



# CUMBERLAND HEALTHCARE

## Patient Financial Services

**Subject: Financial Assistance**

**Applies To: Facility Wide**

**Effective Date: 11/24/09**

### **PURPOSE**

Cumberland Healthcare recognizes that certain individuals are unable to pay entirely or in part for healthcare services provided. The purpose of this plan is to develop a unified system to assist qualified individuals who are unable to pay for their healthcare services. Cumberland Healthcare is a not-for-profit facility approved under 501(c) 3 of the Internal Revenue Code. Cumberland Healthcare will admit, treat and serve all persons without regard to race, creed, color, sex, national origin, sexual orientation, handicap, age, or source of income. The Financial Assistance plan shall be applied consistently and no patient shall be denied Financial Assistance based on any of the aforementioned factors.

Cumberland Healthcare's Financial Assistance plan is not an entitlement program. Financial Assistance is offered to patients who are financially unable to pay full charges. Inability to pay will be determined by Cumberland Healthcare and will be based upon specific financial information provided by the patient and/or guarantor.

### **POLICY**

Cumberland Healthcare recognizes that certain individuals are unable to pay entirely, or in part, for services provided by the institution. It is part of our mission to provide health services, and support for the communities in our service area. The purpose of this policy is to assist those individuals who are unable to pay for services provided. The determination to provide charitable services will be made, when possible, before providing services. However, if complete information on the patient's insurance or financial situation is unavailable, not valid, or if the patient's financial condition changes, the designation as a charity case may be made after billing for those services.

### **DEFINITION**

"Uncompensated health care services" are defined as bad debt and Financial Assistance.

"Bad Debt" means claims arising from rendering patient care services, that the facility using a sound credit and collection policy, determines to be uncollectible. When a guarantor has the ability to pay but will not, the account shall be classified as bad debt. Bad debt does not include Financial Assistance or government allowances.

"Financial Assistance" means health care services provided to a patient who is not eligible for public programs and who, after an evaluation of the patient's application is determined to be unable to pay based on the policy. Financial Assistance does not include bad debts or government allowances.

"Income" means all salaries, wages, pensions, annuities, veteran's benefits, social security payments, recurrent insurance payments, unemployment or worker's compensation payments, child support, alimony, interest, rental income, royalties, estate or trust income, tax refunds, compensation for injury claims, business net income plus depreciation, and income from services

performed. Cumberland Healthcare reserves the right to consider income of a domestic partner as income of the applicant.

## **PROCEDURE**

### 1. Determining Ability to Pay

The applicant's ability to pay for all or a portion of the facility's billed charges will be determined on a case-by-case basis. The following criteria will be considered:

- A. Lack of medical insurance coverage or high deductible
- B. Personal and/or family income (see definition of "income" above).
- C. Size of the patient's family.
- D. Financial obligations of the patient and/or family.
- E. Financial resources of the patient and/or family (other than income).
- F. A review of assets including but not limited to cash, savings, stocks, and other liquid assets; equity in property (home and business, including land); number of vehicles and cash value; personal property used in the production of income; and other personal property of reasonable value.
- G. The applicant cannot be eligible for county, state or federal programs.

Eligibility for Financial Assistance is based upon the current year's Federal Poverty Guidelines. These guidelines will be verified in January (or as soon as available in the Federal Register) of each year. The amount of the deduction from billed charges will be calculated on a sliding scale. Income and assets that might be available for payment will be considered in comparison with the Federal Poverty Guidelines. The following scale will be used to determine how much of a patient's account is considered Financial Assistance:

- 100% Financial Assistance (write-off) for an income level that is 100% of the Federal Poverty Level
- 75% Financial Assistance (write-off) for an income level that is 150% of the Federal Poverty Level
- 50% Financial Assistance (write-off) for an income level that is 200% of the Federal Poverty Level
- 25% Financial Assistance (write-off) for an income level that is 300% of the Federal Poverty Level

### 2. Application

- A. Information about this program is available by contacting the Patient Financial Services Department of Cumberland Healthcare, 1110 7<sup>th</sup> Avenue, Cumberland WI 54829 or at the facilities website at [www.cumberlandhealthcare.com](http://www.cumberlandhealthcare.com).
- B. Applicants will be asked to complete a Financial Statement/Application (attachment A) for consideration to the program. A copy of the applicant's W-2, most recent tax return, or other proof of income and/or assets may be requested by the facility.

### 2. Application Time Limit

Patients may apply for Financial Assistance within 30 days before a scheduled procedure or visit or up to six months after the date of service. Cumberland Healthcare can decide to give Financial Assistance more than six months after treatment but it does not have to. Once the application is complete, the initial determination will be made within 30 days of receipt of the application and all supporting documentation. Cumberland Healthcare reserves the right to conduct Administrative Determination in regard to all applications. No account will be placed with a collection agency from the time all supporting documentation is received until the time an initial determination is made. The Patient

Financial Services staff will perform the initial evaluation of the financial data and make a recommendation to the Patient Financial Services Manager. The Manager makes the determination. Patients will be notified in writing or with a phone call of the determination.

3. Coverage of Elective Services with Financial Assistance

Arrangements for Financial Assistance for elective services should be made in advance of receiving the elective services. The patient should contact the hospital's business office to obtain the necessary information.

4. Other programs

Individuals with incomes and assets equal to or less than the Federal Poverty Income Guidelines, with no other available assets, must be evaluated to see if the patient is first qualified for assistance from any federal, state or county programs.

Approved by: \_\_\_\_\_  
Mike Gutsch, CEO/Administrator

Date: \_\_\_\_\_

Attachments: Attachment A – Financial Assistance Financial Statement Application

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