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I. PURPOSE

- A. The purpose of this Policy is to define the eligibility criteria and application process for financial assistance for patients who receive healthcare services at DCH Healthcare Authority (DCH) and who are uninsured or underinsured. DCH also seeks to describe the types of financial assistance available and ensures patients have access to information about these programs.

II. POLICY

- A. DCH is committed to providing financial assistance in the form of Charity Care (also referred to in this Policy as Financial Assistance) to uninsured and underinsured individuals who seek and obtain healthcare services from DCH but are not able to meet their payment obligations to DCH without assistance. DCH desires to provide this assistance in a manner that addresses the patients' individual financial situations, satisfies the hospital's not-for-profit mission, and meets its strategic, operational, and financial goals.
- B. This financial assistance policy is available at and applies to all DCH Health System hospitals, including DCH Regional Medical Center, Northport Medical Center, and Fayette Medical Center as well as the DCH Rehabilitation Pavilion (Inpatient Rehabilitation), and North Harbor Pavilion (Inpatient Psychiatric). The policy does not apply to non-tax exempt entities owned by the DCH Healthcare Authority, including physician practices and clinics within DCH Holdings, LLC and Rural Health Clinics. Likewise, this financial assistance policy also does not apply to any physicians within the DCH Health System. For more information on the applicability of this policy as relates to DCH services, please contact DCH Customer Service at 205.343.8321.
- C. The Financial Assistance is not to be considered a substitute for personal responsibility. Patients are expected to cooperate with DCH's Financial Assistance requirements, and to contribute to the cost of their care based on their individual ability to pay.
- D. This written Policy:
1. Includes eligibility criteria for Financial Assistance
 2. Describes the basis for calculating amounts charged to patients eligible for financial assistance under this Policy.
 3. Describes the method by which patients may apply for financial assistance.
 4. Establishes a methodology for determining 'Amounts Generally Billed' as required under IRC 501(r)

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5. Describes the methods used to widely publicize the Policy within the communities served by DCH.

III. **DEFINITIONS**

- A. ***Charity Care:*** A 100% waiver of patient financial obligation for medically necessary services provided by DCH and included in priority listing (See Section III.D. below). (Uninsured and underinsured patients with annualized family incomes not in excess of 250% of the Federal Poverty Guidelines may be eligible for fully discounted care.)

- B. ***Eligibility Qualification Period:*** Patients determined to be eligible shall be granted Financial Assistance for a period of twelve (12) months. Financial Assistance will also be applied to eligible accounts incurred for services received prior to the Financial Assistance application date.

- C. ***Emergency medical conditions:*** As defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd), DCH treats persons from outside of an DCH service area if there is an emergent, urgent, or life-threatening condition.

- D. ***Family:*** For patients 18 years or older, the patient’s spouse, registered domestic partner, and dependent children under 21 whether living at home or not. For patients under 18 years of age, family includes patient’s parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker. If a patient claims a dependent on their income tax return, according to the Internal Revenue Service rules, that individual may be considered a dependent for the purposes of determining financial assistance eligibility. Any and all resources of the household are considered together to determine eligibility under this Policy.

- E. ***Family Income:*** Family Income is determined using the U.S. Census Bureau definition when determining eligibility based on the Federal Poverty Guidelines.
 - 1. Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, disability payments, pension or retirement income, interest, dividends, rents, royalties, income from estates and trusts, educational assistance, alimony, child support, financial assistance from outside the household, and other miscellaneous sources;
 - 2. Non-cash benefits (i.e. Medicare, Medicaid, Electronic Benefit Transfer (EBT) benefits, utility assistance, school lunches, housing assistance, need-based assistance from non-profit

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organizations, foster care payments, or disaster relief assistance) are not counted as income for making an eligibility determination for financial assistance;

