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09/01/06, 10/01/09, 02/16/11****PURPOSE:**

The purpose of this policy is to establish guidelines for the Financial Assistance Program, or “FAP”, of Alleghany Memorial Hospital, or “AMH”. It is the policy of Alleghany Memorial Hospital to offer financial assistance in the form of free or discounted care based on need to FAP eligible patients and guarantors receiving emergency and medically necessary care provided by AMH. For a list of providers that provide services within the hospital that do and do not adhere to AMH’s FAP, please see Appendix A.

Elective procedures, or those that are not medically necessary but are elected by the patient as a matter of convenience or choice, will not be eligible for financial assistance.

An Emergency Medical Condition manifests 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 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, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part, or with respect to pregnant woman who is having contractions that there is inadequate time to effect a safe transfer to another hospital before delivery, or that the transfer may pose a threat to the health or safety of the woman or her unborn child (42 U.S.C. §1395dd). Emergent services are services for a patient whose condition is such that the delay in treatment may result in the death or permanent impairment of the individual’s health.

Medically necessary care are services for a patient whose condition is such that while not likely to result in death or irreparable harm, it must be treated with dispatch and cannot wait for normal scheduling.

The Financial Assistance Program is applicable only to amounts due from patients or their guarantors for emergency and other medically necessary care who meet the program eligibility requirements after all applicable third-party payer claims are paid and adjudicated. For FAP

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eligible patients/guarantors with a third-party payer source, the balance remaining after insurance has paid will qualify for the applicable FAP discount.

The request for Financial Assistance may be made by or on behalf of an individual seeking service in the facility. An individual may make a request before, during, or after services are received, up to 240 days, after the first post discharge bill.

PUBLICATION:

This policy, a plain language summary and associated forms will be made available to the general public in the following ways:

- Online on the Alleghany Memorial Hospital website, amhsparta.org
- Printed copies will be available in the Hospital and Emergency Room registration areas
- Conspicuous public displays in AMH emergency and admission areas
- Conspicuous written notices on patient bills

ELIGIBILITY CRITERIA:

- (1) Services for which discounts apply must be for emergency and medically necessary care.
- (2) Patient's/guarantor's income is \leq 200% of federal poverty level (FPL).
- (3) If income is \leq 200% FPL, patient must first enroll in all other primary payer programs for which patient is eligible and must assign benefits to AMH.
- (4) Individual must be a resident of the following counties: Alleghany, NC and Grayson, VA

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BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS:

AMH will not charge FAP eligible patient/guarantors amounts more than amounts generally billed (AGB) for emergency and other medically necessary care. In the case of all other medical care, the amounts charged FAP eligible patients/guarantors is less than gross charges.

AMH annually calculates the AGB percentage under the look-back method using claims allowed by private insurers and Medicare over a 12-month period. These claims are multiplied by the associated gross charges for the same period to yield the AGB percentage (see Appendix B for additional information).

Any patient may apply for need based financial assistance. Needs based discounts will be applied to the patient balance after a discount equal to the AGB percentage has been applied.

The patient/guarantor will be required to complete the FAP Application Form. This consists of patient/guarantor demographics, Family Size, gross annual income for patient/guarantor and other Family Members, denial from state agency for Medicaid or proof of Medicaid deductible, and other relevant documents and information. The FAP Application Form is attached for reference. All documentation and information requested, including but not limited to bank statements and income tax returns, must be submitted in its entirety for the application to be considered complete. Under no circumstances shall an incomplete application be considered for Financial Assistance.

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METHOD FOR APPLYING FOR FINANCIAL ASSISTANCE:

All patients will be informed of the Financial Assistance Program and provided a copy of the Plain Language Summary of the FAP at the time of admission or as soon as reasonably possible thereafter but always before or upon discharge. Additionally, AMH will provide basic contact information relating to its FAP on billing statements relating to services provided.

Patients who wish to apply for financial assistance under the FAP will be referred to the Financial Counselor, who will assist the patient with completion of the application form and provide guidance as to other documentation that may be required. If the Financial Counselor is not available, staff will provide each patient / guarantor with a business card from the Financial Counselor and instruct the patient / guarantor to contact the Financial Counselor. Information relating to AMH's FAP (including FAP Application) may be found on the Hospital's website amhsparta.org or requested at the facility located at 233 Doctors Street, Sparta, NC 28675. (336) 372-5511. Completed applications along with the supporting documentation should be submitted to: Attn: Financial Assistance, Alleghany Memorial Hospital, 233 Doctors Street, Sparta, NC 28675.

The Financial Counselor will review and process the application in accordance with the criteria and procedures described in this policy.

Eligibility will be determined based on family size, income guidelines, and the current Federal Poverty Guidelines published annually by the Division of Health and Human Services at <http://aspe.hhs.gov/poverty/index.cfm>.

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Family Size will be determined in accordance with the following guidelines.

- A household is defined as all persons who occupy a housing unit whether they are related to each other or not.
- A family is defined as all persons occupying the same household who are related to one another. Relationship is defined as spouse, minor or disabled adult children (whether biological, step child, or legally adopted), minor or disabled grandchildren, if legal custody has been established.
- The AMH FAP uses the “family” concept and will apply the poverty guidelines separately to each family within a household if the household includes more than one family unit. If a family of three and an unrelated individual were living in the same house, this would constitute two family units. If it is an adult child requesting charity care and still living with his/her parents, charity care will be solely based on the adult child’s income. This would make up two family units.

