE

NUMBER: 20.8260-P

Revised: June 2014, October 2018, June 2021, December 2021, November 2025

This policy is intended to be a resource to assist practitioners in the performance of their responsibilities. It is not intended nor may it be used to define the standard of care in any given situation. The standard of care is dependent upon the learning, skill, and conduct of a practitioner in a given circumstance and must be established through expert testimony provided by members of the same profession in the same or similar communities under like circumstances.

POLICY:

Since inception Lindsborg Community Hospital (LCH) affirms and maintains its commitment to serve everyone regardless of age, race, color, religion, sex, national origin, disability, gender identification, veteran status and whether they are uninsured or underinsured. LCH intends for this policy to be compliant with all applicable federal, state, and local laws.

1. The determination of financial assistance (total or partial) shall be based solely on the patient's ability to pay and not on the basis of age, race, color, religion, sex, national origin, disability, gender identification, or veteran status. This policy covers all medically necessary types of services provided at LCH.
2. LCH must provide, without discrimination, care for emergency medical conditions regardless of whether a patient is eligible for financial assistance.
3. No discount will be offered in response to current, past, or future health services as a kickback for accessing these services. The existence of this policy will not be used in any marketing effort aimed at patients or health care providers.
4. The hospital will assist the patient in obtaining alternative methods of financial assistance whenever possible. This action is intended to allow LCH to provide the maximum level of necessary financial assistance within its resources.
5. For all who seek financial assistance at LCH, confidentiality of information will be maintained. LCH respects and values the dignity of all patients and their families.

DEFINITIONS:

1. **Uninsured Patient** – An individual who is uninsured, having no third-party coverage by a commercial third-party coverage by a commercial third-party insurer; an ERISA plan; a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP and Champus), Workers' Compensation, Medical Savings Accounts or other coverage for all or any part of the patient's bill, including claims against third parties covered by insurance to which LCH is subrogated, but only if payment is actually made by such insurance company.
2. **Uninsured Patient Financial Assistance** – A reduction in an Uninsured Patient's billed charges for inpatient or outpatient hospital services in accordance with the Patient Financial Assistance Guidelines.
3. **Federal Health Care Program** – Any health care program operated or financed at least in part by the federal, state, or local government.
4. **Patient Financial Assistance Guidelines** – The matrix for determining an Uninsured Patient's liability for payment of billed charges.
5. **Underinsured Patients** – Patients who are insured or qualify for governmental or private programs that provide coverage for the services rendered but do not have resources to pay the private portion of their bill.
6. **Covered Items and Services** – Shall include at a minimum those items and services covered by Medicare and providers who are enrolled with major payers.
7. **Amount Generally Billed** – The amount generally billed will be calculated using the "look-back" method. This is the sum of all amounts of claims that been allowed by health insurers divided by the sum of the associated gross charges for those claims. Allowed amount is total charges less contractual adjustments. A twelve month period is used. Includes Medicare and all other third party payers. The AGB percentage is applicable as of October 1st of each year.
8. **Household** – Included all individuals residing together, related or not.
9. **Income (Gross)** – Includes all monies brought into the household and the value of any gifts and or support provided by others such as free/discounted rent, utilities, car payments, food, etc. In addition LCH reserves the right to include excess liquid assets as income.
10. **Excess Liquid Assets** – Assets will be considered liquid if they can be converted to cash within one year. These include checking accounts, savings accounts, trust funds, and other investments. Additionally countable assets include the liquidated value of luxury items, equity in recreational vehicles, boats, a second home, etc. Excess liquid assets will be the amount in excess of two months normal living expenses.

BILLING FOR THE UNINSURED:

1. All uninsured patients will receive a discount from standard charges on their bill. The discount will be equal to 30% of billed charges. Any further adjustments will be based in accordance to the Patient Financial Assistance guidelines.

2. A company/service will be utilized to help uninsured patients with inpatient, or large outpatient bills, determine eligibility for programs that may be available to cover medical costs.
3. Uninsured Financial Assistance is applicable only to items and services defined as “covered items and services” for medically necessary treatment and providers who are enrolled with major payers.
4. This policy is not applicable to physicians, immediate family members of physicians (as defined in 42 C.F.R. 417.351, as amended) or to physician professional fees, unless such fees are for services performed by a physician employed by LCH.
5. Upon request, Uninsured Patients eligible for discounts described in this Policy must complete an application for Medicaid participation or for coverage by other governmental payment programs.

BILLING FOR THE UNDERINSURED:

1. Patients with insurance, or that are covered by government or private programs may have the private pay portion of their bill adjusted based on the Patient Financial Assistance Guidelines.

