

| | |
|--|---|
| <p style="text-align: center;">FINANCIAL ASSISTANCE POLICY</p>  <p style="text-align: center;">Prairie Ridge HOSPITAL & HEALTH SERVICES</p> | Number PFS-001 |
| | Effective Date 10/1/16 |
| | Origination Date 8/18/10 |
| | Last Review Date 3/1/17 |
| | Next Review Date 3/1/18 |
| | Review Responsibility Finance |
| | Contact |

I. PURPOSE:

Consistent with its vision to be Minnesota’s preeminent regional healthcare partner, Prairie Ridge Hospital & Health Services is committed to providing financial assistance to uninsured and underinsured individuals who are in need of emergency or medically necessary treatment and have a household income at or below 175% of the federal poverty guideline.

It is the policy of Prairie Ridge Hospital & Health Services to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with the IRS and Treasury’s 501 (r) final rule under the authority of the Affordable Care Act. The persons with the final authority for determining that a hospital may pursue extraordinary collections actions are the Revenue Cycle Department, and the CFO.

In accordance with the Affordable Care Act (ACA), any patient eligible for financial assistance under Prairie Ridge Hospital & Health Services’ financial assistance policy will not be charged more for emergency or medically necessary care than the amount generally billed (AGB) to insured patients.

II. POLICY:

Financial assistance is provided only when care is deemed an emergency or medically necessary and after patients have been found to meet all financial criteria. Prairie Ridge Hospital & Health Services offers both free care and discounted care, depending on individuals’ family size and income.

Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid or insurance through the public marketplace) as appropriate *before* eligibility under this policy is determined. Additionally, any uninsured patients who are believed to have the

financial ability to purchase health insurance may be encouraged to do so to help ensure healthcare accessibility and overall well-being.

Uninsured or underinsured patients who do not qualify for free care may receive a sliding scale discount off the gross charges for their medically necessary services based on their family income as a percent of the Federal Poverty Guidelines. These patients are expected to pay their remaining balance for care, and may work with Patient Financial Service representatives to set up a payment plan through Prairie Ridge Hospital & Health Services.

It is the goal of this policy to provide clear and consistent guidelines for conducting the billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, Prairie Ridge Hospital & Health Services will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires Prairie Ridge Hospital & Health Services to make reasonable efforts to determine a patient's eligibility in extraordinary collection actions to obtain payment. Prairie Ridge Hospital & Health Services' Financial Assistance Policy is only available in the English Language as the residents served in the Community do not constitute 5% or 1,000 persons of any other primary language. If you require translation of this policy please contact the Patient Financial Services Department for assistance.

GENERAL INFORMATION:

The following terms are meant to be interpreted as follows within this policy:

1. **Community Care:** Emergency or medically necessary services rendered without the expectation of full payment to patients meeting the criteria as established by this policy.
2. **Medically Necessary:** Care or services rendered at Prairie Ridge Hospital & Health Services hospital and clinic to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, and threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
3. **Emergency Care:** Immediate care that is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.
4. **Extraordinary Collection Actions (ECAs):** A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether

the individual is eligible for financial assistance. These actions are further defined in section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.

5. **Financial Assistance Policy (FAP):** A policy that describes the financial assistance program- including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.
6. **Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.
7. **Underinsured:** Insured patients whose out-of-pocket medical costs exceed 175% of their annual family income.
8. **Amounts Generally Billed (AGB):** The amount generally billed to insured patients for emergent or medically necessary care (determined as described in section (B) of the policy below)
9. **Gross Charges:** The full amount charged by Prairie Ridge Hospital & Health Services for items and services before any discount, contractual allowances, or deductions are applied.
10. **Reasonable Efforts:** A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under Prairie Ridge Hospital & Health Services Financial Assistance Policy. In general, reasonable efforts may include providing individuals with written and oral notifications about the FAP and application processes.

Procedures

(A) Eligibility

Prairie Ridge Hospital & Health Services will not charge patients who are eligible for financial assistance more for emergency or medically necessary care than the amounts generally billed to insured patients.

Services eligible for financial assistance include: emergency care, services deemed medically necessary by Prairie Ridge Hospital & Health Services, and in general, care that is non-elective and needed in order to prevent death or adverse effects to the patient's health.

Patients who are uninsured or underinsured and have a household income at or below 175% of the Federal Poverty Guidelines (FPG) (shown in the table below) may receive financial assistance as illustrated in the table on the following page.

| Family Size | PERCENT OF ANNUAL INCOME GUIDELINES AND FORGIVENESS | | | | |
|-------------|---|--------------|--------------|--------------|--------------|
| | 100% | 80% | 60% | 40% | 20% |
| 1 | \$ 21,105.00 | \$ 22,311.00 | \$ 23,517.00 | \$ 24,723.00 | \$ 25,929.00 |
| 2 | \$ 28,420.00 | \$ 30,044.00 | \$ 31,668.00 | \$ 33,292.00 | \$ 34,916.00 |
| 3 | \$ 35,735.00 | \$ 37,777.00 | \$ 39,819.00 | \$ 41,861.00 | \$ 43,903.00 |
| 4 | \$ 43,050.00 | \$ 45,510.00 | \$ 47,970.00 | \$ 50,430.00 | \$ 52,890.00 |
| 5 | \$ 50,365.00 | \$ 53,243.00 | \$ 56,121.00 | \$ 58,999.00 | \$ 61,877.00 |
| 6 | \$ 57,680.00 | \$ 60,976.00 | \$ 64,272.00 | \$ 67,568.00 | \$ 70,864.00 |
| 7 | \$ 64,995.00 | \$ 68,709.00 | \$ 72,423.00 | \$ 76,137.00 | \$ 79,851.00 |
| 8 | \$ 72,310.00 | \$ 76,442.00 | \$ 80,574.00 | \$ 84,706.00 | \$ 88,838.00 |

Determinations for financial assistance eligibility will require patients to submit a completed financial assistance application (including all documentation required by the application) and may require appointments or discussion with Prairie Ridge Hospital & Health Services financial service representatives.