Income is defined to include, but is not limited to, the following:

- wages and salaries before any deductions
- net receipts from non-farm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, after deductions for business expenses)
- net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses)

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- regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income, and non-Federally funded General Assistance or General Relief money payments), and training stipends
 - alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household
 - private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments
 - college or university scholarships, grants, fellowships, and assistantships
 - dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings
 - Refundable Tax Credits such as the Earned Income Credit, Child Tax Credits, the Premium Tax Credit

Income does **not include the following:**

- capital gains
- proceeds of withdrawals from a bank, the sale of property, a house, or a car
- tax refunds, gifts, loans, lump sum inheritances, one-time insurance payments, or compensation from injury
- non-cash employee benefits, such as the employer paid portion of health insurance or other employee fringe benefits, and food or housing received in lieu of wages
- the value of food or fuel produced and consumed on farms
- the imputed value of rent from owner-occupied non-farm or farm housing
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

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DETERMINING ELIGIBILITY:

- When determining income, use either the 12-month income preceding the date of request or the three months preceding the request multiplied by 4, using whichever is less as the annual figure. Proof of income examples include but are not limited to payroll stubs, employer authorized written statements of income, business financial statements, tax returns, etc.
- Compare the annual income and family size to the current Federal Poverty Guidelines to measure the applicant(s) income as a % of poverty guidelines. Once this percentage is obtained, apply it to the table below to determine the percentage financial assistance for which the applicant(s) has qualified.
- Discounts will be provided according to the following scale and will be applied against the remaining patient responsibility amount for emergency and other medically necessary care after the AGB discount has been applied:

Family Income as % of Federal Poverty Guidelines (FPG)	% Financial Assistance Granted
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Equal to or less than 150% of FPG	100% of Patient Liability
More than 150% but equal to or less than 155% of FPG	90% of Patient Liability
More than 155% but equal to or less than 160% of FPG	80% of Patient Liability
More than 160% but equal to or less than 165% of FPG	70% of Patient Liability
More than 165% but equal to or less than 170% of FPG	60% of Patient Liability
More than 170% but equal to or less than 175% of FPG	50% of Patient Liability
More than 175% but equal to or less than 180% of FPG	40% of Patient Liability
More than 180% but equal to or less than 185% of FPG	30% of Patient Liability
More than 185% but equal to or less than 190% of FPG	20% of Patient Liability
More than 195% but equal to or less than 200% of FPG	10% of Patient Liability
More than 200% of FPG	No discount

Applicants receiving less than a 100% discount will be required to establish payment arrangements on the remaining balance.

- Financial Assistance applications will be reviewed and approved by Patient Accounts Manager, the Controller, and/or the Chief Financial Officer according the following review/approval levels. These approvals must be obtained prior to informing the patient of the decision.
 - Patient Financial Services Manager – Discounts up to \$1,000
 - Controller – Discounts up to \$5,000
 - Chief Financial Officer – Discounts over \$5,000
- The patient will be notified of the determination of eligibility. The determination will remain in effect for the applying family for 30 days from the date of approval unless the family’s circumstances change. It is the responsibility of the family to notify AMH of any material changes to income.
- Patients who submit incomplete applications that have resulted in a denial of the request for financial assistance will be notified of the deficiencies and allowed a reasonable period to provide the missing information.

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ACTIONS TAKEN IN EVENT OF NON-PAYMENT:

After processing any approved discount, the guarantor will receive regular statements until any remaining balance is paid in full. If guarantor does not pay any remaining balance, the account will be subject to further collection actions.

Currently the organization does not engage in any extraordinary collection actions (ECA) as defined by IRC 501(r). The organization does not report to credit agencies or engage in collection actions requiring legal actions. If the organization determines that such collections efforts were to be deemed necessary, the organization would not engage in such actions prior to 120 days after the first bill post discharge. In addition, if an applicant were to apply prior to 240 days after the first post discharge bill, collection efforts would cease until a final determination on eligibility is made. If the individual qualified for financial assistance, the organization would work to reverse any adverse effects that had resulted from the ECA to the extent reasonably possible. Any amounts previously paid greater than the patient responsibility after the application of the financial assistance discount would be

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refunded. The organization works with its third-party contractors to ensure that they adhere to these policies and procedures for accounts that have been turned over for collections.

APPROVED BY:

(SIGNATURE / TITLE)

APPROVED BY:

(SIGNATURE / TITLE)

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APPENDIX A Eligible Providers

Only emergency and medically necessary care delivered by Alleghany Memorial Hospital is covered under this financial assistance policy.

Services provided by the following departments of Alleghany Memorial Hospital are NOT covered under this financial assistance policy.

ALLEGHANY HEALTH SERVICES
ALLEGHANY ORTHOPEDIC CLINIC
ALLEGHANY SPECIALTY CLINICS

Care provided by any of the providers listed below at an AMH facility will NOT be covered under this policy since they are not employed by AMH. As such, the bills received by AMH patients for care provided by any of the following providers will NOT be eligible for the discounts described in this financial assistance policy.

ALLEGHANY EMERGENCY GROUP
LABCORP
PIEDMONT PATHOLOGY ASSOCIATES
YADKIN RIVER RADIOLOGY

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APPENDIX B

Amounts Generally Billed

The Hospital calculates its Amounts Generally Billed (AGB) percentage, utilizing the “look-back” methodology described in applicable Treasury Regulations. This discount shall be determined based on the ratio of contractual deductions to gross charges on insured patient accounts. This ratio shall be determined considering patient accounts covered by Medicare and private insurance over a 12-month history and shall be updated periodically but at least annually.

The percentage was calculated by taking the all claims allowed for Medicare and Commercial for a twelve-month period divided by the associated gross charges for those claims. For written detail regarding the Hospital’s current AGB percentage and calculation please submit request to: Attn: Financial Assistance, Alleghany Memorial Hospital, 233 Doctors Street, Sparta, NC 28675. Information will be provided free of charge.