PRAIRIE LAKES HEALTHCARE SYSTEM
Financial Assistance Policy (Charity Care)

POLICY: The hospital is committed to providing excellent quality medical care to our patients without regard to their ability to pay. As a result, charity write-offs or adjustments will be made based upon eligibility guidelines that focus on a patient's ability to pay for services rendered.

Notwithstanding the foregoing, it is the policy of the hospital to provide emergency medical care to patients without discrimination, regardless of the patient/guarantor's ability to meet their financial obligation, and regardless of their eligibility under the Financial Assistance Policy.

PROCEDURE:

A. Assessment of Eligibility:

The hospital's Financial Assistance Program is open to patients that have incurred Hospital services for Inpatient, Outpatient, Emergency and Physician Services.

Examples of how we may communicate information about the availability of the Financial Assistance Policy (FAP) to our patients include the following:

1. The FAP and a summary of the FAP are available on the hospital's website at www.prairielakes.com

2. Information cards regarding the Financial Assistance Program will be available at registration points.

3. Verbal communication about the Financial Assistance Program by hospital representatives and collections staff.

4. Collections letters reference the Financial Assistance Program.

5. Other means as the hospital deems effective.

B. How to Apply for the Financial Assistance Program:

1. A Financial Assistance Application (FAA) may be obtained from a hospital Patient Account Specialist by inquiring in person at the hospital information desk in the hospital's main lobby. Individuals may also call a Patient Account Specialist at 1-605-882-7883 to request an application and one will be mailed free of charge. Staff will assist patients in completing the Financial Assistance Application if necessary.

2. Hospital Patient Financial Representatives will attempt to assess payment options for uninsured patients and underinsured patients (i.e., patients who have some insurance coverage, but who may be unable to pay self-pay amounts) including, but not limited to the following:

   a. State Medicaid programs
   b. Other public programs
   c. Hospital's Financial Assistance Program

3. Hospital staff may determine at the request of the patient/guarantor or in talking with the patient/guarantor that they may qualify for the Financial Assistance Program and offer a FAA to the patient/guarantor.

4. A Telephone FAA can be initiated by Collection staff for those patients unable to complete a FAA on their own.

5. Once a completed FAA prepared for the patient is received, Hospital staff will determine whether or not the patient is eligible for financial assistance based on income and asset guidelines detailed in Part C and D (below).

6. Patient/guarantor is notified if they meet the Financial Assistance eligibility guidelines and appropriate adjustments are made to the patient's account.

7. The hospital will retain documentation related to its determination of each patient's eligibility for Financial Assistance.

8. In the event a patient who is eligible for Financial Assistance receives on-going or additional medical services at the hospital, the hospital will periodically reevaluate the patient's continuing eligibility for Financial Assistance. The FAA and paperwork will stay on file for six months, and services rendered during that time will be evaluated under that FAA. After six months, a new FAA and paperwork will need to be filled out.

C. Required Information and Documentation:

1. Criteria for determining the amount of financial assistance services for which a patient is eligible at the time of service or during the billing-and-collection process may include the following factors:
    a. Individual or family income and net worth
    b. Employment status and earning capacity
    c. Family size
    d. Other financial obligations
    e. The amount and frequency of billings for healthcare services
    f. Other sources of payment for the services rendered
    g. Type of services provided, whether elective or non-elective

2. Asset Exclusions
    a. Equity in primary residence up to $15,000
    b. Equity in automobile up to $5,000
    c. 70% of value of assets in retirement accounts
    d. Assets in Savings, Checking, etc up to $15,000
    e. Other Assets used for income producing purposes (i.e. Farmland, Livestock, etc.)

3. Required Documentation (attach to application)
    a. Complete Federal Income Tax Return including all schedules or verification of an IRS non filing letter.

b. Copy of one month's current paystubs for each income listed in application.

c. Three months of current, complete bank statements.
d. Social Security income verification (if applicable).
e. Unemployment verification (if applicable).
f. Medicaid denial (if applicable)
g. Copy of death certificate (if applicable)

D. Income Level Eligibility Guideline

The eligibility criteria for financial assistance are based on current Federal Poverty Guidelines which are updated in January of each year and are available on the Health and Human Services website http://aspe.hhs.gov/. The following are general guidelines for financial assistance approval:

Federal Poverty Level %	Balance < $5,000 Charity %	Balance > $5,000 Charity %
Less than 150%	100%	100%
175% - 155%	70% - 90%	75% - 95%
200% - 180%	50% - 65%	55% - 70%

The guiding principle is that patient's medical debts should not exceed 20% of income, all other variables being equal.

1. All patients with balances greater than $50,000 and who qualify as medically indigent are eligible for financial assistance.

2. If a patient does not meet the criteria for a charity discount based on either income or assets, or both, other factors, such as medical debt percentage and under insured calculations, may be considered to determine eligibility on a case by case basis.

3. Individuals who are eligible for financial assistance will not be charged more for emergent and medically necessary care than the amount generally billed (AGB) to insured individuals. The AGB percentage will be based on the Hospital's most recently completed fiscal year's average payment percent of gross billed charges paid by on claims for patients that have Medicare or private insurance. The currently in place AGB percentage is available from the Hospital Patient Financial Representative.

E. Financial Assistance Discount Approval Guidelines:

Charity Discount Amount	Approval Level
$0 - $10,000	Director
$10,001 and up	CFO

F. Action Hospital May Take in the Event of Nonpayment

It is the hospital's policy to make reasonable efforts to determine whether an individual qualifies under the Financial Assistance Policy before pursuing extraordinary collection actions.

Accounts are appropriate for write-off and further collection activity including use of a collection agency when:

1. Patient/guarantor does not respond to final notice or phone calls.
2. Patient/guarantor refuses to commit to a satisfactory payment arrangement.
3. Patient/guarantor breaks payment arrangement terms.
4. Patient/guarantor cannot be located.

To ensure that contracted partners provide fair and consistent treatment to our patients using acceptable practices which conform to legal specifications for follow up and collection of referred accounts, and to ensure that they continue to apply the hospital's criteria for Financial Assistance as information is exchanged with our patients, the hospital will require that Collection Agencies understand and support the Financial Assistance Policy.

5. The acceptable practices shall include:
    a. Agreed upon collection protocols.
    b. All accounts referred for legal action will require approval by the hospital.
    c. All accounts referred for lien action (except for no fault and accident cases) will require approval by the hospital.
    d. Accounts will not be reported to a Credit Bureau unless the patient has prior bad debt accounts, the patient is uncooperative in resolving the account, or the patient can no longer be located after initial contact. In addition, the agency must verify the social security number of the patient/guarantor prior to such reporting.

6. Adherence and compliance with the hospital's Financial Assistance Policy
    a. The hospital's Financial Assistance Policy guidelines will be shared with the collections agency.
    b. The collections agency will seek information regarding a patient's ability to pay through interviews with the patient/guarantor and will provide information regarding hospital's Financial Assistance Policy where appropriate.
    c. The collections agency shall inform the patient/guarantor of the Financial Assistance Policy at least once in the collection letters.