

Methodist Le Bonheur Healthcare

MEDICAL FINANCIAL ASSISTANCE POLICY

Tennessee — Methodist University Hospital, Methodist North Hospital,
Methodist South Hospital, Methodist Germantown Le Bonheur Children's Hospital
Mississippi - Methodist Olive Branch Hospital

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 patients who qualify for assistance hereunder.

Policy: Methodist Le Bonheur Healthcare is committed to providing the highest level of care to all members of our community, regardless of their ability to pay. This policy sets forth the basic framework for three Medical Financial Assistance programs that apply to emergency and other medically necessary care received by patients at all Methodist Le Bonheur Healthcare hospitals. Any emergency or medically necessary care will not be delayed or withheld based on a patient's ability to pay. Any evaluation of financial arrangements will occur only after an appropriate medical screening exam and necessary stabilizing services have been provided in accordance with the Emergency Medical Treatment and Labor Act. This policy will be reviewed annually.

I. Definitions:

- A. Amounts Generally Billed ("AGB"): means the Gross 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. 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 Gross 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)(3). For the current relevant period beginning January 1, 2023 and ending on December 31, 2023, the AGB Percentage is 25% for our Tennessee hospitals and Mississippi Hospital - Olive Branch. 1

- C. Application Period: Period of time a patient has to submit a completed application for financial assistance. For purposes of this policy the application period begins on the date medical care is provided and ends no less than 240 days after the first billing statement following the date services are rendered or 30 days after the hospital provides a written notice to the patient outlining pending extraordinary collection actions.
- D. Billing and Collections Policy: means the Methodist Le Bonheur Healthcare policy titled "Billing and Collections Policy."
- E. Covered Services: means Medically Necessary inpatient and outpatient services received at a Methodist Le Bonheur hospital facility.
- F. Discount: For purposes of this policy, this term refers to a reduction in the amount that is due from the patient.
- G. Emergency Medical Services: means the services necessary and appropriate to treat a medical condition 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 a patient's life in serious jeopardy, result in serious impairment to bodily functions or result in serious dysfunction of any bodily organ or part.
- H. Gross 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 Gross 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.
- I. 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.
- J. PFS: means Patient Financial Services, a department of Methodist Le Bonheur Healthcare, which is responsible for billing and collecting accounts for hospital services.
- K. Relevant Period: means the 12-month period ending on August 31, 2023, for financial assistance provided from January 1, 2023 until the AGB Percentage is calculated based on claims paid during the 12-month period ending on August

31, 2023. Thereafter, the Relevant Period means each 12-month period ending on August 31.

- L. Medicaid: means TennCare, Arkansas Medicaid, Mississippi Medicaid, and any and all other State or Federal programs to provide medical insurance to low-income individuals.

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- M. 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.

- N. Uninsured Patient: means a patient without the benefit of health insurance or government programs that may be billed for Covered Services provided to them 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 Medically Necessary Services has a claim denied the patient will be deemed to be an Uninsured Patient.

- O. Insured Patient: means a patient with health insurance and/or any third party payor program which reimburses for medical expenses. Patients who have a claim denied for pre-existing conditions or benefit maximums reached are not deemed insured for purposes of this policy.

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- P. Self-Pay Account: means a patient who elects to not file their insurance plan or elects to be self-pay/private pay for another reason. These patients will follow the process outlined in our billing/collection's policy.
- Q. Medically Underinsured: means any patient who has insurance and has a balance due greater than \$5,000 for any singular medical encounter.
- R. Extraordinary Collection Actions: means any action taken against an individual related to obtaining payment on a Self-Pay Account that requires a legal or judicial process, or involves reporting adverse information concerning the Responsible Party to credit reporting agencies or credit bureaus. Extraordinary Collection Actions do not include efforts to perfect statutory liens or collect from third-party liability sources.

