**WARM SPRINGS REHABILITATION HOSPITAL OF KYLE**

**FINANCIAL ASSISTANCE POLICY**
June 30, 2016

## POLICY/PRINCIPLES

It is the policy of Warm Springs Rehabilitation Hospital of Kyle (the "Organization") to offer financial assistance to patients who either do not have health insurance or are underinsured and may be not be able to pay in full for their health care based on their income, assets and needs.

1. This policy applies to all emergency and other medically necessary services provided by the Organization, including employed physician services and behavioral health. This policy does not apply to payment arrangements for elective procedures or other care that is not emergency care or otherwise medically necessary.

2. The List of Providers Covered by the Financial Assistance Policy provides a list of any providers delivering care within the Organization's facilities that specifies which are covered by the financial assistance policy and which are not.

## DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- "**501(r)**" means Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder.
- "**Amount Generally Billed**" or "**AGB**" means, with respect to emergency or other medically necessary care, the amount generally billed to individuals who have insurance covering such care.
- "**Financial Assistance**" means free care or a discount payment plan based upon meeting the income eligibility criteria established by the Organization. Financial eligibility criteria is derived from the most recently published US Department of Health and Human Services Annual Update of the HHS Poverty Guidelines, also referred to as the Federal Poverty Level (FPL).
- "**Community**" means Hays County.
- "**Emergency Care**" means care to treat a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention may result in serious impairment to bodily function, serious dysfunction of any bodily organ or part, or placing the health of the individual in serious jeopardy.
- "**Income**" means annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support. Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earning rates.
- "**Medically Necessary Care**" means care that is determined to be medically necessary following a determination of clinical merit by a licensed physician in consultation with the admitting physician.
- "**Organization**" means Warm Springs Rehabilitation Hospital of Kyle.
- "**Patient**" means those persons who receive emergency or medically necessary care at the

Organization and the person who is financially responsible for the care of the patient.

- "**Self-Pay Patient**" means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the Organization. Self-pay patients may include Patients who are eligible for Financial Assistance.

## General Information

1. Financial Assistance is considered a financial arrangement of last resort. Proper documentation must accompany all requests for Financial Assistance.

2. In accordance with the Post Acute Medical (PAM) Compliance Program, PAM does not allow for the routine waiver of insurance co-payments or deductibles or professional courtesy or other unauthorized discounts.

3. The Organization will provide financial counseling to all Patients requiring financial assistance. This will include help in understanding and applying for local, state and federal healthcare programs, such as Medicaid.

4. Patients will be offered reasonable payment plans and, subject to the acceptance of the offer, will be billed at discounted rates. When possible, this will occur prior to a Patient being discharged as part of the financial counseling process.

## Financial Assistance Provided

1. A low income Self-Pay Patient or a low income insured Patient with high medical costs who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Financial Assistance (refer to CBO02 Self Pay Account Collections Expectations).

2. The Patient's ability to pay may be reviewed at any time during the course of treatment. Typically, the Patient's financial responsibility and ability to pay is determined before the Patient arrives for his or her first appointment.

3. The following steps should be completed when considering and processing requests for Financial Assistance:

    a. Determine if the pay source meets one of the following criteria for Financial Assistance eligibility:

        i. Private pay, uninsured
        ii. Private pay, insurance will not cover treatment (if Medicare Beneficiary, an ABN waiver may be required)
        iii. Private pay, non contracted insurance not being billed by the Organization (Patient may bill own insurance directly with completed

fee ticket showing the standard charge, hardship adjustment, payment and final balance)

iv. Patient responsibility; insurance has paid and the remaining Patient responsibility amount is under consideration for Financial Assistance.

b. Assist the guarantor in completing a Financial Assistance Policy Application (FAP Application). Determine if the income is for an individual or family. If for a family, determine the family size.

c. Use the FAP Application and Flexible Fee Scale to determine the Patient's financial responsibility and ability to pay. Any deviations from the Flexible Fee Scale must have Corporate approval.

d. A Patient eligible for Financial Assistance based on the Flexible Fee Scale will not be charged more than the calculated AGB charges. The Flexible Fee Scale is set forth on the attached Exhibit A.

e. The Flexible Fee Scale is determined using the US Federal Poverty Guidelines which are based on annual disposable income and the number of dependents.

f. Obtain proof of income by reviewing one month of social security statements, pay stubs, bank statements, pension statements, stock disbursement statements or the Patient's Income Tax Return for the most recent year-end. If one month's pay stubs are used, calculate the gross yearly income by multiplying the gross yearly income by twelve. **NOTE: Providing proof of income is required for a Patient to obtain Financial Assistance.**

g. For insured Patients, documentation of medical expenses incurred for the patient or family members in the prior twelve (12) months are required for insured Patients to validate high medical costs.

h. When a Patient qualifies for Financial Assistance, unless otherwise specified, the discount should consistently apply to all services rendered until the financial status is reconsidered, updated and documented.

i. Under no circumstances will the Organization allow contractual/up-front Financial Assistance for Patients who ***have insurance that is required to be billed by the Organization (contracted or accepted insurance plans)***. All contracted and accepted insurance or benefit plans must be billed at the standard charge master rate. After a reasonable attempt to collect has been made, if the Patient is still unable to pay, Financial Assistance eligibility may be considered at that time.