3. Includes capital gains or losses determined on a before-tax basis; and
 4. A person’s family income includes the income of all adult family members. For patients under 18 years of age, family income includes that of the parents and/or step-parents, unmarried or domestic partners, or caretaker relatives.
- F. **Federal Poverty Guidelines:** Federal Poverty Guidelines are updated annually in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current guidelines can be referenced at <http://aspe.hhs.gov/POVERTY/>
- G. **Financial Assistance:** Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medically-necessary services provided by DCH and who meet the eligibility criteria for such assistance. Under this Policy, Financial Assistance is Charity Care.
- H. **Guarantor:** An individual who is responsible for payment of the patient’s bill.
- I. **Gross Charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.
- J. **Healthcare Services:** Medically necessary hospital services.
- K. **Special Circumstances Financial Assistance** Financial assistance that provides a discount to eligible patients with annualized family income in excess of 250% of the Federal Poverty Guidelines and financial obligations resulting from medical services provided by any DCH entity or provider that exceed 10% of annualized family income.
- L. **Medically Necessary:** Healthcare services, including emergency care, which, in the opinion of a DCH treating physician, is a service, item, procedure or level of care that is:
1. Necessary for the proper treatment or management of the patient’s illness, injury or disability; or

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2. Reasonably expected to, prevent the onset of an illness, condition, injury or disability, or is routine, generally accepted preventive care; or
3. Reasonably expected to reduce or improve the physical, mental or developmental effects of the patient’s illness, condition, injury or disability; or
4. Will assist the patient to achieve or maintain maximum functional capacity in performing daily activities, taking into account both the functional capacity of the patient and those functional capacities that are appropriate for the patient’s age.

M. **Presumptive Charity:** Determination of eligibility for Financial Assistance based upon socio-economic information specific to the patient that is gathered from market sources.

N. **Proof of Income:** For purposes of determining Financial Assistance eligibility, DCH will review annual family income from the prior two (2) pay periods and/or the prior tax year as shown by recent pay stubs or income tax returns and other information from all members of household. Proof of earnings may be determined by annualizing the year-to-date family income, taking into consideration the current earnings rate.

O. **Reasonable Payment Plan:** An extended interest free payment plan that is negotiated between DCH and the patient for any patient out-of-pocket fees. The payment plan shall take into account the patient's income, essential living expenses, assets, the amount owed, and any prior payments.

P. **Uninsured Patient:** An individual having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, TriCare/ChampVA, Worker’s Compensation, or other third party assistance) to assist with meeting his/her payment obligations. It also includes patients that have third party coverage, but have either exceeded their benefit cap, been denied coverage or does not provide coverage for the particular Medically Necessary healthcare services for which the patient is seeking treatment from DCH.

Q. **Underinsured Patient:** An individual, with private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medical services provided by DCH.

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GENERAL GUIDELINES

A. Eligible Services:

1. Financial Assistance under this Policy shall apply to *Emergency and Medically Necessary* services in the licensed hospital facility, delivered by a DCH employed or affiliated provider.
2. In the event that there is uncertainty as to whether a particular service is *Emergent or Medically Necessary*, a determination shall be made by the Chief Medical Officer of DCH.

B. Services NOT Eligible:

1. Services that are generally not considered to be Medically Necessary and are therefore not eligible for Financial Assistance include:
 - a. Reproductive Endocrinology and Infertility services
 - b. Cosmetic or plastic surgery services
 - c. Assistive hearing & listening devices
 - d. Vision correction services such as LASIK/LASER, PRK, and Intraocular contact lens
 - e. Professional and/or physician services

In rare situations where a physician considers one of the above referenced services to be Medically Necessary, such services may be eligible for Financial Assistance upon review and approval by the Chief Medical Officer and Chief Financial Officer of DCH.

DCH reserves the right to change the list of services deemed to be not eligible at its discretion.

C. Patient Eligibility for Financial Assistance – General Provisions:

- All patients who receive Healthcare Services at DCH may apply for Financial Assistance.
- All individuals applying for Financial Assistance are required to follow the procedures in Section V below.
- DCH shall determine eligibility for Charity Care based on an individual determination of financial need in accordance with this Policy, and shall not take into account an individual's age, gender, race, immigrant status, sexual orientation or religious affiliation.
- Applicants for Financial Assistance are responsible for applying to

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public programs for available coverage. They are also expected to pursue public or private health insurance payment options for Healthcare Services provided by DCH. The patient's, or a patient's Guarantor's, cooperation in applying for applicable programs and identifiable funding sources, including COBRA coverage (a federal law allowing for a time-limited extension of health care benefits), is required.