PROCEDURES FOR ELIGIBILITY:

1. Notice of Patient Financial Assistance Policy:
 - a. LCH will post a notice of its Patient Financial Assistance Policy at:
 - i. Admission Areas
 - ii. On its website
 - iii. Public Display
 - iv. With Billing Statements
 - b. At the earliest feasible times, LCH personnel will attempt to determine whether a patient has third-party coverage for any part of their hospital bill.
 - c. The request for financial assistance may originate from the patient, family member or friend of the family, as well as from any employee of LCH or member of the medical staff.
2. Eligibility Determination
 - a. LCH personnel will give patients the Patient Financial Assistance Policy (plain language summary) and an Application for Financial Assistance once a patient is identified as uninsured. The time for delivery of this Policy and the Application for Financial Assistance will depend upon whether identification is made at the time of service, during the billing process, or during collection. The Patient must complete the Application for Financial Assistance and provide the information described in Paragraph 2(b) below. Following the patient's completion of the application, hospital personnel will review the application against eligibility

criteria. The Patient will provide supporting documentation of their level of income.

- b. Dates of service within 240 days after the date of the first billing statement will be eligible for Financial Assistance.
- c. In evaluating a Patient's need for financial assistance, personnel may review the Patient's and/or applicable party most recent W-2 withholding forms, most recently filed tax returns, most recent FAFSA, six months of pay stubs, six months of bank statements, written verification of wage from a current employer and the most current written verification from a public welfare agency or other governmental agency attesting to the patient's income status. Upon request a Patient shall supply documentation reasonably necessary to verify the Patient's income including documentation to determine excess liquid assets.
- d. LCH will provide the patient with a certification letter once their eligibility determination is completed.
- e. A patient's eligibility, once determined, shall be effective for a period of one year or until their financial status changes, whichever occurs first.

3. Calculation of Charity/Financial Assistance and Applicable Guidelines:

- a. LCH personnel will calculate the financial liability of a Patient based upon the Patient's household income according to the Patient Financial Assistance Guidelines. LCH personnel will calculate the financial liability of a Patient based upon the Patient's household income according to the Patient Financial Assistance Guidelines. Patients with household income less than 200% of the Federal Poverty Guidelines may be eligible for a 100% bill reduction. Household income between 201% and 250% of the Federal Poverty Guidelines may be eligible for a 50% reduction, and household incomes between 251% and 300% of the Federal Poverty Guidelines may be eligible for a 25% reduction. Household incomes exceeding 300% of the Federal Poverty Guidelines will not be eligible for a bill reduction.
- b. Nothing in this policy shall prohibit LCH from offering reduced (as provided in the paragraph below) or more favorable financial assistance to a Patient based upon circumstances, including, without limitation, the Patient's or his/her household's net worth, likelihood of the Patient's future household earnings being sufficient to meet health care-related obligations within a reasonable time, the Patient's or the responsible party's other reasonable financial obligations, evaluation of the Patient's health services history and the Patient's need for future services, whether an account is discharged in bankruptcy, whether an account is for a deceased person having not estate or other means of payment and whether there exists other sources of payment.
- c. LCH reserves the right to grant financial assistance discounts in extraordinary circumstances to Patients who do not meet the guidelines stated above. It is also recognized by the parties that there is a very small percent of the uninsured population which have very substantial

assets and could easily afford to pay for health care, but who, because of having tax exempt income or otherwise, will not have income reflect on a tax return or otherwise. To address these limited and extraordinary situations, LCH reserves the right to exempt these individuals from financial assistance. In these limited and extraordinary circumstances, due to the facts and circumstances it will be required to have the sign-off of two officers of LCH and/or SRHC for approval or for exemption.

- d. LCH will not engage in extraordinary collection activities prior to making reasonable efforts to determine if a patient is eligible for financial assistance. The notification period for reasonable efforts starts with the date care is provided and ends 120 days after the date of the first statement. Statements and a final notice during the 120 days meet the reasonable efforts standard.
- e. Extraordinary collection activities may include referral to a collection agency and/or legal action. Collection/legal action may be used to collect amounts due if the responsible party refuses to cooperate in the financial assistance determination process and make and follow suitable payment arrangements. Failure to cooperate includes failure to submit required data and/or failure to submit required data within the specified time period. In addition, collection/legal action may be used to collect amounts due that remain after financial assistance determinations have been made and the responsible person fails to make and follow suitable payment arrangements. Legal action may be taken to attach wages when it is believed that there is sufficient income to pay the amount due. The Administrator or Chief Financial Officer must give authority for such legal action.
- f. Approval for charity/financial assistance will be given by the Chief Financial Officer for all amounts with the exception as noted in 3c.

REVIEW HISTORY:

- First Effective: 06/14, 10/18, 06/21, 12/21

APPROVED:

Laraine I. Gengler, Chief Financial Officer

Mark Rooker, Administrator

