



KIT CARSON COUNTY HEALTH SERVICE DISTRICT
 286 16TH Street, Burlington, CO 80807

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|---|----------------------------|
| Policy & Procedures | |
| Title/Subject: Financial Assistance Policy | Reference: |
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| Department: District Wide | |
| Original Date: 01/01/2013 | Review Dates: |
| Effective Date: 01/01/2013 | Revision Dates: 12/23/2015 |
| Department Approval: | Title: |
| Administrative Approval: Board of Directors | Title: |

Purpose:

KCCHSD strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Scope:

All eligible individuals who qualify for Financial Assistance (FAP) care at Kit Carson County Health Service District (hereinafter “KCCHSD” or “District”)

Policy:

As a quasi-governmental entity, KCCHSD has a dual responsibility to provide the most efficient, effective healthcare to the community and to remain financially viable at the same time. In fulfilling this responsibility KCCHSD recognizes its obligation to the community to care for all patients regardless of their ability to pay. KCCHSD will not discriminate in providing services to individuals based on their inability to pay, race, color, sex, national origin, disability, religion, or sexual preference. With this in mind, KCCHSD will provide inpatient and outpatient hospital acute care, home health care and outpatient primary (clinic) care services to qualifying individuals at no or reduced charge (“Financial Assistance”). KCCHSD will screen patients, where permitted, to determine which patients qualify for financial assistance (previous policies included language with terminology such as “Charity Care”; however, hereinafter “Financial Assistance” will include a broader definition which is meant to include Charity Care and other inclusive language). This screening is based on the patient’s ability to pay and not on their willingness to pay. KCCHSD has the responsibility to inform all patients of Financial Assistance, which can be found as referenced in the Patient Consent form. While KCCHD has the duty to inform patients about Financial Assistance, the Patient has the responsibility to request Financial Assistance. KCCHSD will screen any patient that requests a determination of eligibility for Financial Assistance. Then the Patient, or designee, shall be required to complete the application and provide the necessary information to determine eligibility for Financial Assistance.

Qualifying Services:

Financial Assistance will be offered to qualifying patients for inpatient and outpatient hospital acute care, home health care and outpatient care services offered by KCCHSD. Elective and/or cosmetic procedures do not qualify for Financial Assistance.



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DEFINITIONS:

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

Financial Assistance Policy (FAP) (formerly referred to as “Charity Care”):

FAP results from a provider's policy to provide healthcare services at a discount to individuals who meet the established criteria.

Family:

Using the United States Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to 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.

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

- Income includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony, assistance from outside the household, and other miscellaneous sources;
- Non-cash benefits (such as food stamps and housing subsidies) do not count;
- Income is determined on a before-tax basis;
- The income of all family members living with an applicant, including domestic partners who meet the definition of Common Law Spouse, is included (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

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.

Gross Charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).



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

Procedure:

Any person can request financial assistance at any time, before, during or after, the individual's encounter with KCCHSD services. At the time of the request, the individual will be directed to meet and talk with a patient financial counselor, who will inform her/him of KCCHSD's Financial Assistance, answer any questions and provide her/him with an application. To receive Financial Assistance the Responsible Party will complete an application for Financial Assistance, submit the application to Patient Financial Services (PFS), and provide the necessary documentation for determination of eligibility, as outlined below. This is known as the screening process. Patient financial counselors will be available to assist individuals with the completion of the application and to answer questions concerning Financial Assistance.

The following procedures will be utilized by PFS to administer and determine eligibility of patients for Financial Assistance:

1. Information on Financial Assistance in English and Spanish will be:
 - Provide Financial Assistance information for all patients.
 - Provide financial assistance screening for uninsured patients
 - Provide discounted billing for "qualified patients", i.e. uninsured or underinsured patients that meet certain income criteria based on the Federal Poverty Guidelines.
 - Report omissions of required information for all patients and billing errors for qualified patients, and establish certain collection practices for qualified patients.
 - Posted to the District's website,
 - Made available in patient waiting areas,
 - Made available to patients before discharge when possible,
 - Included in each patient's billing statement, and
 - Communicated in clear understandable manner in language understood by Responsible Party.

2. A responsible party can request Financial Assistance and meet with a patient financial counselor:
 - Before making an appointment, or
 - At the time of making the appointment, or
 - When registering for the services, or
 - After receiving the services.



