

MEDICAL FINANCIAL ASSISTANCE POLICY FOR UNINSURED PATIENTS

Type: Finance

Facility: System (Replacing S-01-042 and S-01-043)

Purpose: The purpose of this policy and the Medical Financial Assistance programs established and governed by it is to provide access to care to those without the ability to pay and to provide consistent and appropriate discounts from billed charges to uninsured patients who qualify for assistance hereunder. This policy sets forth the basic framework for two Medical Financial Assistance programs that applies to emergency and other medically necessary care received by uninsured patients at all facilities operated by Methodist Le Bonheur Healthcare. This policy constitutes the official financial assistance policy under Section 501(r) of the Internal Revenue Code for each such facility.

I. Definitions:

- A. Amounts Generally Billed ("AGB"): means the Usual and Customary Charges for Covered Services provided to individuals under the Level One and Level Two Medical Financial Assistance Programs, multiplied by the AGB Percentage applicable to such services.
- B. Billing and Collections Policy: means the Methodist Le Bonheur Healthcare policy titled "Billing and Collections Policy for Self-Pay Accounts."
- C. Covered Services: means Medically Necessary inpatient and outpatient services received at a Methodist Le Bonheur hospital facility.
- D. Emergency Medical Services: means the services necessary and appropriate to treat a medical condition of an FAP-Eligible Patient that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to place the FAP-Eligible Patient's life in serious jeopardy, result in serious impairment to bodily functions or result in serious dysfunction of any bodily organ or part.
- E. FAP-Eligible Patient: means a patient eligible for financial assistance under this policy or one or both of the Medical Financial Assistance Programs hereunder regardless of whether the patient has applied for financial assistance.
- F. AGB Percentage: means a percentage derived by dividing (1) the sum of all claims for Medically Necessary services provided paid during the Relevant Period by Medicare fee-for-service and all private health insurers as primary payors, together with any associated portions of these claims paid by Medicare beneficiaries or insured individuals in the forms of co-payments, co-insurance or

deductibles, by (2) the Usual and Customary Charges for such Medically Necessary Services. The AGB Percentage shall be calculated no later than September 1st of each year, for the most recent Relevant Period. The calculation of the AGB Percentage shall comply with the "look-back method" detailed in Treasury Regulation § 1-501(r)-5(b)(1)(B).

- G. RAP: means Revenue Assurance Professionals, LLC, which is responsible for billing and collecting accounts for hospital services.
- H. Relevant Period: means the 12-month period ending on August 31 , 2015, for financial assistance provided from January 1, 2016 until the AGB Percentage is calculated based on claims paid during the 12-month period ending on August 31, 2016. Thereafter, the Relevant Period means each 12-month period ending on August 31.
- I. Medicaid: means TennCare, Arkansas Medicaid, Mississippi Medicaid, and any and all other State or Federal programs to provide medical insurance to low-income individuals.
- J. Medically Necessary: means those services required to identify or treat an illness or injury that is either diagnosed or reasonably expected to be Medically Necessary taking into account the most appropriate level of care. Depending on a patient's medical condition, the most appropriate setting for the provision of care may be a home, physician's office, an outpatient facility, or a long-term care, rehabilitation or hospital bed. In order to be Medically Necessary, a service must:
 - 1. Be required to treat an illness or injury;
 - 2. Be consistent with the diagnosis and treatment of the patient's condition;
 - 3. Be in accordance with the standards of good medical practice;
 - 4. Not be for the convenience of the patient or the patient's physician; and
 - 5. Be that level of care most appropriate for the patient as determined by the patient's medical condition and not the patient's financial or family situation.

Emergency Medical Services are deemed to be Medically Necessary.

- K. Uninsured Patient: means a patient without the benefit of health insurance or government programs that may be billed for Covered Services provided to them or for physician services and who is not otherwise excluded from this policy under Section II below. If a patient with the benefit of health insurance or government programs that may be billed for Covered Services has a claim denied for pre-existing conditions, benefit maximums reached or non-covered services, the patient will be deemed to be an Uninsured Patient.

- L. Usual and Customary Charges: means the rates for Covered Services that are filed annually with the Tennessee Department of Health or other applicable state or federal agency. If rates are not required to be filed annually with any state or federal agency, then the Usual and Customary Charges will be the rates for Covered Services as set forth in the Charge Master for the hospital at the time the Covered Services are rendered.

