



10/31/2023

**TO:** John Chivers, CEO

**FROM:** Kenneth G. Landau, CPA/CFO

**RE: Financial Assistance Policies and Billing/Bad Debt Assignment Policy**

The following documents update our financial assistance and bad debt policies to better explain our processes and update language tying to existing laws. LUHD will update the policies again per the dates shown below to incorporate HB 3320 mandates into our policy.

- July 1, 2024: H.B. 3320 requires nonprofit hospitals to screen patients for eligibility if they are uninsured or owe more than \$500.
- January 1, 2025: H.B. 3320 will require us to redefine qualifications for financial assistance currently stated as 'community' or 'District' to include 'resident of the State of Oregon.'

The three documents for your review and Board approval are listed as follows:

1. Policy 135 A – Financial Assistance (Charity Care) Policy
2. Plain Language Summary Financial Assistance
3. Policy 135 B – Patient Bad Debt Assignment Policy

# Lower Umpqua Hospital District

## Plain Language Summary Financial Assistance

### **Financial Assistance at Lower Umpqua Hospital District:**

In keeping with our mission and core values, Lower Umpqua Hospital District cares for people and their health needs regardless of their ability to pay. We are committed to working with our patients through any financial issues, including finding ways to make medical care more affordable. Lower Umpqua Hospital District offers financial assistance to eligible patients who do not have the financial ability to pay for their medical bills. If you are having trouble paying for all or some of your health care, we encourage you to talk with a Financial Counselor or someone in our business office about how we can help you.

**What Is Covered?** For emergency and medically necessary services at Lower Umpqua Hospital District we provide financial assistance to eligible patients on a sliding fee scale basis, with discounts ranging from 25 to 100 % based on ability to pay.

**How to Apply?** Any patient may apply to receive financial assistance. A patient seeking financial assistance must provide supporting documentation specified in the application unless Lower Umpqua Hospital District indicates otherwise. The application form may be obtained online, by telephone, or from the website noted below.

### **Other Assistance:**

**Coverage assistance:** If you are without health insurance, you may be eligible for other government and community programs. We can help you discover whether these programs (including Medicaid and Veterans Affairs benefits) can help cover your medical bills. We also can help you apply for these programs.

**Uninsured Discounts:** Lower Umpqua Hospital District offers a discount for patients who may not have health insurance coverage. Please contact us about our discount program.

**Payment plans:** After your insurance company processes the bill, any balance for amounts owed by you is due within thirty days. The balance can be paid in any of the following ways: debit card, payment plan, cash, check, online bill pay or credit card. If you need a payment plan, please call the number on your billing statement to make arrangements.

**Emergency Care:** Lower Umpqua Hospital District's dedicated emergency department provides care for emergency medical conditions (as defined by the Emergency Medical Treatment and Labor Act) without discrimination consistent with available capabilities, without regard to whether or not a patient has the ability to pay or is eligible for financial assistance.

**Providers not Employed:** Providers not employed by LUHD are encouraged to be in-network with all Insurance Companies. A list is available at LUHD website of providers that are included in this Financial Assistance program.

### Contact Us for Financial Assistance Help or Applications

For more information about getting help with your Lower Umpqua Hospital District medical bills, please call or visit a financial counselor at the billing office. We can give you any forms you need and can help you apply for assistance. Patients are strongly encouraged to ask for financial help before receiving medical treatment, if possible. Patients can also apply at any time while receiving treatment and for a period of time following receipt of your initial bill.

If you have questions or would like to receive a financial assistance application form, please contact below:  
By telephone: 541-271-2171 or our website at: [www.LowerUmpquaHospital.org](http://www.LowerUmpquaHospital.org)

<b>Subject:</b> Financial Assistance (Charity Care) Policy <b>Department:</b> Business Office	Policy Number: 135A	
	New Revised   X Reviewed	
<b>Executive Sponsor:</b> Kenneth G. Landau, Chief Financial Officer	<b>Policy Owner:</b> Business Office Manager	
<b>Approved by:</b> Lower Umpqua Hospital District Board	<b>Effective Date:</b> 11/29/2023	

Lower Umpqua Hospital District (LUHD) is a community based municipal and not-for-profit healthcare organization. It is our philosophy and practice that emergent and medically necessary healthcare services are readily available to those in the community we serve, regardless of their ability to pay.