4. Once a determination has been made a notification form will be sent to each applicant advising them of the Organization's decision and the reason for the denial, if denied.

5. A Patient may request an appeal of a denial of eligibility. The Organization, in conjunction with the Corporate Office, will review the information submitted and/or request additional allowable documents to be submitted by the Patient. A written decision regarding the appeal is provided to the Patient within 72 hours of the receipt of the request.

6. A deposit may be required from a Self Pay Patient prior to determination that a Patient qualifies for Financial Assistance. The Organization will refund to the Patient any amount collected from a financially qualified Patient in excess of the amount due under the Organization's Financial Assistance Policy.

**Limitations on Charges for Patients Eligible for Financial Assistance**

Patients eligible for Financial Assistance will not be charged individually more than the AGB for emergency and other medically necessary care and not more than gross charges for all other medical care. The Organization will calculate its one AGB percentage using the "look-back" method and including Medicare fee-for-service and all private health insurers that pay claims to the Organization, all in accordance with 501(r). A free copy of the AGB calculation and percentage may be obtained by request in any admissions area. Patients may also request a free copy of the AGB calculation and percentage by mail by calling the Admissions Office at 512-268-9592 to request a copy be sent to the Patient's mailing address.

**Applying for Financial Assistance and Other Assistance**

A Patient may qualify for Financial Assistance by applying for Financial Assistance by submitting a completed FAP Application. The FAP Application and FAP Application Instructions are available upon Patient request at the time of service. If a Patient wishes to apply for Financial Assistance after the day(s) of service, a Patient may access the FAP Application and FAP Application instructions and print directly from the Organization's website. Patients may also request a copy of the FAP Application and FAP Application Instructions by mail. To request a copy of the documents by mail or help with a FAP Application, Patients should call the Admissions Office at 512-268-9592. In each of the aforementioned accessible locations, the FAP Application and FAP Application instructions are available in English and Spanish.

**Billing and Collections**

The actions that the Organization may take in the event of nonpayment are described in a separate billing and collections policy. A free copy of the billing and collections policy may be obtained upon Patient request at the time of service or by contacting the Admissions Office at 512-268-9592.

**Interpretation**

This policy is intended to comply with 501(r), except where specifically indicated. This policy, together with all applicable procedures, shall be interpreted and applied in accordance with 501(r) except where specifically indicated.

# Exhibit A

## FINANCIAL ASSISTANCE
## FLEXIBLE FEE SCALE BASED ON 2014 POVERTY GUIDELINES

**100% of Federal Poverty Level**

| # of Dependents | Annual Gross Income | Monthly Gross Income | Waiver % |
|---|---|---|---|
| 1 | $11,880 | $990 | 100% |
| 2 | $16,020 | $1,335 | 100% |
| 3 | $20,160 | $1,680 | 100% |
| 4 | $24,300 | $2,025 | 100% |
| 5 | $28,440 | $2,370 | 100% |
| 6 | $32,580 | $2,715 | 100% |

**125% of Federal Poverty Level**

| | | | |
|---|---|---|---|
| 1 | $14,850 | $1,238 | 75% |
| 2 | $20,025 | $1,669 | 75% |
| 3 | $25,200 | $2,100 | 75% |
| 4 | $30,375 | $2,531 | 75% |
| 5 | $35,550 | $2,963 | 75% |
| 6 | $40,725 | $3,394 | 75% |

**150% of Federal Poverty Level**

| | | | |
|---|---|---|---|
| 1 | $17,820 | $1,485 | 50% |
| 2 | $24,030 | $2,003 | 50% |
| 3 | $30,240 | $2,520 | 50% |
| 4 | $36,450 | $3,038 | 50% |
| 5 | $42,660 | $3,555 | 50% |
| 6 | $48,870 | $4,073 | 50% |

**200% of Federal Poverty Level**

| | | | |
|---|---|---|---|
| 1 | $23,760 | $1,980 | 25% |
| 2 | $32,040 | $2,670 | 25% |
| 3 | $40,320 | $3,360 | 25% |
| 4 | $48,600 | $4,050 | 25% |
| 5 | $56,880 | $4,740 | 25% |
| 6 | $65,160 | $5,430 | 25% |