II. Financial Assistance Programs

- A. Overview. This policy establishes two programs of financial assistance. Under the Level One Medical Financial Assistance Program, Uninsured Patients having annual household incomes above 200% of the United States Department of Human Services Poverty Guidelines ("Federal Poverty Line") may, depending on their assets and liabilities, qualify for discounted pricing for Covered Services. Under the Level Two Medical Financial Assistance Program, Uninsured Patients having household incomes at or below 200% of the Federal Poverty Line may, depending on their assets and liabilities, qualify for financial assistance in the form of free or discounted Covered Services, subject (in some cases) to application for Medicaid or TennCare. This policy and the Medical Financial Assistance Programs set forth herein are intended to comply with Section 501(r) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, and shall be interpreted in accordance with those regulations.
- B. Exclusions. This policy and the Medical Financial Assistance Programs established and detailed herein apply solely to Uninsured Patients who have no third-party coverage either for the Covered Services provided to them, through governmental sources or commercial insurance, or for physician services. There is no financial assistance program available to persons who are not Uninsured Patients. The policy and the Medical Financial Assistance Programs established and detailed hereunder DO NOT apply to the portion of charges an insured patient is personally responsible for paying, i.e., co-pays, co-insurance, and deductibles, and does not apply to non-Covered Services. This policy is not available to persons who have any contractual claim or right for reimbursement or indemnification from an insurer or other third party payor. This policy is not available to those who have voluntarily discontinued health insurance coverage within the 60 days immediately preceding the date services were received from a Methodist Le Bonheur hospital facility. Furthermore, this policy does not apply to charges for services from other providers whose services are coincident to those provided by Methodist Le Bonheur Healthcare, e.g., surgeons, anesthesiologists, radiologists, or other physicians not employed by Methodist Le Bonheur Healthcare. (A list of all providers whose charges for Covered Services are governed by this policy is attached hereto as Exhibit A.) This policy also does not apply to elective or cosmetic procedures except as may be determined in the sole discretion of Methodist Le Bonheur on a case-by-case basis.

- C. Reservation of Rights to Seek Reimbursement of Charges from Third Parties. In the event that any first or third party payor is liable for any portion of an Uninsured Patient's bill, Methodist Le Bonheur Healthcare will seek full reimbursement of all charges incurred by the patient at the Hospital's Usual and Customary Charges from such first or third party payors, subject to any limitations imposed by commercial insurance contracts covering Underinsured Patients, including subrogation claims, despite any financial assistance granted pursuant to this policy.
- D. Methods of Applying for Financial Assistance. Patients may apply for financial assistance under with the Level One or Level Two Medical Assistance Program by any of the following means:
1. Downloading the Application Form from www.methodisthealth.org/patients-guests/billing-department.dot and mailing it to: Methodist Healthcare, PO Box 2279, Memphis, TN 38101-2279
 2. Obtaining an Application Form from a Patient Financial Counselor by calling (800) 819-8128 or (901) 842-1255 and mailing it to: Methodist Healthcare, PO Box 2279, Memphis, TN 38101-2279
 3. Any of the methods specified in the Billing and Collections Policy.
- E. Level One Medical Financial Assistance Program.
1. Eligibility Criteria and Determinations. If an Uninsured Patient's resources are above 200% of the Federal Poverty Line, subject to the exclusions listed in Section II. B and II.C of this policy, a case-by-case evaluation of the patient's ability to pay will be made. The Uninsured Patient will be offered prompt payment resolutions, financial counseling and payment arrangements at the point of service.
 2. Amounts Payable Under the Level One Medical Financial Assistance Program. Regardless of the determination of eligibility, an Uninsured Patient whose resources exceed 200% of the Federal Poverty Line will be given an immediate 75% discount off of Usual and Customary Charges for Covered Services received at Methodist Le Bonheur hospital facilities located in Tennessee, and an immediate 80% discount off of Usual and Customary Charges for Covered Services received at Methodist -- Olive Branch, provided that prompt payment in full of the estimated charges is made at point of service. If prompt payment is not made at point of service, a 70% discount off of Usual and Customary Charges for Covered Services received at Methodist Le Bonheur hospital facilities located in Tennessee and a 75% discount off of Usual and Customary Charges for Covered Services received at Methodist -- Olive Branch will be given to all Uninsured Patients. Additional discounts may be given to Uninsured

Patients, on a case-by-case basis, depending on the individual's circumstances and other considerations including the individual's standing with respect to the Federal Poverty Line. If an Uninsured Patient whose resources exceed 200% of the Federal Poverty Line is determined to be eligible for additional Level One Medical Financial Assistance, the Uninsured Patient will in no event be charged more than AGB for the Covered Services. Notwithstanding the foregoing, if the Covered Services are Emergency Services or services that the hospital facility is otherwise required to provide under EMTALA, then those services will be provided without requiring any advance deposit, prepayment or payment arrangements, and the discounts referenced in this Section II.E.2. will be offered to the Uninsured Patient after stabilization and prior to discharge.