**SCOPE:**

This policy applies to Lower Umpqua Hospital District (LUHD) and related entities, and to all emergency, urgent and other medically necessary services provided by LUHD (with exception of experimental or investigative care).

This policy shall be interpreted in a manner consistent with Section 501(r) of the Internal Revenue Code of 1986, as amended. In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

**PURPOSE:**

The purpose of this policy is to ensure a fair, non-discriminatory, effective, and uniform method for the provision of Financial Assistance (charity care) to eligible individuals who are unable to pay in full or part for medically necessary emergency and other hospital services provided by Lower Umpqua Hospital District.

It is the intent of this policy to comply with all federal, state, and local laws. This policy and the financial assistance programs herein constitute the official Financial Assistance Policy ('FAP').

**POLICY:**

LUHD will provide free or discounted hospital services to qualified low income, uninsured and underinsured patients when the ability to pay for services is a barrier to accessing medically necessary emergency and other hospital care and no alternative source of coverage has been identified. Patients must meet the eligibility requirements described in this policy to qualify.

LUHD emergency department will provide, without discrimination, care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act) consistent with available capabilities, regardless of whether an individual is eligible for financial assistance. LUHD will not discriminate on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, veteran or military status, or any other basis prohibited by federal, state, or local law when making financial assistance determinations.

LUHD will provide emergency medical screening examinations and stabilizing treatment or refer and transfer an individual if such transfer is appropriate in accordance with 42 C.F.R 482.55. LUHD prohibits any actions, admission practices, or policies that would discourage individuals from seeking emergency medical care.

**List of Professionals Subject to Lower Umpqua Hospital District FAP:** LUHD will specifically identify a list of those physicians, medical groups, or other professionals providing services who are and who are not covered by this policy. The provider list can also be found online at the hospital website: [www.lowerumpquahospital.org](http://www.lowerumpquahospital.org).

**Financial Assistance Eligibility Requirements:** Financial assistance is available to both uninsured and insured patients and guarantors where such assistance is consistent with this policy and federal and state laws governing permissible benefits to patients. Lower Umpqua Hospital District will make a reasonable effort to determine the existence or nonexistence of third-party coverage which may be available, in whole or part, for the care provided by the organization, prior to directing any collection efforts at the patient. Uninsured patients may receive an uninsured discount. Eligible Financial Assistance balances include but are not limited to the following: Self pay, charges for patients with coverage from an entity without a contractual relationship, coinsurance, deductible, and copayment amounts related to insured patients. Deductible and coinsurance amounts claimed as a Medicare bad debt will be excluded from the reporting of charity care.

Patients seeking financial assistance must complete the standard LUHD Financial Assistance Application and eligibility will be based upon financial need at that time. Reasonable efforts will be made to notify and inform patients of the availability of Financial Assistance by providing information during admission and discharge, on the patient's billing statement, in patient accessible billing areas, on hospital's website, by oral notification during payment discussions, as well as on signage in inpatient and outpatient areas, such as admitting and the emergency department. LUHD will retain information used to determine eligibility in accordance with its recordkeeping policies.

**Applying for Financial Assistance:** Patients or guarantors may request and submit a Financial Assistance Application, which is free of charge and available at organizational points of entry such as business office, clinics and registration points or by the following means: advising patient financial services staff at or prior to the time of discharge that assistance is requested and submitted with completed documentation; by mail, or by visiting [www.lowerumpquahospital.org](http://www.lowerumpquahospital.org), downloading and submitting the completed application with documentation. A person applying for financial assistance will be given a preliminary screening, which will include a review of whether the patient has exhausted or is not eligible for any third-party payment sources.

Lower Umpqua Hospital District shall make designated personnel available to assist patients in completing the Financial Assistance Application and determining eligibility for LUHD financial assistance or financial assistance from government-funded insurance programs, if applicable. Interpretation services are available to address any questions or concerns and to assist in the completion of the Financial Assistance Application.

A patient or guarantor who may be eligible to apply for financial assistance may provide sufficient documentation to LUHD to support eligibility determination at any time upon learning that their income falls below minimum FPL per the relevant Federal and State regulations.