When determining patient's eligibility, Prairie Ridge Hospital & Health Services does not take into account race, gender, age, sexual orientation, religious affiliation, or social or immigrant status.

(B) Determining Discount Amount

Once eligibility for financial assistance has been established, Prairie Ridge Hospital & Health Services will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or medically necessary care.

To calculate AGB, Prairie Ridge Hospital & Health Services uses the look back method described in section 4(b)(2) of the IRS and Treasury's 501(r) final rule. The Amount Generally Billed by Prairie Ridge Hospital & Health Services is 41%.

(C) Applying for financial Assistance

To apply for financial assistance, patients must submit a complete application (including supporting documents) to 1411 Highway 79 E. Elbow Lake, MN 56531, either in person or by mail.

Applications can be accessed:

- In the Patient Financial Services office
- By Mail, if individuals make a request by phone call, 218-685-7329 and speak to a patient financial service representative or by mail, please send requests to 1411 Hwy 79 E Elbow Lake, MN Attn: Patient Financial Services.

- Online at, www.prairiehealth.org
 - Click on Our Services drop down tab
 - Click on Financial Services
- Grant County Social Services 28 Central Ave So., Elbow Lake, MN 56531.
 - The patient will be responsible for submitting the completed application with necessary documentation on their own behalf.

To be considered eligible for financial assistance, patients must cooperate with Prairie Ridge Hospital & Health Services to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for financial assistance or other private or public payment programs at Prairie Ridge Hospital & Health Services

Patients may qualify for financial assistance for outstanding account balances 6 months prior to and 12 months following the date of approval. Under no circumstances will Prairie Ridge Hospital & Health Services use prior FAP eligibility determinations to consider the patient eligible for financial assistance. If a patient requests accounts to be considered for financial assistance that are outside the timeframe previously stated, they will have to provide Prairie Ridge Hospital & Health Services with a new application and supporting documentation. Patients must notify Prairie Ridge Hospital & Health Services of the account(s) that they would like to be included in the 12 month discount timeframe following date of approval. It is Prairie Ridge Hospital & Health Services' obligation to contact the appropriate county to determine the status of insurance when a patient states that they have applied for Medical Assistance.

If Prairie Ridge Hospital & Health Services receives an incomplete application in the application time period (period from date of care until later of 240 days after first post discharge billing statement is provided or end of reasonable time period and written notice to the individual) the organization will suspend any ECA's already initiated. Prairie Ridge Hospital & Health Services will provide the individual with written notice indicating what additional information and/or documentation is required. In that notification Prairie Ridge Hospital & Health Services will provide information on where the patient can get assistance in completing the Financial Assistance Application. Prairie Ridge Hospital & Health Services will provide the patient no more than 30 days from the date of notification to complete the Financial Assistance Application and provide any missing required documentation. Failure to provide this documentation within the given timeframe the individual's application will be denied.

In addition to completing an application, individuals should be prepared to supply the following documentation:

- The last three months of bank statements
- Proof of income for application (and spouse if applicable), such as recent pay stubs (most recent three), unemployment insurance payment stubs, or sufficient information on how patients are currently financially supporting themselves
- Copy of most recent tax returns
- Individuals who do not have any of the documentation listed above; have questions about Prairie Ridge Hospital & Health Services' financial assistance application; or would like assistance with completing the financial assistance application may contact our patient financial service representatives either in person at 1411 Hwy 79 E Elbow Lake, MN 56531 or over the phone at 218-685-7329.

Patient financial service hours are Monday through Friday 8:00am-4:30pm.

Prairie Ridge Hospital & Health Services will notify the patient of acceptance and denials of financial assistance eligibility. If the patient is found eligible for the program, Prairie Ridge Hospital & Health Services will notify the patient in writing what the qualified amount forgiven is.

Prairie Ridge Hospital & Health Services will provide the individual a new billing statement (if eligible for less than free care) that reflects the amount the patient owes after the forgiveness has been applied to their account. If the patient qualifies for total financial Assistance Prairie Ridge Hospital & Health Services will refund the patient any amount that has already been paid in excess of \$5.00 for the application timeframe stated above.

For information on Prairie Ridge Hospital & Health Services' billing and collection information, please refer to the separate billing and collections policy. A free copy of this policy may be obtained the following ways:

- At the Patient Financial Services office
- By Mail, if individuals make a request by phone call, 218-685-7329 and speak to a patient financial service representative or by mail, please send requests to 1411 Hwy 79 E Elbow Lake, MN Attn: Patient Financial Services.
- Online at, www.prairiehealth.org
 - Click on Our Services drop down tab
 - Click on Financial Services
- Grant County Social Services 28 Central Ave. So, Elbow Lake, MN 56531.

For Emergency and Medical Care information, please refer to a separate Emergency and Medical Care policy.

(D) Eligible Providers

Please see supplemental schedule in Exhibit A

Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should contact the Patient Financial Services Department at (218)685-7329.