- Patients, or patients' Guarantors, who do not cooperate in applying for programs that may pay for their Healthcare Services, will be denied Financial Assistance. DCH shall make affirmative efforts to help a patient or patient's Guarantor, apply for public and private programs.
- In accordance with Federal Emergency Medical Treatment and Labor Act (EMTALA) regulations, no patients shall be screened for Financial Assistance or payment information, prior to the rendering of services in emergency situations.
- The Internal Revenue Service requires DCH to establish a methodology by which patients eligible for Financial Assistance will not be charged more than for Emergency and other Medically Necessary Services (referred to as "Amounts Generally Billed"). For purposes of this requirement, DCH will use a prospective method based on Medicare rates. Per the terms of this Policy however, no patients found eligible for Financial Assistance will be billed any charges for Eligible Services while covered under this Policy.
- The Federal Poverty Guidelines shall be used for determining a patient's eligibility for Financial Assistance. Eligibility for Financial Assistance will be based on Family Income.

D. Charity Care (*See Definition Above*)

DCH shall grant *Charity Care* to those patients who apply for Financial Assistance and whom DCH determines as eligible. DCH shall make that determination subject to the following priorities:

- *First Priority:* Patients who receive emergency services are DCH's first priority for Charity Care. (Consistent with EMTALA, DCH's determination of eligibility for Financial Assistance cannot be made until the patient has received legally required screening and any necessary stabilizing treatment.)

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- *Second Priority:* Patients who have had or will have non-emergent Medically Necessary services and for whom DCH is the closest hospital to the individual’s home or place of work. (In general, if there is a county hospital in the county in which the patient lives or works, and the county hospital can provide the non-emergent medically necessary service that the patient needs, the patient will be directed to that county hospital.)
- *Third Priority:* Patients who have had or will have Medically Necessary services and for whom DCH is not the closest hospital to the patient’s home or place of work, but for whom the following factor applies are DCH’s third priority for Charity Care:
 - The patient has a unique or unusual condition which requires treatment at DCH as determined by the Chief Medical Officer and Chief Financial Officer

DCH may grant Charity Care for specialized high cost services subject to the review and approval of the Chief Medical Officer and Chief Financial Officer.

DCH shall determine a patient’s eligibility for Charity Care in accordance with the procedures set forth in Section V below

E. Basis for Patient Charges

- The maximum amounts that can be charged to Financial Assistance Policy (FAP)-eligible individuals for emergency or other medically necessary care is determined by a 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 prior 12-month period.
- The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility sections of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.
- For more information regarding patient charges, please contact DCH Customer Service at 205.343.8321.

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- **HHS Section 1557 Compliance**

DCH Health System is compliant with all aspects of HHS 1557 regulation. DCH Health System does not discriminate against any patient or future patient based on their race, color, national origin, sex, age or disability.

F. Medicare Bad Debt

- All unpaid Medicare deductibles and co-insurance will follow the same collection process as all other accounts. All other Medicare Bad Debt regulatory requirements and policies will be followed in accordance with CMS guidelines. Once placed with a third party collection agency, they will pursue payment and will not treat the account any differently than any other. After 120 days from placement with the third party agency if adequate payments arrangements are not obtained, the account is closed and written off as Medicare Bad Debt.

