



CUMBERLAND HEALTHCARE

Title: Financial Assistance Policy

Primary Department: Administration

Policy Number: 048.1014.08

Sub Departments: Financial Services

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, gender identity, 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 Community Care may be made after billing for those services.

All patients seeking healthcare services at Cumberland Memorial Hospital are assured that they will be served regardless of ability to pay. No one is refused service because of lack of financial means to pay.

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 workers 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.

"Family" is defined as: a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

- A. **Notification of Program** -- Guarantors will be notified of the availability of the Cumberland Healthcare's Financial Assistance Program upon request; guarantors will be offered a plain language summary of this policy prior to the patient's discharge (plain language summaries will be available in the emergency department, admissions area and other appropriate areas of the hospitals and clinics). Cumberland Healthcare will provide the plain language summary at the front desk or waiting area. In addition, as provided in our Billing and Collection policy, in all billing statements (at least 3) over a period of not less than 120 days commencing on the date of the first bill issued to the guarantor for such services, we will inform the guarantor of the availability of financial assistance. During the same 120-day period, all written and oral communications with our financial representatives regarding amounts due for the care provided will include information regarding the availability of financial assistance pursuant to this policy.
- B. **Eligibility** -- Discounts will be based on income and family size only. Cumberland Healthcare uses the Census Bureau definition of family. **Family** is defined as a group of two or more (one of whom is the householder) related by birth, marriage, or adoption, and residing together; all such people (including related subfamily members) are considered as members of one family.
- C. **Scope of Income to be Considered** – **Income** includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. *Non-cash benefits (such as food stamps and housing subsidies) do not count.*
- D. **Discount Percentage** -- The measure for financial assistance will be a sliding scale based on the US DHHS Federal Poverty Guidelines (FPG), as follows (see Appendix B for FPG table):

<i>Household Income Level</i>	<i>Maximum Discount Percentage (Includes Uninsured Discount)</i>
Less than 200% FPG	100%
Greater than 200%, but less than 300% FPG	75%
Greater than 300%, but less than 400% FPG	50%
Over 400%	No FAP Assistance

- E. **Calculation of Charges and Amount Due** -- Following a determination of financial-assistance eligibility, the eligible individual will not be charged more for emergency or medically necessary care than the amounts generally billed (AGB) to individuals with insurance covering such care.

At Cumberland Healthcare, the AGB for each of our hospital facilities will be calculated separately. For 2023, hospital facility is using the "look-back method" to calculate the AGB. This method is based on fully-allowed payment amounts for each hospital's claims with a primary payer of either

Medicare fee for service or a commercial payer during the period of 1/1/22-12/31/22. Each hospital facility divides the sum of total payments allowed by those payers (including coinsurance, copayments, and deductibles) by the sum of total hospital charges for those claims to identify the “AGB percentage”.

AGB as determined for each facility for the period of 07/01/2023-06/30/2024 (unless earlier updated) is as follows:

Cumberland Healthcare: 51% (percent) of total hospital charges

Cumberland Healthcare will re-calculate its AGB at least annually.

Cumberland Healthcare will not charge patients eligible for financial assistance more than above-noted AGB percentage for emergency or medically necessary services.

- F. **Qualification Based on Size of Bill** -- Financial assistance may also be provided for guarantors who are unable to pay some or all of the patient’s hospital bills because the bills are so extensive that payment threatens the Household’s financial stability, even though the Household’s income otherwise exceeds 400% of FPG. Such financial assistance will be determined based on income and the size of the patient’s hospital bill.
- G. **Application Process** -- Applicants for the Financial Assistance Program must complete the “Financial Assistance Application” (Appendix C). Supporting documentation such as tax returns and check stubs as outlined in the Financial Assistance Application are required. Financial assistance applications are available by the following:

<u>Method</u>	Cumberland Healthcare	
In Person	1705 16 th Ave Cumberland, WI 54829-8601	
Telephone	(715) 822-7500	
Online	FA Application.pdf	

Completed applications should be returned in person at the registration desk or by mail to the applicable address above. If an incomplete application is submitted, a letter will be generated to the guarantor asking for additional information to be provided within 30 days.

- H. **Approval/Denial of Financial Assistance** - A letter either approving or denying a request for financial assistance will be sent to the applicant within 30 days of the receipt of a completed application. A completed application includes all required supporting documentation. Denials may be appealed through the Patient Financial Services Department. All appeals should be requested in writing, and include supporting documents that demonstrate the inability to pay that were not available or included at the time of initial consideration. Decisions regarding Financial Assistance are documented in the billing system.
- I. **Time Period for Submission of Applications** – Cumberland Healthcare will accept and consider financial assistance applications submitted at any time up until the date that is 240 days after the date of the first billing statement issued to the guarantor for the services at issue. Applications made

during this timeframe will be considered even if the account has already been placed with a collection agency; if such an application is received for financial assistance, collection efforts will be terminated or modified as appropriate based on the financial assistance determination.