F. Level Two Medical Financial Assistance Program.

1. Eligibility Criteria and Determinations. If an Uninsured Patient's resources are at or below 200% of the Federal Poverty Line, subject to the exclusions listed in Section II. B. and II.C. of this policy, the Uninsured Patient will ordinarily be qualified for Level Two Medical Financial Assistance. To obtain the benefits available under Level Two Medical Financial Assistance, an Uninsured Patient must complete and submit an Application for Medical Financial Assistance (see form attached) and, if Methodist determines it appropriate under the circumstances, an application for TennCare, Medicaid or Medicare Disability, and be denied coverage by any state or federal program for which application was made at the request of Methodist Le Bonheur.
2. Amounts Payable Under the Level Two Medical Financial Assistance Program. Uninsured Patients who qualify for assistance under the Level Two Medical Financial Assistance Program will be charged no more than AGB for any Covered Service. Additional discounts, up to and including a complete write-off of all AGB charges for Covered Services, may be given after considering the Uninsured Patient's resources, number in household, and the Federal Poverty Line. Methodist Le Bonheur will ordinarily require an Uninsured Patient to apply for TennCare, Medicaid or Medicare Disability or to pay a substantial advance payment or deposit towards an estimated AGB for Covered Services. Notwithstanding the foregoing, if the Covered Services are Emergency Services or services that the hospital facility is otherwise required to provide under EMTALA, then those services will be provided without requiring any advance deposit, prepayment or payment arrangements, and the discounts referenced in this Section II.F.2. will be offered to the Uninsured Patient after stabilization and prior to discharge.

G. Collection of Balances owed by Patients; Billing and Collections Policy. Accounts for hospital services for patients who are able but unwilling to pay are considered uncollectible bad debts and will be referred to RAP or outside

agencies for collection. The unpaid discounted balances of patients who qualify for Level One or Level Two Medical Financial Assistance are considered uncollectible bad debts and will be referred to RAP or outside agencies for collection or other actions in accordance with the Billing and Collections Policy. The Billing and Collections Policy will be posted on the Methodist Le Bonheur Healthcare website and each hospital-specific website. In addition, a free copy of the Billing and Collections Policy can be obtained by any member of the public upon request at the Admissions office of each hospital facility or by request to RAP at the address and telephone number listed at the end of this policy.

H. Monitoring and Administration of Programs. RAP has the responsibility for monitoring and ensuring that a reasonable effort to determine whether an individual is FAP-Eligible and for determining whether and when extraordinary collection actions may be taken in accordance with this policy and the Billing and Collections Policy.

I. Publication of Policy.

1. Plain Language Summary. A plain language summary notifying individuals that Methodist Le Bonheur Healthcare offers financial assistance to Uninsured Patients under the Level One and Level Two Medical Financial Assistance Programs will be prepared and updated as required to reflect modifications or amendments to the programs. The plain language summary will provide the following information in clear, concise, and easy-to-understand language:

- a. A brief description of the eligibility requirements and assistance offered under the Level One and Level Two Medical Financial Assistance Programs;
 - b. The direct website address and physical locations at each hospital facility where any individual may obtain a free copy of this policy, the Billing and Collections Policy, and application forms for the Programs;
 - c. The contact information, including the telephone number and physical location, of hospital staff who can provide information regarding the Level One and Level Two Medical Financial Assistance Programs, the application process, and assistance completing the application process;
- and
- d. A statement that no FAP-Eligible Individual will be charged more than AGB for Covered Services.

2. Dissemination of Plain Language Summary. The website for Methodist Le Bonheur Healthcare as well as each hospital-specific website shall conspicuously post the plain language summary. Each billing statement for self-pay accounts shall include an insert of the plain language

summary, and RAP representatives shall include information concerning the Level One and Level Two Medical Financial Assistance Programs in collection calls to self-pay accounts. Methodist Le Bonheur will also distribute copies of the plain language summary and the policy itself to community groups serving populations likely to include FAP-Eligible individuals. All admissions staff shall advise individuals who may be FAP-Eligible of the existence of the Level One and Level Two Medical Financial Assistance Programs at the time of registration and provide a copy of the plain language summary to those individuals.

3. Notification of Potential FAP-Eligible Patients. Patients who are potentially FAP-Eligible will be given a copy of this policy, the plain language summary, and application forms for the Level One and Level Two Medical Financial Assistance Programs before discharge from a hospital facility. Further notifications concerning the Programs will be made in accordance with the Billing and Collections Policy.