



Subject: CHARITY CARE
Policy: BO 165
Effective Date:
Revision Date:

Business Office Policies and Procedures

Policy

As established by IRS Code Section 501(r), this HFA Policy applies to medically necessary care provided by BSMH Healthcare Facilities.

Purpose

In the light of its mission to improve the health of its communities, with special emphasis on the poor and underserved, Mercy Health Rehabilitation Hospital is committed to providing financial assistance responsive to the needs of the community, regardless of race, age, gender, ethnic background, national origin, citizenship, primary language, religion, education, employment or student status, disposition, relationship, insurance coverage, community standing, or any other discriminatory differentiating factor.

Charity Care covers patients without health insurance and those with only partial insurance coverage (i.e. the uninsured and underinsured) who meet the income and other eligibility criteria described herein.

Eligibility Criteria:

Income

- To apply for Charity Care, a patient or family member must complete an application including gross income for a minimum of 3 months (up to 12 months) prior to the date of application or date of service. Proof of income is required with exception of patients who qualify for presumptive eligibility detailed below.
- Proof of income is not required if a patient or family member attests to an income level that qualifies- the applicant for discounted care under Ohio's Healthcare Assurance Program (HCAP).
- Third party income scoring may be used to verify income in situations where income verification is unable to be obtained through other methods.

Assets

- There are situations where individuals may not have reported income but have significant assets available to pay for healthcare services. In these situations, Mercy Health Rehabilitation Hospital may evaluate and require documented proof of any assets that are categorized as convertible to cash and unnecessary for the patient's essential daily living expenses.

Federal Poverty Guidelines

- Charity Care eligibility is based upon expanded income levels of up to 400% of FPG and is prorated on a sliding scale applicable to the respective market area. Approval is based upon the



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number of family members, inclusive of natural or adoptive children under 18, and family income.

- If a dependent is disabled and over the age of eighteen, he/she may be included in family size for Charity Care application.
- The FPGs in effect on the date of service are in effect for the application process. They are issued each year in the Federal Register by the Department of Health and Human Services (HHS).
- The current and historical FPGs are available [2024 FEDERAL POVERTY GUIDELINES](#) .
- Individuals with an income level at 200% FPG or below receives free care. Individuals with an income level from 201% to 300% FPG, and 301% to 400% FPG, respectively, receive discounted care based on FPG guidelines. The specific percentage discounts for the 201%M300% FPG and 301% to 400% FPG income levels will be updated annually. Notwithstanding the percentages calculated, as stated above, following a determination of eligibility under this policy, a patient eligible for financial assistance will not be charged more for emergency or other medically necessary care than AGB.

Self-Pay Discount

- For those uninsured patients who do not qualify for any of the financial assistance discounts described in this policy, Mercy Health Rehabilitation Hospital extends an automatic (self-pay) discount to their hospital bills. This self-pay discount is not means-tested, and therefore, is not subject to the section 501(r) AGB requirement, and is not reported by Mercy Health Rehabilitation Hospital as financial assistance on Form 990, Schedule H.

Geographic Area

- Patients who live in the community served by Mercy Health Rehabilitation will be offered Charity Care. For those patients living outside the community, extenuating circumstances must be documented and approved by the Central Billing Office and be medically necessary.

Deductibles

- For patients who have self-pay balances after insurance, balances attributed to the patients' deductible will require payment based on a sliding scale given their current household income outlined under sliding scale chart under the Federal Poverty Guidelines.
- Upon receipt of the signed application, the information will be reviewed, income verified, and an eligibility determination will be made. The patient will be notified in writing of the determination.



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Presumptive Eligibility

- Patients are presumed to be eligible for financial assistance based on individual life circumstances including but not limited to:
 - Patient's income is below 200% Federal Poverty Guidelines and considered self-pay.
- Patient is deceased with no known estate and below 200% Federal Poverty Guidelines.
 - State-funded prescription programs.
 - Homeless or received care from a homeless clinic.

Participation in Women, Infants and Children programs (WIG);

- Food stamp eligibility.
- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down)
- Patients that are referred through a National Association of Free Clinics;
- Medicaid Eligible Patients
- Medicaid eligibility requirements are met after the service is provided;
- Non-covered charges occur on a Medicaid eligible encounter; and
- The provider is not credentialed or contracted.
- Low income/subsidized housing is provided as a valid address; or
- Other significant barriers are present.
- Patients determined to have presumptive financial assistance eligibility will be provided 100% financial assistance.
- Patients determined to have presumptive financial assistance eligibility will not be required to meet income criteria, asset eligibility criteria, or fill out a financial assistance application.
- Mercy Health Rehabilitation shall utilize available resources (e.g. technology solutions, service organizations, etc.) to obtain such information as credit score to assist in determining whether a patient is presumed eligible for financial assistance.

Cooperation

- Patients/guarantors shall cooperate in supplying all third-party information including Motor Vehicle or other accident information, requests for Coordination of Benefits, pre-existing information, or other information necessary to adjudicate claims, etc.



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- While the application is being processed, Mercy Health Rehabilitation will request that patients who may be Medicaid-eligible apply for Medicaid. To receive Charity Care, the patient must apply for Medicaid and be denied for any reason other than the following:
 - Did not apply.
 - Did not follow through with the application process.
 - Did not provide requested verifications.

Accuracy of Application

Financial assistance may be denied under this Policy if there is reasonable suspicion of the accuracy of an application. If the patient/guarantor supplies the needed documentation and/or information requested to clarify the application, the financial assistance request may be reconsidered. Reconsideration will be reviewed and handled on a case-by-case basis.

Application Process for Charity Care:

- Application forms may also be obtained by contacting Mercy Health Rehabilitation Hospital as indicated in the contact list at the end of this policy.
- Mercy Health Rehabilitation Hospital may accept verbal clarifications of income, family size or any information that may be unclear on an application.
- Approved applications will be honored for a period of 240 days from the initial date of service and are not applied retrospectively to prior dates of service in which the application period has expired.

Financial Assistance for Catastrophic Situations:

- Financial assistance for a catastrophic situation is available under this policy.
- Catastrophic financial assistance is defined as a patient that has medical or hospital bills after payment by all third parties that exceed 25% of the patient's total Reported Income and the patient is unable to pay the remaining bill.
- To begin the financial assistance process, a financial assistance application should be submitted. Basis for Calculating Amounts Charged to Patients:

Following a determination of eligibility under this policy,, a patient eligible for financial assistance will not be charged more for medically necessary care than AGB. At least annually, Mercy Health Rehabilitation Hospital, as applicable, calculates an AGB percentage following the Look-back Method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a 12-month period (as defined by Treasury Regulations under section 501(r) of the Internal Revenue Code of 1986, as amended}. Members of the public may obtain the current AGB



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percentage (and a description of the calculation) in writing and free of charge by contacting Mercy Health Rehabilitation Hospital as indicated in the contact list at the end of This policy. Mercy Health Rehabilitation Hospital shall not bill or expect payment of gross charges from individuals who qualify for financial assistance under this policy.

At least annually, Mercy Health Rehabilitation Hospital will review and adjust sliding scale discounts applicable to patients with self-pay balances after insurance (See Deductible section above).

Charity Care Application contact:

Mercy Health Rehabilitation Controller

(234) 264-8500