**Individual Financial Situation:** Income and expenses of the patient will be used in assessing the patient's individual financial situation.

**Income Qualifications:** Income criteria, based on Federal Poverty Level (FPL), may be used to determine eligibility for free or discounted care. Please see Exhibit B for details.

**Determinations and Approvals:** Patients will receive notification of FAP eligibility determination within 30 days of submission of the completed Financial Assistance application and necessary documentation. Once an application is received, extraordinary collections efforts will be pended until a written determination of eligibility is sent to the patient. LUHD will not make a determination of eligibility for assistance based upon information which the hospital believes is incorrect or unreliable.

**Dispute Resolution:** The patient may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to LUHD within 30 days of receipt of the notice of denial. All appeals will be

reviewed and if the review affirms the denial, written notification will be sent to the guarantor in accordance with the law. The final appeal process will conclude within 10 days of receipt of the denial by LUHD. An appeal may be sent to Lower Umpqua Hospital District 600 Ranch Road, Reedsport OR 97467.

**Presumptive Charity:** LUHD may approve a patient for a charity adjustment to their account balance by means other than a full Financial Assistance application. Such determinations will be made on a presumptive basis.

**Other Special Circumstances:** Patients who are eligible for FPL-qualified programs such as Medicaid and other government-sponsored low-income assistance programs, are deemed to be indigent. Therefore, such patients are eligible for Financial Assistance when the programs deny payment and then deem the charges billable to the patient. Patients who qualify for financial assistance and have an account balance resulting from non-reimbursed charges are eligible for full charity write-off. Including but not limited to medically necessary services related to the following:

- Denied inpatient stays.
- Denied inpatient days of care.
- Non-covered services
- Prior Authorization Request Denials
- Denials due to restricted coverage

**Catastrophic Medical Expenses:** Lower Umpqua Hospital District, at its' discretion, may grant charity in the event of a catastrophic medical expense. These patients will be handled on an individual basis.

**Limitation on Charges for all Patients Eligible for Financial Assistance:** No patient who qualifies for any of the above-noted categories of assistance will be personally responsible for more than the "Amounts Generally Billed" (AGB) percentage of gross charges, as defined below.

**Reasonable Payment Plan:** Once a patient is approved for partial financial assistance, but still has a balance due, LUHD will negotiate a payment plan arrangement if the patient requests one. The reasonable payment plan shall consist of monthly payments that are not more than 10 percent of a patient's or family's monthly income, excluding deductions for Essential Living Expenses that the patient listed on their financial assistance application.

**Billing and Collections:** Unpaid balances owed by patients or guarantors after application of available discounts, if any, may be referred to collections. Collection efforts on unpaid balances will cease upon receiving a financial assistance application from the patient. LUHD does not perform, allow, or allow collection agencies to perform any extraordinary collection actions prior to either: (a) making a reasonable effort to determine if the patient qualifies for financial assistance; or (b) 120 days after the first patient statement is sent. For information on LUHD's billing and collections practices for amounts owed by patients, please see the hospital's policy, which is available free of charge at the hospital's registration desk, or at: [www.lowerumpquahospital.org](http://www.lowerumpquahospital.org).

**Patient Refunds:** In the event that a patient or guarantor has made a payment for services and subsequently is determined to be eligible for free or discounted care, any payments made related to those services during the FAP-eligible time period which exceed the payment obligation will be refunded, in accordance with state regulations.

**Annual Review:** This Financial Assistance (Charity Care) Policy will be reviewed on an annual basis by designated Revenue Cycle leadership.

**EXCEPTIONS:**

See Scope above.

**DEFINITIONS:**

For the purposes of this policy the following definitions and requirements apply:

1. Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.
2. Amounts Generally Billed (AGB): The amounts generally billed for emergency and other medically necessary care to patients who have health insurance is referred to in this policy as AGB. LUHD determines the applicable AGB percentage by multiplying the hospital's gross charges for any emergency or medically necessary care by a fixed percentage which is based on claims allowed under Medicare. Information sheets detailing the AGB percentages, and how they are calculated, can be obtained by visiting the following website: [www.lowerumpquahospital.org](http://www.lowerumpquahospital.org) or the hospital's main billing facility.
3. Extraordinary Collection Action (ECA): ECAs are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.
4. Financial Assistance Policy Period is the time extending from 30 days prior to 90 days after the date of the encounter that the patient applied for financial assistance. The determination of the application will be valid for encounters/visits identified by the patient in this time period. This time period is subject to change based on regulatory agency directives.