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3. When a responsible Party requests Financial Assistance, the individual will be directed to Patient Financial Service Department (PFS).
4. PFS will provide an application for Financial Assistance to the Responsible Party and request the individual to complete it. If the Responsible Party requires help to complete the application, a patient financial counselor will assist the individual on completing the application.
5. The Responsible Party will be requested to provide any other information as considered necessary to evaluate and screen the patient for eligibility for Financial Assistance, including, but not limited to those criteria specified by rule, regulation, or industry guideline:
 - Proof of income, in the form of:
 - Most recent W-2 form, or
 - Paycheck stubs, or
 - Most recent Federal Income Tax return, or
 - Bank statements, or
 - Written verification from public welfare agencies which attest to the patient's income status for the past twelve months, or
 - If not a Medicaid recipient, a completed Medicaid application or verification of ineligibility,
 - Proof of residency in Kit Carson County, and
 - If a Medicaid recipient, Medicaid documentation indicating the patient's exhaustion of benefits for current fiscal year.
 - Unemployment Benefit Letter
 - Social Security Letter
 - Educational Assistance (Grant Letter)
 - Spousal Maintenance

Family expenses: Monthly expenses (e.g. mortgage, utility etc.) are not considered in the financial assistance application.

Provide Income documentation: for each family member listed on the application.

6. After all the requested information is received from the Responsible Party, PFS will screen if the patient is eligible for Financial Assistance.



7. After the district determines that an individual is eligible for Financial Assistance, PFS will inform the individual of the decision, and PFS will make up a FAP card and scan into the EMR system and attach FAP as Charity to the patient EMR account. PFS will log the documentation on the FAP spread sheet.
8. After the district determines that an individual is ineligible, PFS will inform the individual of the decision. PFS will log the documentation on the FAP spread sheet.
9. After the application has been approved, the PFS Director will modify the bill accordingly based on the eligibility determination.
10. PFS will maintain a log of patients receiving Financial Assistance indicating the date of services, patient’s name, total charge, date of determination, and amount of adjustment to the account, and payments received on the account.
11. Written documentation must be maintained by PFS regarding all determinations whether approved or denied in accordance with document retention guidelines.

Criteria:

To be eligible for Financial Assistance the patient must be uninsured or under-insured, and the person liable for the payment of patient’s account (Responsible Party) must meet the income criteria as set forth in the accompanying schedule for the amount of financial assistance offered. Other criteria to be considered in determining eligibility may include, but are not limited to the following:

- Other income, living expenses and financial obligations.
- The previous exhaustion of all other available resources.
- Debts discharged as a result of bankruptcy.
- Catastrophic illnesses where the medical bills exceed gross annual income.
- Patient’s residence in Kit Carson County.

At the District discretion, the district will accept patients that have already been screened and approved by CICIP for eligibility.

Term:

The designation for Financial Assistance will cover a period of one year, at which time the Responsible Party will be required to qualify again for Financial Assistance. The individual is responsible to initiate the review to determine if they will continue to qualify for Financial Assistance. The Responsible Party will not have to reapply unless there has been a substantial



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change in their personal information. PFS will review the Responsible Party’s information on file and may request updated information.

Financial Assistance will be scaled according to the Responsible Party’s income using the most current Federal Poverty Guidelines. The Responsible Party’s percent of poverty level will be determined by dividing their gross annual income, as determined by Federal Income Tax regulations, by the federal poverty guidelines based on their family status.