- J. **Duration of Eligibility Determination** -- A determination of qualification for financial assistance will apply with respect to all medically necessary services rendered, and charges incurred, during a period commencing *with the date of* the original services for which financial assistance was *sought* and continuing for 180 days after financial assistance qualification was determined. Additional services rendered and charges incurred after such date will require the completion of a new application as described in (G) above.
- K. **Effect of Non-Payment** -- Balances remaining after application of the financial assistance discount are subject to timely payment consistent with standard Cumberland Healthcare billing and collection practices. In the event of non-payment, Cumberland Healthcare may take any and all collection actions described in our Billing and Collection policy; a free copy of that separate policy can be obtained by contacting the Patient Financial Service Department, or our website as described in (G) above.
- L. **Presumptive Financial Assistance Eligibility** -- Patients who are unable to complete an application form may be eligible for Financial Assistance if other evidence is available which may indicate financial hardship. This information may be obtained from a patient interview, credit bureau, or other available records. Consideration may be given on an individual basis. Examples of patient circumstances that would indicate financial hardship and presumptively qualify for financial assistance are as follows:
1. Deceased with no estate – based on the conclusion that the decedent has no assets, and therefore no ability to pay.
 2. Accounts uncollectible due to discharge of account by bankruptcy.
 3. Patients who are homeless at the time of registration or admission.
 4. If it has been determined that a patient has been approved for Wisconsin Medical Assistance (WMA), any accounts the patient has incurred eight months (240 days) prior to date of discovery of WMA eligibility will qualify for presumptive eligibility. The FAP will remain active for six months following discovery of WMA Eligibility.
 5. Any account returned by the collection agency that has been determined to be uncollectible may be considered for Financial Assistance.
 6. Qualified individuals under another organization's similar Financial Assistance application process.
 7. Patients that require urgent or emergent care covered under a non-contracted Medicaid plan will be considered presumptively eligible for financial assistance.
- M. **Publication of Financial Assistance Policy** -- This policy, the Financial Assistance Application, and a plain-language summary will be made available for download from Cumberland Healthcare's website: <https://cumberlandhealthcare.com/patients-visitors/patient-financial-services> Paper copies will be made available upon request and without charge at registration. Signs notifying hospital visitors about the policy will be posted. Cumberland Healthcare will develop a plan to inform and notify residents of the community served about the policy in a manner reasonably calculated to reach those most likely to require financial assistance.

PROCEDURE

Cumberland Memorial Hospital will notify patients of the Sliding Fee Discount program by:

Sliding Fee Discount Program will be offered to each patient at the time of the first contact by our collection department. Information regarding the Sliding Fee Scale is also posted in our waiting area and on our website.

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. Personal and/or family income (see definition of "income" above).**
- B. Size of the patient's family (see definition of "family" above)**

Eligibility for Financial Assistance is based upon the current years 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 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 less than or equal to 200% of the Federal Poverty Level
- 75% Financial Assistance (write-off) for an income level that is above 200% and less than or equal to 300% of the Federal Poverty Level
- 50% Financial Assistance (write-off) for an income level that is above 300% and less than or equal to 400% 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 7th Avenue, Cumberland WI 54829 or at the facilities website at 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 will be required to be submitted with the application.

2. Application Time Limit

Patients may apply for Financial Assistance within 30 days before a scheduled procedure or visit.

Approved Sliding Fee Discounts application cover outstanding patient balances that have not, at the time of the approved application, been previously deemed as bad debt and any balances incurred for 6 months after the approved date. The applicant has the right to reapply after the six months have expired or anytime there has been a significant change in family income.

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. **If the patient does not make an effort to pay private balances that are remaining after the Sliding Fee Scale discount have been applied to the account Cumberland Memorial Hospital can explore options including offering the patient a payment plan or referring the patient to collections.**

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 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.

Appendix A: Cumberland Healthcare Provider List

[FAP Appendix A.pdf](#)

Appendix B: Federal Poverty Guidelines FFY 2024

[CHC Federal Poverty 2025.pdf](#)

Appendix C: Financial Assistance Request Form

[FINANCIAL-ASSISTANCE-APPLICATION-2-1.pdf](#)

Approved By: _____ 4/2/2025 _____
Glynis Evans, Revenue Cycle Director Date

Attachments:

References:

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