

FINANCIAL ASSISTANCE

Policy:

Webster Memorial Hospital ("WMH") will grant financial assistance to qualified patients on the private pay portions of their accounts provided resources are available to finance such care. The ability of WMH to care for the indigent is determined by the annual operating budget and current available resources. Guidelines vary on an annual basis and must be satisfied according to government guidelines. WMH has an obligation to all patients, indigent and non-indigent alike, to provide emergency medical care or medical care for the treatment of a life-threatening condition. WMH will not provide free or below cost elective services, but may offer

at times a number of primary care services on a free or below-cost basis to the community.

Related Policy:

Business Office Policy #2 – Bad Debt

Definition:

Financial Assistance covers medical care services that are rendered to individuals who are financially unable to pay for these services. There is a basic distinction between charity care and bad debts accounts. Financial Assistance results from a determination of a patient's ability to pay not their willingness to pay. If a determination is made according to WMH financial assistance guidelines that a patient can afford to pay for health care and payment is subsequently not received, then the rendering of the service will be considered uncompensated care or bad debt expense

Procedure:

1. Financial assistance may be in the form of a full (100%) account write off or by granting a sliding fee discount up to 90% of amount owed.
2. A Financial Assistance application must be completed. The application form and instructions are available from the Business Office. Assistance in completing the form may be obtained by contacting the Business Office. The patient may be told at time of application or by return mail if the application is approved or denied.
3. All applicants who own a business either individually, in a partnership, or in a corporation, must submit financial statements prepared by a third party.
4. All applicants for financial assistance will be required to provide WMH with proper documentation of the patient's income and assets in the form of paycheck stubs, bank statements, and/or income tax returns. Patients with no income must provide three (3) letters from individuals not related to the patient as proof of income. The letter must contain the name, address and telephone number of person submitting the letter.
 - a. Assets that are convertible to cash and unnecessary for the patient's daily living cannot exceed \$2,000.

FINANCIAL ASSISTANCE

- b. Excluded assets include a primary residence, one vehicle, and medical equipment. All other assets convertible to cash will be counted toward the asset calculation up to the \$2,000.
 - c. The hospital will use paid property/real estate tax information from the county in which the asset is located.
 - d. If the applicant fails the asset test, regardless of income, the maximum discount will be 90%.
 - e. Non cash expenses such as depreciation and amortization will not be counted as income reductions.
5. Designated hospital staff will review the completed application and/or interview the patient to determine if eligibility requirements are met. WMH may conduct investigations and verification of employment and resources.
6. No financial assistance will be approved without the proper documentation.
7. Payments have been received from all third party payors such as Medicare, Medicaid, private insurance, and outside funding assistance. Patients must have also complied with all third party funding requirements.
8. Patient requesting a full write off of their account must make application within one hundred twenty (120) days after (a) discharge or (b) receipt of final insurance payment. Full write off will not be granted before services are rendered.

Sliding Fee Program

9. Approved sliding fee applications are valid for six (6) months unless the patient's or patient's household circumstances have material changes. It is the responsibility of the patient to notify WMH immediately with material changes. It is the responsibility of the patient to re-apply for sliding fee discount.
10. If approved for the sliding fee program, the patient will be issued an identification card with the amount of discount. The patient must present the card upon time of registration to insure the discount is applied to the account.

Application Procedures:

Patient Name. Full legal name of patient.

Address. If post office box, include route or street number. Include directions to home.

Number in household. Include only residents who are related to patient by blood or marriage or those who are listed as residing in the household on a regular basis. Do not include guest or temporary residents. Temporary resident is defined as less than 180 days.

Monthly income. All income sources must be listed on the application. Applicants must attach proof of income. Gross wages less **required** federal and state withholdings and payroll deducted insurance premiums will be used in the net income calculation.

Monthly expenses. Only expenses necessary for daily living will be considered in the net income calculation. The following expense will **not** be allowed in the net income calculation:

WEBSTER MEMORIAL HOSPITAL
Business Office
Policy and Procedure Manual

Policy: 3
Page: 3 of 3

Date: 03/09, Rev: 04/10, 12/12, 01/22

FINANCIAL ASSISTANCE

- a. Cable television
- b. Credit Cards
- c. Payments for boats and any recreational vehicles.
- d. Other expenses deemed ineligible by WMH.

Signature and Verification. Application must be signed and must be witnessed. Applications without signature and verification will be deemed incomplete and denied.

Determination Criteria:

1. A completed Financial Assistance application and required supporting documentation must be submitted to the Business Office.
2. The Patient Advocate will review all applications for eligibility within 20 days of receipt of application.
3. Within 20 days of receipt of the completed application, the Patient Advocate will issue denial letters to the applicants who are categorically ineligible for WMH financial assistance.
4. Within 20 days of receipt of the completed application, the Patient Advocate will approve the following applicants:
 - A. Deceased patients with no estate (upon receipt of verification from the county clerks office); or
 - B. Patients who meet the West Virginia Department of Human Resources income and resources guidelines, but who are not categorically eligible for Medicaid, will be considered medically needy and eligible for financial assistance; or
 - C. Patients whose monthly net income is \$100 or less and who are applying for financial assistance of \$1000 or less.
5. The Patient Advocate must get authorization from the Business Office Manager before approving patients whose net monthly income is \$200 or less and applying for financial assistance greater than \$1000 and less than \$2000.
6. All other applications must be approved by the Financial Assistance Review Committee. Prior to the Financial Assistance Review Committee meeting, the Business Office Manager will review all application with the Patient Advocate.
7. The Financial Assistance Review Committee will meet monthly or as needed.
8. The Committee will be composed of the Business Office Manager, Social Services Representative, and other personnel deemed necessary by the Committee. The Patient Advocate will make recommendations to the Committee based on review of data received.