

FINANCIAL ASSISTANCE POLICY

Policy and Procedure No. 30-04 S • Revised Date: September 17, 2018

I. SCOPE: This policy and procedure applies to all system entities in which Deaconess has majority ownership including but not limited to:

- Deaconess Hospital, Inc.
- The Heart Hospital at Deaconess Gateway, LLC
- Progressive Health of Indiana, LLC
- Evansville Surgery Center Associates, LLC
- Deaconess Clinic, Inc.
- Deaconess VNA Plus, LLC
- Deaconess Specialty Physicians, Inc.
- Transcare (Deaconess Illinois/Deaconess Illinois EMS)
- Deaconess Regional Healthcare Services Illinois, Inc.

II. PURPOSE: This policy serves to establish and ensure a fair and consistent method for the review and completion of requests for charitable medical care to our patients in need. This Policy applies to all Deaconess Health System entities that provide health care items and services to patients as adopted by the applicable Boards of Directors and in accordance with the guidance provided by 501r requirements. This policy does not cover services rendered by individual providers. A list of providers not covered by this policy is available at www.deaconess.com/For-You/Patients-and-Visitors/Patients/Financial-Assistance and is updated quarterly. The list is available in writing upon request.

III. POLICY: Deaconess Health System, Inc., is committed to providing charity care to persons who have health care needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable health care services and to advocate for those who are poor and disenfranchised, Deaconess Health System, Inc., strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Deaconess Health System, Inc., will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Deaconess Health System, Inc.'s procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

IV. DEFINITIONS: For the purpose of this policy and the corresponding procedures, the following definitions apply:

- A. **Charity Care:** Health care services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide health care services free or at a discount to individuals who meet the established criteria.
- B. **Medically Indigent:** Any individual or family not classified as financially indigent who becomes so as a result of extensive medical conditions and/or expenses after payment of third-party payers where applicable, has no other tangible assets, and therefore is rendered unable to pay.
- C. **Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
- D. **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.
- E. **Credit Score:** A number, roughly between 300 and 800 that reflects the credit history detailed by a person's credit report. Lenders calculate this number with the assistance of computer systems as part of the process of assigning rates and terms to loans. This score is assigned by one of the recognized credit reporting agencies.
- F. **Collect Ability Score:** The number assigned to the probability of collecting \$50 or more within 12 months on patient balances. A high score indicates high probability of recovery.

V. RESPONSIBILITIES AND PROCEDURES:

- A. For the purposes of this policy, "charity" or "financial assistance" refers to health care services provided by Deaconess Health System, Inc., without charge or at a discount to qualifying patients. The following health care services are eligible for charity:
1. Emergency medical services provided in an emergency room setting.
 2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual.
 3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting.
 4. Medically necessary services, evaluated on a case-by-case basis at Deaconess Health System, Inc.'s discretion.
 5. Non-covered services to a Medicaid recipient.

B. If a patient is uninsured or underinsured, with an income less than 400% of the current federal poverty level and lacks assets to pay for the amount owed, the patient may qualify for our Financial Assistance Program. Uninsured patients, without any third-party liability coverage, automatically qualify for the standard uninsured discount. This discount is applied to total charges and reduces that amount owed to a comparable amount that is based on the general amount that would have been paid to the Health System by private health insurers and Medicare, including co-pays and deductibles, if the patient had been insured.

C. Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for a government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

D. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may

1. Include an application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need.
2. Include the use of external publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as a credit scoring).
3. Include reasonable efforts by Deaconess Health System, Inc., to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs.
4. Take into account the patient's available assets and all other financial resources available to the patient.
5. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

E. The determination for assistance may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than eight months prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

F. In the event there is no evidence to support a patient's eligibility for charity care, Deaconess Health System, Inc., could use outside agencies in determining collectability scoring for the basis of determining charity care eligibility. Presumptive eligibility may also be determined on the basis of individual life circumstances that may include:

1. Homeless or received care from a homeless clinic
2. Food stamp eligibility
3. Patient is deceased with no known estate

G. Services eligible under this policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to federal poverty levels (FPL) in effect at the time of the determination. The basis for the amounts Deaconess Health System, Inc., will charge patients qualifying for financial assistance is as follows:

1. Patients whose family income is at or below 200% of the FPL are eligible to receive free care.
2. Patients whose family income is above 200% and up to 400% of the FPL are eligible to receive services at a discount rate.
3. Patients whose family income exceeds 400% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Deaconess Health System, Inc.

H. In certain situations, it may be appropriate to grant a patient financial assistance even though the patient's financial situation does not satisfy the requirements set forth in this policy. In these situations the Financial Assistance Application and other pertinent information may be reviewed by the Deaconess Financial Assistance Committee, and a determination will be made as to the patient's eligibility for charity care.

VI. REFERENCES:

- A. This policy and procedure is owned by the director of Patient Financial Services and is coordinated with the manager of Internal Audit and the system P&P Committee. This policy has been approved by the Finance Committee of the board of directors.
- B. This policy and procedure revises and rescinds Policy and procedure No. 30-04 S, dated July 5, 2018.

Shawn McCoy, Chief Executive Officer