

Financial Assistance Policy

Applies to: Hospital All Sites
 Long Term Care Facility Department Specific _____
 Clinic Service
 Administration

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Replaces: 2005, 2009, 8-18-10, 9-30-13, 07-31-14, Charity Care Policy/Sliding Fee Scale Policy 11-30-15

Purpose: Consistent with its mission to provide high quality health and wellness services for the community, Mackinac Straits Health System is committed to providing free or discounted care to individuals who are in need of emergency or medically necessary treatment and have a household income below 300% of the Federal Poverty Level (FPL) Guidelines.

In accordance with the federal Patient Protection and Affordable Care Act (PPACA) and section 501(r) of the Internal Revenue Service code, all other uninsured patients will not be charged more than the amount generally billed to insured patients for emergency or medically necessary care.

Policy: Free care is provided only when care is deemed medically necessary and after uninsured (or underinsured) financial assistance eligible patients have been found to meet all qualifying criteria.

Patients seeking financial assistance may be assisted with applications for other means of payment (e.g., Medicaid, other local funding programs) BEFORE approval for financial assistance.

Uninsured patients who do not qualify for Mackinac Straits Health System's financial assistance program (e.g., due to their household income) will receive a discount of 30% on gross charges for medically necessary services to ensure they do not pay more for care than insured individuals. These patients are expected to pay their remaining balance for care, and may work with financial counselors to set up a payment plan based on their financial situation.

Uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to ensure healthcare accessibility and overall well-being. Mackinac Straits Health System is equipped with financial counselors to assist in this process.

Definitions

The following terms are meant to be interpreted as follows within this policy:

- Financial assistance:** Healthcare services provided which are not expected to result in cash inflows; medically necessary services rendered without expected payment to individuals meeting established criteria.
- Medically Necessary:** Hospital services or care rendered to a patient, both inpatient and outpatient, in order to diagnose, alleviate, correct, cure, or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
- Emergency Care:** Immediate care which is necessary to prevent serious jeopardy to a patient's health; serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.
- Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.

5. **Underinsured:** Patients who have limited healthcare coverage, or coverage that leaves the patient with an out of pocket liability, and therefore may still require financial assistance.
6. **Catastrophic Charity:** Financial assistance given to patients whose medical expenses exceed one-fourth of their total household income.

Procedure:

(A) Eligibility for Financial Assistance

Mackinac Straits Health System patients who are deemed financial assistance eligible will not be charged more than amounts generally billed to insured patients for emergency or medically necessary care.

Services eligible for financial assistance include: emergent or urgent care, services deemed medically necessary by Mackinac Straits Health System, and in general, care that is non-elective and needed in order to prevent death or adverse effects to the patient's health.

Patients who have a household income below 100% of the Federal Poverty Level (shown in the table below) may receive free care. Patients who have a household income from 100% to 300% of the Federal Poverty Level may qualify for a reduction of 30% to 80% of total charges.

2016 Federal Poverty Level Guidelines

Family Size	12 Month Income
1	\$11,770
2	\$15,930
3	\$20,090
4	\$24,250
5	\$28,410
6	\$32,570
7	\$36,730
8*	\$40,890

**If there are more than eight individuals in the family, add \$4,160 for each additional member.*

Household Members	2016 Federal Poverty Level	Annual Household Income to Receive Discounted Care				
		100% Discount	80% Discount	70% Discount	50% Discount	30% Discount
1	\$11,770	<\$11,770	\$11,771-\$17,655	\$17,656-\$23,540	\$23,541-\$29,425	\$29,426-\$35,310
2	\$15,930	<\$15,930	\$15,931-\$23,895	\$23,896-\$31,860	\$31,861-\$39,825	\$39,826-\$47,790
3	\$20,090	<\$20,090	\$20,091-\$30,135	\$30,136-\$40,180	\$40,181-\$50,225	\$50,226-\$60,270
4	\$24,250	<\$24,250	\$24,251-\$36,375	\$36,376-\$48,500	\$48,501-\$60,625	\$60,626-\$72,750
5	\$28,410	<\$28,410	\$28,411-\$42,615	\$42,616-\$56,820	\$56,821-\$71,025	\$71,026-\$85,230
6	\$32,570	<\$32,570	\$32,571-\$48,855	\$48,856-\$65,140	\$65,141-\$81,425	\$81,426-\$97,710
7	\$36,730	<\$36,730	\$36,731-\$55,095	\$55,096-\$73,460	\$73,461-\$91,825	\$91,826-\$110,190
8	\$40,890	<\$40,890	\$40,891-\$61,335	\$61,336-\$81,780	\$81,781-\$102,225	\$102,226-\$122,670