| Family Size | 100% | 120% | 140% | 160% | 180% | 200% | 220% | 240% | 250% |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | \$11,770 | \$14,068 | \$16,366 | \$18,664 | \$20,962 | \$23,260 | \$25,558 | \$27,856 | \$30,154 |
| 2 | \$15,930 | \$19,032 | \$22,134 | \$25,236 | \$28,338 | \$31,440 | \$34,542 | \$37,644 | \$40,746 |
| 3 | \$20,090 | \$23,996 | \$27,902 | \$31,808 | \$35,714 | \$39,620 | \$43,526 | \$47,432 | \$51,338 |
| 4 | \$24,250 | \$28,960 | \$33,670 | \$38,380 | \$43,090 | \$47,800 | \$52,510 | \$57,220 | \$61,930 |
| 5 | \$28,410 | \$33,924 | \$39,438 | \$44,952 | \$50,466 | \$61,494 | \$67,008 | \$72,522 | \$78,036 |
| 6 | \$32,570 | \$38,888 | \$45,206 | \$51,524 | \$57,842 | \$64,160 | \$70,478 | \$76,796 | \$83,114 |
| 7 | \$36,730 | \$43,852 | \$50,974 | \$58,096 | \$65,218 | \$72,340 | \$79,462 | \$86,584 | \$93,706 |
| 8 | \$40,890 | \$48,816 | \$56,742 | \$64,668 | \$71,790 | \$79,716 | \$87,642 | \$95,568 | \$103,494 |
| Discount | 100% | 90% | 80% | 70% | 60% | 50% | 40% | 30% | 20% |

* For family units greater than eight (8) members, add \$4,020 for each additional member.

If a patient does not qualify for Financial Assistance, the patient’s account will be discounted by the highest discount given to a private health plan after the patient is discharged and before the billing process begins. This process is done utilizing the “Calculation of Lowest Negotiated Rate” process to determine the lowest negotiated rate from a private health plan (calculated annually) as completed within six months of the end of KCCHSD’s fiscal year. Discount amounts will be determined by the final dollar amount the patient owes.

If a Responsible Party does not qualify for Financial Assistance, they may request a prompt payment discount as detailed in the Prompt Pay Policy. Upon the Responsible Party’s request, PFS can offer and give a prompt payment discount per the Prompt Pay Discount Policy for individuals making payment on their account as specified in the policy.

If the Responsible Party is unable to pay the account in full, PFS will work with them to establish a reasonable payment plan not to exceed 10% of the patient’s monthly income, as determined during the calculations of the patient’s federal poverty level.



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COMMUNICATION OF THE FAP PROGRAM TO PATIENTS AND WITHIN THE COMMUNITY:

The facility shall inform each patient on each billing statement of his or her rights pursuant to this section and that financial assistance may be available and, where applicable, provide the web site, e-mail address, and telephone number where the information may be obtained. (C.R.S. 25-3-122 1) Notification about FAP available from KCCHSD, which shall include a contact number, shall be disseminated by KCCHSD.

By various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, admitting and registration departments, hospital business offices, and patient financial services offices that is located on facility campuses, and at other public places as KCCHSD may elect. KCCHSD also shall publish and publicize a summary of this FAP care policy on facility websites. Such notices and summary information shall be provided in English and Spanish. Referral of patients for FAP may be made by any member of the KCCHSD staff. A request for FAP may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

RELATIONSHIP TO COLLECTION POLICIES:

KCCHSD management shall develop policies and procedures for internal and external collection practices (including actions the District may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for FAP, a patient's good faith effort to apply for a governmental program or for FAP from KCCHSD, and a patient's good faith effort to comply with his or her payment agreements with KCCHSD. For patients who qualify for FAP and who are cooperating in good faith to resolve their discounted KCCHSD bills, KCCHSD will comply with its own patient account policies. KCCHSD will make reasonable efforts to determine whether that patient is eligible for FAP care under FAP policy. Reasonable efforts shall include:

- Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the District
- Documentation that KCCHSD has or has attempted to offer the patient the opportunity to apply for FAP care pursuant to this policy and that the patient has not complied with the District's application requirements
- Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Before initiating collection proceedings, KCCHSD shall:



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- Offer a qualified patient (after screening) a reasonable payment plan; and
- Allow for at least thirty days past the due date of any scheduled payment that is not paid in full. KCCHSD will allow the thirty-day period only for the first late payment.
- KCCHSD will not initiate collections proceedings once the District is notified that it must submit a corrective action plan or when the District is operating pursuant to a corrective action plan pursuant to subsection (3.7) of C.R.S. 25-3-112

REGULATORY REQUIREMENTS: In implementing this policy, KCCHSD management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

(CRS 25-3-112) If the facility discovers an omission of required information, incorrect billing, or other noncompliance with the current state laws, the facility shall correct the error or omission inform the patient, and provide a financial correction consistent with legal requirements to persons affected by the error or omission. The facility shall inform the Department of Health of the errors, omissions and corrective actions taken by the District in the same manner and form as the reports required in section 25-1-124.