

Helen Newberry Joy Hospital

Department: Billing/Patient Accounts	Original Effective Date: 7/1/2024
Subject: Financial Assistance Policy 501R	Reviewed:
Approved by: Connie Dewitt	Revised:12-27-24, 7-1-25

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Purpose:

Consistent with our mission to provide high quality health and wellness services for the community, Helen Newberry Joy Hospital (HNJH) is committed to providing financial assistance to any person who has healthcare needs. No one will be denied access to services based on inability to pay. HNJH provides fair pricing of the medical services that it provides, and the financial assistance program is here to assist patients that are uninsured, have limited benefits or resources, and have exhausted all other benefits.

All patients are treated with compassion, dignity, and respect, and the financial assistance process will be carried out with respect and with regard for the dignity of the applicant.

It is the policy of HNJH to provide full or partial financial assistance to patients and/or guarantors, within the limits of HNJH's resources, based on the patient and/or guarantor's current financial situation and ability to pay.

Definitions:

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

- 1)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.
- 2)Medically Necessary:** Healthcare services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are generally accepted standards of medical practice, including emergency care and urgent care services. Preventative or screen services are only covered if ordered by an HNJH provider.
 - a.Emergency Care:** Immediate care which is necessary to prevent serious jeopardy to a patient's health: serious impairment of bodily functions, and/or serious dysfunction of any organs or body parts.
 - b.Urgent Care Services:** services necessary in order to avoid the onset of illness, injury, disability, death, serious impairment, or dysfunction if not treated with 12 hours.
- 3)Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.
- 4)Underinsured:** Patients who have a limited healthcare coverage, or coverage that leaves the patient with an out of pocket liability, and therefore may still require financial assistance.
- 5)Amount Generally Billed (AGB):** The amount generally billed is the average amount that HNJH anticipates being paid based on claims allowed by Medicare and private health insurers (including Medicare Advantage plans) for emergency or other medically necessary services from Patients and/or a Patient Guarantor. At HNJH, the AGB percentage is determined under the "look-back" method"

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described in Internal Revenue Service regulations. See below for the Calculation of this amount.

- 6)Household:** Includes, as defined by the U.S. Census Bureau, a group of two or more people related by birth, marriage, adoption, and/or residing together, all such people (including related subfamily members) are considered as members of one family. If the Patient is claimed as a dependent on a parent's or adult child's tax return, the party claiming the patient as a dependent will be considered a member of the patient's family.
- 7)Guarantor:** An individual other than the patient who is responsible for payment of the Patient's bill.
- 8)Gross Charges:** HNJH full established price for medical services that is consistently and uniformly charged to all Patients before applying any contractual allowances, discounts, or Financial Assistance.
- 9)Household Income:** Includes before tax earnings, unemployment compensation, workers' compensation, Social Security, Supplement Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents or royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. This DOES NOT include non-cash benefits such as food stamps or housing subsidies. If a person lives with a family, the income of all family members must be included (including those of domestic partners) unless the family members are paying rent and are not considered dependents of the homeowners.
- 10)HNJH Provider** includes all employed providers as well as private providers credentialed at HNJH and included in Appendix A when they are rendering care to an HNJH patient at an HNJH facility.

Policy:

HNJH will make financial assistance available to eligible individuals in accordance with this Financial Assistance Policy (FAP). HNJH will comply with the procedures set forth in this FAP to determine patient eligibility for financial assistance. Patients who are determined to be eligible for financial assistance will not be charged more than the amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care. This policy is intended to comply with Section 501(r) of the Internal Revenue Code and regulations promulgated thereunder and shall be interpreted and applied in accordance with such regulations.

Procedure:

1)Eligibility:

Services eligible for financial assistance include those considered medically necessary. Such services include health care services that a provider, exercising prudent clinical

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judgment, would provide to a patient for the purpose of evaluating, diagnosis or treating an illness, injury, disease or its symptoms, and that are generally accepted standards of medical practice. Such services include emergency and urgent care.

This FAP could apply but is not limited to charges for non-covered services provided to patients eligible for Medicaid or other indigent care programs and/or charges for otherwise insured patients that have exhausted their benefits, and are liable for the charge for any remaining amount.

This FAP does not apply to the following services: elective cosmetic services, investigational services or other elective services not covered under a patient's health insurance plan; services that are deemed by a patient's insurer as ineligible due to complications of a non-covered procedure; services for which a first/third party is liable after HNJH has billed the patient's health insurance, such as accidents, unless it is determined there are no benefits and/or settlement.

A provider list, as described in IRS Notice 2015-46, is included in Appendix 1, and details which entities are and are not covered by this FAP. Appendix 1 to this FAP will be updated approximately quarterly and may be revised without re-submitting this FAP to the HNJH Board of Trustees for adoption.