**REFERENCES:**

Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r)(1)– 1.501(r)
Emergency Medical Treatment and Labor Act (EMTALA), 42 U.S. C. 1395dd
42 C.F.R. 482.55 and 413.89
American Hospital Associations Charity Guidelines
O.R.S. 442.614
Provider Reimbursement Manual, Part I, Chapter 3, Section 312

## Exhibit A — Covered Facilities List

Lower Umpqua Hospital	
Dunes Family Health Care	
Reedsport Medical Clinic	

## Exhibit B - Income Qualifications

If...	Then ...
Annual family income, adjusted for family size, is at or below 200% of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for financial assistance 100% write-off on patient responsibility amounts.
Annual family income, adjusted for family size, is between 201% and 300% of the current FP guidelines,	The patient is eligible for a discount of 75% from original charges on patient responsibility amounts.
Annual family income, adjusted for family size, is between 301% and 350% of the current FP guidelines,	The patient is eligible for a discount of 50% from original charges on patient responsibility amounts.
Annual family income, adjusted for family size, is between 351% and 400% of the current FP guidelines,	The patient is eligible for a discount of 25% from original charges on patient responsibility amounts.

<b>Subject:</b> Patient Bad Debt Assignments  <b>Department:</b> Business Office	<b>Policy Number: 135 B</b>	
<b>Executive Sponsor:</b> Kenneth G. Landau, Chief Financial Officer	<b>Policy Owner:</b> Business Office Manager	
<b>Approved by:</b> Lower Umpqua Hospital District Board	<b>Effective Date:</b> 11/29/2023	

**Scope:**

This policy applies to patient liabilities where internal collection efforts have not resulted in full payment according to the established timeframe and processes. This policy applies to Lower Umpqua Hospital District and its affiliates that provide healthcare services (collectively known as “Lower Umpqua Hospital District”).

**Purpose:**

Lower Umpqua Hospital District (LUHD) is a municipal district and not-for-profit healthcare organization guided by a commitment to serve all in its community. The purpose of this policy is:

- A. To ensure compliance by Lower Umpqua Hospital District for bad debt collections with regulatory requirements including Medicaid and Medicare state and federal regulations as well as Internal Revenue Code 501 (r).
- B. To ensure LUHD makes reasonable efforts to make the patient aware of financial assistance before assigning an account to bad debt.
- C. To assure LUHD makes reasonable efforts to screen the patient for financial assistance eligibility prior to assigning an account to bad debt.

**Definitions:**

For the purposes of this policy the following definitions and requirements apply:

- A. Financial Assistance Policy(FAP) is LUHD’s Charity Care/Financial Assistance Policy, as supplemented and clarified by state and regional Financial Assistance (Charity Care) Policies, providing free or discounted services for eligible patients in accordance with relevant regulatory requirements.
- B. Extraordinary Collection Action (ECA's) are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The ECA's that require legal or judicial process for this purpose include a lien;

foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

C. Plain Language Summary is a written statement to communicate that LUHD offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such a statement under the FAP.

D. Escalated patient complaint is a scenario in which a patient is dissatisfied with the resolution and/or handling of their account(s) and requests to have someone at a higher level of authority resolve the complaint.

E. Account is an account receivable resulting from a patient visit/encounter at LUHD and related entities.

F. Bad Debt is a self-pay balance that has remained unpaid following reasonable internal collection effort consistent with this policy.