Uninsured patients who do not meet these income requirements will receive a discount of 30% on gross charges for medically necessary and emergency care that they receive.

Example #1: An uninsured patient who does not qualify for financial assistance

Total Charges	\$100.00
Uninsured adjustment	\$ 30.00
Total balance due	\$ 70.00

Example #2: A patient who qualifies for 100% financial assistance

Total charges	\$100.00
Financial assistance adjustment	\$100.00
Total balance due	\$ 0.00

Example #3: A patient who qualifies for 50% financial assistance

Total charges	\$100.00
50% Financial assistance adjustment	\$ 50.00
Total balance due	\$ 50.00

Determinations for eligibility for free care will require patients to submit a complete financial assistance application (including all documentation required by the application) and may require appointments or discussion with hospital financial counselors.

When determining patient eligibility, Mackinac Straits Health System does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant status, or age of the patient's account.

Additionally, Mackinac Straits Health System may refer to or rely on external sources and/or other program enrollment resources if uninsured patients lacks documentation that supports eligibility.

(B) Determining the Financial Assistance Adjustment

Individuals eligible for financial assistance under this policy shall not be charged more than the amounts generally billed (AGB) to individuals who have insurance. This value shall be calculated using the "look-back" method based on actual paid claims from Medicare fee-for-service and private health insurers.

(C) Catastrophic Charity Eligibility

Individuals whose household income exceeds 300% of the federal poverty guidelines, and have a catastrophic illness resulting in expenses that are greater than one-fourth of their annual income, may receive a catastrophic charity adjustment.

(D) Applying for Financial Assistance

To apply for financial assistance, patients must submit a complete application (including supporting documents) to Mackinac Straits Health System 1140 North State Street, St. Ignace, MI 49781 either in person or by mail. Applications can be accessed:

At the facility at all registration and access points on the main hospital campus, at all Mackinac Straits Health System physician offices, as well as at the Business Office.

By mail, if individuals make a request by phone (call (906) 643-1185) or by mail (send request to 1140 North State Street, St. Ignace, MI 49781)

Online at www.MackinacStraitsHealth.org

To be considered eligible for financial assistance, patients must cooperate with the hospital to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for hospital financial assistance or other private or public payment programs.

In addition to completing an application, individuals should be prepared to supply the following documentation: Bank statements

Proof of income for applicant (and spouse if applicable), such as recent pay stubs (3 months' worth), unemployment insurance

payment stubs, or sufficient information on how patients are currently supporting themselves

Copy of most recent tax return

Payment history of any outstanding accounts for prior hospital services

In some cases, information on available assets or other financial resources

External, public sources like credit scores may also be used to verify eligibility as well.

Financial counselors are available to assist in the application process in person at 1140 North State Street, St. Ignace, MI 49781 from 8:00am-4:30pm, Monday through Friday, or by phone at (906) 643-1185.

*Note: Mackinac Straits Health System has access to translators who can assist patients who are unable to speak English.

(E) Actions in the Event of Non-Payment

The collection actions Mackinac Straits Health System may take if a financial assistance application and/or payment is/are not received are described in a separate billing and collections policy.

In brief, Mackinac Straits Health System will make certain efforts to provide uninsured patients with information about our financial assistance policy, such as including a summary of it with billing statements, before we or our collection vendors take certain actions to collect your bill (these actions may include charging of interest, some civil actions, or reporting of outstanding debt to credit bureaus).

For more information on the steps Mackinac Straits Health System will take to inform uninsured patients of our financial assistance policy and the collection activities we may pursue, please see Mackinac Straits Health System billing and collections policy.

