

KITTSON MEMORIAL HEALTHCARE CENTER

SUBJECT: Community Care Program  
DEPARTMENT: Business Office  
POLICY OWNER: Kim Klegstad  
APPROVED BY: Governing Board

REFERENCE:  
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EFFECTIVE: 10-01-2016  
REVISED:

**Purpose:**

Kittson Memorial Healthcare Center (KMHC) is an exempt organization under section 501(c)(3) of the Internal Revenue Code that provides medically necessary health care services to the patients within KMHC's service area regardless of the patient's inability to pay for the services performed. (This policy applies to emergency and medically necessary services of the hospital.) With the increasing costs in healthcare and insurance coverage plans, we understand the heavier burden that members in our service area are experiencing. We are here to support the "community" of Kittson Memorial, and don't want concern over a medical bill to prevent individuals from seeking and receiving quality health care services.

This policy is established to provide the framework within which Kittson Memorial Healthcare Center ("Hospital") will provide Community Care discount.

**Definitions:**

**Amounts Generally Billed:** The average amount billed to an individual who has insurance covering their emergency medical care and other medical necessary care. This "AGB limit" is calculated as explained in this policy.

**Total Income:** The estimated total income of an individual and all working adults who reside with them. Estimated total income is based on total income from a person's most recent tax return or the annualized income as calculated from their two most recent pay stubs. If those two sources have a significant difference, the pay stubs will be used to determine the Total Income. Hospital reserves the right to adjust this calculation if Hospital obtains evidence that an individual's current and future income is substantially different than indicated in those documents.

- (a) For an employed individual, income is the amount reported in Form 1040, Line 22.
- (b) For a farmer, income is total income from Form 1040, Line 22 plus any depreciation claimed in Form 1040, Schedule F.
- (c) For a self-employed individual, income is total income from Form 1040, Line 22 plus any depreciation claimed in Form 1040, Schedule C.

**Emergency Medical Care:** Treatment of an emergency medical condition as defined in section 1867(e)(1) of the Social Security Act as "a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- (a) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,
- (b) Serious impairment to bodily functions, or
- (c) Serious dysfunction of any bodily organ or part;

Or with respect to a pregnant woman who is having contractions,

- (a) That there is inadequate time to effect a safe transfer to another hospital before delivery, or
- (b) That transfer may pose a threat to the health or safety of the woman or the unborn child."

Medically Necessary Care: All procedures offered by the Hospital are considered medically necessary, except for the following, which Hospital deems not medically necessary: massage, sports physicals, Department of Transportation physicals, direct access lab services, physical therapy, elective procedures, home care, and respite care.

**Policy:**

An individual must have limited income to qualify for financial assistance. Hospital's criteria for financial assistance will follow the Federal Poverty Guidelines ("FPG") issued by the United States government. See Attachment A for the currently applicable Federal Poverty Guidelines. Attachment A will be updated at least annually to maintain accuracy.

- If an individual's total income is less than or equal to 100% of the Federal Poverty Guidelines, the individual will qualify for 100% financial assistance. The individual's remaining liability will be \$0.
- If an individual's total income is greater than 100% of the FPG but less than 200% of FPG, the individual will qualify for partial financial assistance. The individual's discount will be calculated using the following formula,
  - $\text{Discount} = 175\% - [(\text{Income} / \text{FPG}) \times 75\%]$
- If an individual's total income is greater than 200% of FPG, they will not qualify for financial assistance.

The following examples are intended to clarify how the discounts are calculated.

- Example #1: A family of 5 has income of \$28,000. From Attachment A, their FPG is \$28,440. Because the total income is less than 100% of FPG, they are eligible for 100% financial assistance.
- Example #2: A single individual has income of \$15,000. From Attachment A, 100% of FPG is \$11,880 and 200% of FPG is \$23,760. Because the total income is between 100% and 200% of FPG, they are eligible for a partial discount.  $175\% - [(\$15,000 / \$11,880) \times 75\%] = 80.3\%$  discount.
- Example #3: A family of four has income of \$40,000. From Attachment A, 100% of FPG is \$24,300 and 200% of FPG is \$48,600. Because the total income is between 100% and 200% of FPG, they are eligible for a partial discount.  $175\% - [(\$40,000 / \$24,300) \times 75\%] = 51.5\%$  discount.
- Example #4: A family of ten has income of \$80,000. From Attachment A, 100% of FPG is \$49,210 (\$40,890 + \$4,160 + \$4,160) and 200% of FPG is \$98,420 (\$81,780 + \$8,320 + \$8,320). Because the total income is between 100% and 200% of FPG, they are eligible for a partial discount.  $175\% - [(\$80,000 / \$49,210) \times 75\%] = 53.1\%$  discount.
- Example #5: A family of 3 has income of \$40,500. From Attachment A, 100% of FPG is \$20,160 and 200% of FPG is \$40,320. Because the total income is greater than 200% of FPG, they are ineligible for a financial assistance discount.

Individuals or families are encouraged to look at the Minnesota Medical Assistance guidelines to apply and qualify for Minnesota Medical Assistance. (Copies of the Income and Asset Guidelines by the Department of Human Services are available upon request.) Minnesota Medical Assistance will cover medical bills incurred 3 months prior to being accepted into the program.