G. Responsible party is the patient or guardian responsible for the payment of services incurred at LUHD facilities.

## **Policy:**

To ensure the best possible experience relating to collection efforts for patient liabilities, LUHD has developed this policy to facilitate consistent and quality approaches for bad debt assignments. This policy shall be interpreted in a manner consistent with Internal Revenue Code 501 (r), as amended. In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

## **Requirements:**

1. LUHD will not sell debt to a third party. A statement will be sent to the responsible party following completion of all 3rd party activities. The responsible party will receive four statements over 120 days from the date of the first statement in an attempt to resolve the account balance. If the guarantor does not respond LUHD will transfer the account to a bad debt collection agency
2. An account will not be assigned to a bad debt collection agency during the screening process or while the patient's financial status or application for insurance or financial assistance is under review or in process, or during the pendency of an appeal from a determination of charity care sponsorship status. Prior to placement of an account with a bad debt collection agency, LUHD will make reasonable efforts to inform patients, collect patient liabilities, and screen for charity eligibility in accordance with regulatory requirements and the LUHD FAP. This may include:
  - a. Providing billing statements with a conspicuous written notice to inform patients about the availability of financial assistance, as well as a direct phone number and website address where applications, policies, plain language summaries, and translation services may be obtained including a statement that nonprofit counseling services may be available in the area.
  - b. Assuring availability of a plain language summary of the LUHD FAP with at least one (1) post-discharge communication as part of the intake or discharge process.
  - c. Screening the account for financial assistance in accordance with the LUHD FAP.

- d. Assuring bad debt collection agencies to which accounts may be assigned are compliant with Medicaid and Medicare state and federal regulations as well as 501 (r) requirements, including being licensed as a debt collector, as may be required under state law, and that the agencies will not engage in ECAs, including but not limited to commencement of legal actions against patients.
  - e. Assuring adequate encryption of Protected Health Information (PHI) for any patient information provided to a bad debt collection agency to which accounts may be assigned.
  - f. Prior to assigning an account to a bad debt collections agency, LUHD will send the patient a notice of certain information related to such bad debt (e.g., date(s) of service and amounts of the bill).
3. Requirements for bad debt collection agencies to which LUHD accounts are assigned:
- a. Generally, accounts will stay with the primary bad debt vendor until the account is deemed uncollectible or up to three hundred and sixty-five (365) days from placement, whichever comes first; however, LUHD may choose at any time and for any reason to recall accounts and may resolve such accounts internally or place returned accounts with a secondary or tertiary bad debt placement agency. Accounts deemed uncollectible will be returned to LUHD on a monthly basis, not to exceed 365 days in total. Accounts over 365 days, which are on an active payment plan, may remain with the agency until resolution
  - b. The collection agency must follow all appropriate regulations including the Fair Debt Collection Practices Act, (FDCPA) 1, the Telephone Consumer Protection Act (TCPA) 501 (r) and any other applicable state or federal regulations. Specifically, regarding state and federal regulations, the agency:
    - i. Must also ensure that no ECA's are taken without specific written approval from LUHD.
    - ii. Must suspend collection efforts if notified by LUHD that the patient submitted a FAP application after the assignment, and thereafter follow LUHD's instructions regarding the account.
    - iii. Must report any patient escalated complaints received to LUHD.
    - iv. Must not re-assign the account to another agency without LUHD's express approval.
  - c. Where the bad debt collection agency identifies that the patient has filed bankruptcy, the agency must notify LUHD.
  - d. The collection agency will not sell bad debt.
  - e. The collection agency will not (a) use or threaten to use force or violence to cause physical harm to the patient or the patient's family or property; (b) threaten arrest or criminal prosecution; (c) threaten to seize, attach, or sell a patient's property if doing so requires a court order; (d) use profane, obscene, or abusive language in communications with the patient concerning the nature or existence of the debt; or (f) conceal the true purpose of the collections-related communication; (g) communicate with the patient's employer
4. The collection agency must agree to return, and LUHD will accept, any account in which the balance has been determined to be incorrect due to the availability of a third-party payer, or the

patient is eligible for charity care or financial assistance. If a patient has paid on an account and is subsequently found to have met financial assistance criteria, LUHD will refund appropriate amounts to the patient or responsible party in accordance with any applicable state law.

5. Neither LUHD nor any collection agency will:
  - a. Charge interest on the patient's medical debt.
  - b. Attempt to collect a medical debt from a patient's child or other family member who is not financially responsible for the debt, if prohibited by state law.

## References:

Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r) (1) - 1.501(r) (7)

42 C.F.R. 482.55

47 U.S.C. §227 (TCPA)

LUHD Policy for Financial Assistance

## Attachments:

None