Qualifying for Financial Assistance

Qualification for this program will be determined on a case by case basis. Patients will qualify for the program by meeting the following criteria:

- Patient is seeking treatment for a medical need diagnosed by an HNJH provider; and
- Patient meeting one of the following criteria will be eligible for the corresponding discount:

Qualifying Criteria	Eligible Discount
Annual aggregate household income is at or below 200% of the Federal Poverty Guidelines; or	100% Financial Assistance Discount on all medically necessary services
Annual aggregate household income is between 201% and 300% of the Federal Poverty Guideline; or	AGB + Partial Financial Assistance Discount (see below)
Catastrophic illness or event resulted in medical expenses (accumulated over 12-month period) in excess of 30% of gross annual household income	One-time 100% Financial Assistance Discount

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In addition, HNJH may determine qualification for the program on a presumptive basis. No financial assistance application is required to qualify for presumptive eligibility. Presumptive eligibility is determined on an encounter/visit level. HNJH may determine qualification for the program based on such factors as homelessness; eligibility for state or local assistance programs (such as food stamps, subsidized school lunch programs, subsidized prescription programs or low-income subsidized housing). Patients meeting the presumptive qualification for the program may be eligible for a discount of up to 100% on all medically necessary services. Presumptive eligibility is determined on an encounter/visit level.

Federal poverty level guidelines for most current year are obtained from HHS:
<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

Calculation of the “Amount Generally Billed” Percentage

Individuals eligible for financial assistance under this program will not be charged more than the Amount Generally Billed to individuals who have insurance for emergency and other medically necessary care. This value will be calculated annually using the “look-back” method described in Internal Revenue Service regulations and is calculated as follows.:

1. On an accrual basis, the AGB is calculated using a prior 12-month period. An updated AGB will take effect on July 1 of each year, and the calculation is based on the 12-month period of January 1 – December 31 of each year.
2. The AGB percentage is calculated as follows: The sum of all the allowed amounts (including co-insurance, co-payments and deductibles) for all claims allowed for all medical care during the prior 12-month period by Medicare and all private health insurers (including Medicare advantage) is divided by the sum of gross charges for those claims. The resulting quotient is the AGB percentage.
3. If the patient is eligible for financial assistance under HNJH’s FAP, the AGB percentage is multiplied by HNJH’s gross charges for the patient encounter for emergency or other medically-necessary care to determine the maximum amount for which the eligible patient may be personally responsible.
4. The HNJH AGB percentage for the year July 1, 2025 through June 30, 2026 is 63%.

Patient Financial Assistance Discount Scale

At or Below 200% of Poverty Level	100%
Below 250% of poverty level	50%
Below 300% of poverty level	25%

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Example #1: An uninsured patient who qualifies for 50% financial assistance.

Total Charges	\$100.00
Adjustment to AGB	(\$37.00)
Balance Due (63% of Total Charges)	\$63.00
Financial Assistance Adjustment (50%)	(\$28.50)
total balance due	\$28.50

Example #2: An insured patient who qualifies for 50% financial assistance.

Total Charges	\$100.00
Insurance Payment & Adjustment	(\$20.00)
Balance after Insurance	\$80.00
Adjustment to AGB	(\$29.60)
Balance Due (63% of Total Charges)	\$50.40
Financial Assistance Adjustment (50%)	(\$25.20)
Total balance due	\$25.20

Applying for Financial Assistance

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

Patients and/or responsible parties may apply post discharge at any time up to 240 Days (8 months) after HNJH provides the statement to the patient and/or guarantor. The application approval is valid for 120 days (4 months) from the time the application is received.

When determining patient eligibility, HNJH does not take into account race, gender, age, sexual orientation, religious affiliation, social, immigrant status, or age of patient.

Additionally, HNJH may refer to or rely on external sources and /or other program enrollment resources if uninsured patient lacks documentation that supports eligibility.

Applications can be received at Patient Account office, Out-patient Admitting, Information Desk, Emergency department admitting window, Gibson Family Health Center, West Mackinac Health Clinic, Manistique Family Clinic, Eckerman Health Clinic. You can also get the application at:

<https://hnjh.org/wp-content/uploads/2024/11/Finanical-application.pdf>.

Go to patients & Visitors, Financial Assistance, right hand side under contacts is the application.

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You can also receive application by calling (906) 293-9115 or (906) 293-9123, to have an application mailed to you. You can also Mail a request to the below address for an application to be mailed to you.

Helen Newberry Joy Hospital
Attn: Patient Account Office
502 West Harrie St
Newberry, MI 49868

To apply for financial assistance, patient must submit a completed application (including supporting documents) to the address above, by mail or in person.

To be considered eligible for financial assistance, patient must cooperate with the hospital to explore alternative means of assistance. 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:

- A copy of identification – Driver's license, state identification card, or passport
- A copy of most recent income tax return
- Proof of income for household, such as recent pay stubs (30 Days' worth)
- Bank statements

Financial counselors are available to assist in the application process in person at 502 West Harrie Street, Newberry MI 49868 or by phone (906) 293-9115, (906) 293-9123 Monday through Friday excluding holidays. *note: HNJH has access to translators who can assist patient who are unable to speak English.

Patient Billing and Collection

The collection actions HNJH 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, HNJH 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 you bill (these action may include charging of interest, some civil actions, or reporting of outstanding debt to credit bureaus). A free copy of the billings and collections policy may be requested free of charge by contacting HNJH's financial counseling staff.