II. Financial Assistance Programs

- A. Overview: This policy establishes three programs of financial assistance. Under the Level One Medical Financial Assistance Program, Uninsured Patients having annual household incomes above 250% of the United States Department of Human Services Poverty Guidelines ("Federal Poverty Line") qualify for discounted pricing for Covered Services. Under the Level Two Medical Financial Assistance Program, Uninsured Patients having household incomes at or below 250% of the Federal Poverty Line qualify for financial assistance in the form of free or discounted Covered Services, subject (in some cases) to application for Medicaid or TennCare. Under the Medically Underinsured Financial Assistance Program, Medically Underinsured Patients qualify for financial assistance in the form of discounted Covered Services. 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. There is no financial assistance program available to persons who are not Uninsured Patients. The only exception to this exclusion is the provision for Medically Underinsured Patients as detailed below in section "G". 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., copays, 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 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 Gross 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 his policy.

D. Methods of Applying for Financial Assistance: Patients may apply for financial assistance under the Level One or Level Two Medical Assistance Program by any of the following means:

1. Downloading the Application Form from <https://www.methodisthealth.org/financial-assistance/>
2. Obtaining an Application Form from a Patient Financial Counselor by calling (901) 542-5347 or (901) 842-1255
3. Obtaining an Application Form from any Methodist Le Bonheur Healthcare facility's registration personnel.

AND

4. Mail completed application and Proof of Income to: Methodist Le Bonheur Healthcare – Self Pay Department, PO Box 172193, Memphis, TN 38187
- OR
5. Fax to (901) 266-6474
6. Email: PatientFinAssist@mlh.org

DI. Level One Medical Financial Assistance Program

1. Eligibility Criteria and Determinations: All Uninsured Patients whose income is above 250% of the Federal Poverty Line, subject to the exclusions listed in Section II.B and II.C of this policy, are eligible for Level One Medical Financial Assistance. Additionally, the Uninsured Patient will be offered prompt payment resolutions, financial counseling and payment arrangements at the point of service.
2. Level One Medical Financial Assistance: Uninsured Patients whose resources exceed 250% of the Federal Poverty Line will be given an immediate 75% discount off of Gross Charges for Covered Services received at Methodist Le Bonheur hospital facilities located in Tennessee and for Covered Services received at Methodist-Olive Branch, Mississippi.

DII. Level Two Medical Financial Assistance Program

1. Eligibility Criteria and Determinations: If an Uninsured Patient's resources are at or below 250% of the Federal Poverty Line, subject to

the exclusions listed in Section II.B. and II.C. of this policy, the Uninsured Patient will 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) within the Application Period. If Methodist determines it appropriate under the circumstances, an application for TennCare, Medicaid or Medicare Disability, must be submitted and coverage denied by any state or federal program for which application was made at the request of Methodist Le Bonheur.

2. Level Two Medical Financial Assistance: Uninsured Patients who qualify for assistance under the Level Two Medical Financial Assistance Program will be eligible for up to 100% Discount of Gross Charges per the chart below. Methodist Le Bonheur will ordinarily require an Uninsured Patient to apply for TennCare, Medicaid or Medicare Disability or to pay an advance payment or deposit towards an estimated AGB for Covered Services at our Tennessee and Mississippi - Olive Branch hospitals.

% of Federal Poverty Guidelines	% Discount
200% or less	100%
201% - 225%	90%
226% - 250%	80%
Greater than 250%	75%

- G. Medically Underinsured Program: Any Insured Patient with a balance due greater than \$5,000 from a singular medical encounter will be eligible for a 25% discount off of the patient’s responsibility on that encounter.

- H. 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 are subject to Extraordinary Collection Actions in accordance with the Billing and Collections Policy. Under no circumstance will Methodist Le Bonheur Healthcare seek Extraordinary Collection Actions against patients whose income is less than 250% of the Federal Poverty Guidelines.

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 upon request at the Admissions office of each hospital facility or by request to PFS at the address and telephone number listed above.

- I. Monitoring and Administration of Programs: PFS 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.

J. 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 and for the Medically Underinsured 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 along with the Medically Underinsured Program;
 - 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 uninsured accounts shall include a notice of Financial Assistance eligibility and relevant contact information. PFS representatives shall include information concerning the Level One and Level Two Medical Financial Assistance Programs in collection calls to Uninsured Patients. 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 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.