All Hospital charges related to emergency medical conditions and other medically necessary hospital care are eligible for financial assistance. The Community Care discount will apply to the individual responsibility after any insurance payments. See Attachment B for further information about those providers who are eligible for Community Care under this policy. Attachment B will be updated at least quarterly to maintain accuracy.

A Community Care application will be considered complete if it includes all of the following documents:

1. Completed and Signed Community Care application
2. Most recently filed tax return
3. Two most recent Pay Stubs, if applicable
4. Proof of residency in covered area (Counties of Kittson, Roseau and Marshall)

The following documents maybe requested to verify application is accurate:

1. Valid driver's license
2. Bank Statement for self-employed applicant

Hospital maintains the right to deny application for failure to supply requested documentation.

Community Care applications may be submitted by the patient, a guarantor, or any person acting on behalf of a patient or guarantor. Hospital does not use third-party information to make presumptive determinations of financial assistance eligibility.

Completed Community Care applications and other documents should be submitted to Patient Financial Services. Acceptable methods of submission are:

- Mail-"Attention: Patient Financial Services", 1010 South Birch Ave, Hallock, MN 56728
- In-person delivery-Patient Financial Services 1010 South Birch Ave, Hallock, MN 56728
- Fax-Attention: Patient Financial Services, 218-843-2311

If Hospital has reason to believe that the information in the Community Care application is unreliable or incorrect or that the information was obtained under duress or through the use of coercive practices, Hospital will consider the application incomplete. If this occurs, Hospital will provide the individual with a written explanation of why Hospital has made this determination.

Approval of the request will be granted or denied by the Patient Financial Service Manager, CFO or CEO within 30 days of receipt of a completed application. Hospital will accept a Community Care application for a specific instance of medical care for 240 days after the first post-discharge billing statement is sent to an individual.

If an individual qualifies for financial assistance through the Community Care program, such qualification will apply to all emergency medical care and other medically necessary care received by the individual for eight months prior to the submission date. The individual who qualifies will be eligible for financial assistance for a period of one year from the date of the initial eligibility determination, unless the patient's or responsible party's income or insurance status changes to the extent that the patient becomes ineligible.

If a patient does not qualify for financial assistance, a letter will be sent indicating that they have not qualified according to Hospital's guidelines and explain the basis for the denial.

If an individual qualifies for a financial assistance discount that is less than 100%, Hospital will provide the individual with an updated billing statement that indicates the remaining amount the individual owes, how that amount was determined, and how the individual can obtain information about their AGB limit.

An individual who qualifies for financial assistance will not be required to pay more for emergency medical conditions and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (the AGB limit). Hospital will calculate this AGB limit for a patient use the Prospective Method based on Medicare.

KMHC will make every effort to work with any patient or responsible party that applies for financial assistance under our Community Care policy. This includes, but is not limited, to working with the patient to apply for Minnesota Medical Assistance.

Hospital may require **pre-payment** for a nonemergency medical procedure prior to receiving the care. However, in no instance will this **pre-payment** be more than the AGB limit for the care.

Hospital has a separate Billing and Collections Policy. The Billing and Collections Policy includes the actions Hospital may take in the event of nonpayment of the remaining liability owed by an individual who has qualified for financial assistance. Copies of the Billing and Collections Policy are available to the public upon request.

An individual who has questions about financial assistance or would like help with the application process can contact Patient Financial Services at Kittson Memorial Healthcare Center by calling 218-843-3612 or by visiting 1010 South Birch Ave, Hallock, MN 56728.

Hospital will inform the public about the availability of financial assistance through the following methods:

- Hospital will have conspicuous public displays that inform patients about the financial assistance program. Such displays will be located in the emergency room and admissions areas and will include the following information:
  - a. Financial assistance is available under Hospitals financial assistance policy.
  - b. Information about how or where to obtain information about the financial assistance policy and application process.
  - c. Information about how or where to obtain copies of this financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application.
- Hospital will offer a paper copy of the plain language summary of this financial assistance policy to all patients as part of the intake and/or discharge process.
- Hospital will include the following information on all billing statements
  - a. Financial assistance is available under Hospital's financial assistance policy.
  - b. The telephone number of a Hospital office or department that can provide information about the financial assistance policy and process.
  - c. The direct website address (URL) on which this financial assistance policy, a plain language summary of this financial assistance policy, and the financial assistance application are available.

The Written notice on billing statements will be conspicuously placed and of sufficient size to be clearly readable.

- This Community Care policy, a plain language summary of the Community Care policy, and the Community Care application will be available at all times on Hospital's website.
- Paper copies of the Community Care policy, a plain language summary of the Community Care policy, and the Community Care application will be made available upon request and without charge by mail, in Hospital's emergency room, and in all admissions areas.
- Hospital will take reasonable efforts to notify and inform community members about this financial assistance policy in a manner that is reasonably calculated to reach those individuals who are most likely to need financial assistance.
- If any population with limited English proficiency comprises more than 5% of the population in Hospital's community or more than 1,000 individuals, then all communication methods described in this policy will also be followed in the primary language of that population.

EFFECTIVE DATE: October 1, 2016

Form: Application for Financial assistance