You can request a free copy of this policy at The Business Office at Mackinac Straits Health System located at 1140 North State Street, St. Ignace, MI 49781 or request a free copy by mail by calling ((906) 643-1185 or mailing a request to Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781 or access it free of charge online at www.MackinacStraitsHealth.org

(F) Communication of Financial Assistance

Mackinac Straits Health System's financial assistance policy, financial assistance application, and summary

Financial Assistance Policy

of the financial assistance policy are available to patients.

These documents are available free of charge at our facility, by mail, and online.

To access any of these documents at the facility, please see visit the Business Office at 1140 North State Street, St. Ignace, MI 49781.

To have a hard copy of any of these documents mailed to you, please call (906) 643-1185 or mail a request to Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781

To access the Financial Assistance Policy, the summary of the Financial Assistance Policy, or the Financial Assistance

Application, please use the following web address: www.mackinacstraitshhealth.org

Mackinac Straits Health System communicates the availability of financial assistance through means which include:

Posting signs within waiting rooms, registration kiosks, and check-in desks, as well as emergency rooms, urgent care centers, and financial services departments

Providing brochures in waiting rooms and registration areas in the emergency department, urgent care, outpatient areas, and inpatient areas

Creating a document that summarizes the financial assistance policy, which is given to patients by hospital team members at discharge and sent with patient statements when requested

Ensuring free copies of financial assistance documents (policy, application, and summary) can be obtained within the facility and by mail

Posting information about financial assistance (including summary, application, and policy) on Mackinac Straits Health System website

Providing information about the policy and how to apply during verbal communication about the patient's bill (e.g., phone calls)

Ensuring designated staff are knowledgeable of the financial assistance policy and can answer patients' questions or refer patients to the program

Notifying local physician practices and representatives of community and social service agencies, including Mackinac Straits Health System, and other non-affiliated community physician offices about the availability of financial assistance at Mackinac Straits Health System and how interested individuals can apply

Providing brochures and copies of the summary of our assistance policy to local physician offices and community agencies, including all Mackinac Straits Health System physician offices

Inclusion of the financial assistance application with billing statement for uninsured and underinsured patients.

(G) Ensuring Compliance

On an annual basis, the Director of Patient Accounting or designee and/or the Director of Finance or designee, will perform an audit to include:

a random sampling of billing statements to ensure it includes all information required,

a visit to each physician office and registration point within the hospital to ensure each point of entry has access to the updated financial assistance policy, as well as updated financial assistance applications and staff are informed on how to inform patients of each,

an audit of the website to ensure the application and policy are still easily accessible,

and a look-back to ensure the then reimbursement rates of the payers being used to calculate an average of

"amounts generally billed" does not fall below that of what a patient who qualifies for financial assistance is being billed.

Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should be directed to the Patient Financial Services Department at (906) 643-1185.

In accordance of the 501 (r) charity requirements, below is considered the "Plan Language Summary" of the Mackinac Straits Health System which will accompany all billing statements and be presented to patients during all financial discussions.

Consistent with its mission to provide high quality health and wellness services for the community, Mackinac Straits Health System is committed to providing free or discounted care to individuals who are in need of emergency or medically necessary treatment and have a household income below 300% of the Federal Poverty Level (FPL) Guidelines. Individuals who qualify for financial assistance will not be charged more than the average amounts generally billed to insured patients, for emergency or medically necessary care. See Appendix A.

Financial counselors are available Monday through Friday, from 8:00am until 4:30pm to discuss the application process at (906)643-1185.

Mackinac Straits Health System will not pursue extraordinary collections actions against an individual without first using reasonable efforts to determine if such individual is eligible for financial assistance.

For a free copy of the entire Financial Assistance Policy and/or an Application for Financial Assistance, patients can:

Visit the website: www.MackinacStraitsHealth.org

Visit the Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781
Send a request by mail to Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781
Call the Business Office at (906) 643-1185.

Author: _____ Date: _____

Approved By: _____ Date: _____

P&P Committee: _____ Date: _____

Mackinac Straits Health System reserves the right to alter, amend, modify or eliminate this policy/procedure program at any time without prior notice.