IV. PROCEDURE

A. Procedure for Applying for Financial Assistance

1. Any patient who indicates an inability to pay a DCH bill for Healthcare Services shall be evaluated for Charity Care, or other sources of funding, by DCH Financial Clearance and Patient Financial Counselors.
2. Any DCH employee who identifies a patient whom the employee believes does not have the ability to pay for Healthcare Services shall inform the patient that Financial Assistance may be available and applications are available in the Financial Clearance Department or with any Patient Financial Counselor.
3. A patient may be screened initially by a DCH Financial Counselor prior to receiving non emergent services to determine whether or not the patient or Family can be linked to any public or private payer source. If the healthcare service has not yet been provided and is not an emergency, the Financial Counselor will also help the patient determine whether there is a county hospital in the county in which the patient works or resides that can provide the services.
4. DCH expects patients to cooperate fully in providing information necessary to apply for governmental programs such as Medicare or Medicaid, or through Marketplace Healthcare Exchange for which

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the patient may be eligible. In addition, the patient will be asked to fill out a Financial Assistance Application.

5. Any patient who applies for Charity Care must make every reasonable effort to provide DCH Proof of Income and health benefits coverage. If a patient files an application and fails to provide information that is reasonable and necessary for DCH to make a determination as to eligibility for Charity Care, DCH may consider that failure in making its determination. The DCH Patient Counselor will inform patients of the consequences of failure to provide complete information on a timely basis.
6. In the event DCH denies Charity Care to a patient who has fulfilled the application requirements set forth in this Policy, the patient may seek review of that determination by contacting the Patient Financial Accounting department at 205-343-8321.
7. Unless a patient is informed otherwise, Financial Assistance provided under this Policy shall be valid for the Eligibility Qualification Period as defined above. However, DCH reserves the right to reevaluate a patient's eligibility for Financial Assistance during that one-year time period if there is any change in the patient's financial status.

B. Presumptive Eligibility for Charity Care:

DCH recognizes that not all patients, or patients' Guarantors, are able to complete the Financial Assistance application or provide requisite documentation.

For patients, or patients' Guarantors, who are unable to provide required documentation but meet certain financial need criteria, DCH may nevertheless grant Financial Assistance. In particular, presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- State-funded prescription programs;
- Homeless or one who received care from a homeless clinic;
- Participation in Women, Infants and Children programs (WIC);
- Food stamp eligibility;
- Good Samaritan Clinic qualified patient
- Subsidized school lunch program eligibility;
- Eligibility for other state or local assistance programs that are unfunded
- Low income/subsidized housing is provided as a valid address; and/or

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- Undocumented persons and/or those who qualify for AL Medicaid Emergency Services Only

For patients, or their Guarantors, who are non-responsive to the DCH application process, other sources of information, as described below, may be used to make an individual assessment of financial need. This information will enable DCH to make an informed decision on the financial need of non-responsive patients.

For the purpose of assisting a patient that communicates a financial hardship, DCH may utilize a third-party to review a patient’s, or the patient’s Guarantor’s, information to assess financial need.

This review utilizes a health care industry-recognized, predictive model that is based on public record databases. The model incorporates public record data to calculate a socio-economic and financial capacity score. The model’s rule set is designed to assess each patient to the same standards and is calibrated against historical Financial Assistance approvals for DCH. The predictive model enables DCH to assess whether a patient is characteristic of other patients who have historically qualified for financial assistance under the traditional application process.

Information from the predictive model may be used by DCH to grant presumptive eligibility to, or to satisfy the documentation requirements for patients or their Guarantors. In cases where there is an absence of information provided directly by the patient, and after efforts to confirm coverage availability, the predictive model provides a systematic method to grant presumptive eligibility to patients in financial need.

In the event a patient does not qualify under the presumptive rule set, the patient may still provide requisite information and be considered under the traditional Financial Assistance application process set forth above in Section V.

Patient accounts granted presumptive eligibility status will be adjusted accordingly. These accounts will be reclassified under the Financial Assistance Policy. The discount provided will not be sent to collection and will not be included in DCH bad debt expense.

Presumptive screening provides a community benefit by enabling DCH to systematically identify patients in financial need, reduce administrative burdens and provide financial assistance to patients and the Guarantors, some of whom not have been responsive to the financial assistance application process.

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V. NOTIFICATION ABOUT FINANCIAL ASSISTANCE

To make information readily available about its Financial Assistance Policy and program, DCH will do the following:

- Post this Policy, a summary, and the DCH Financial Assistance Application on the DCH website.
- Conspicuously post notices on the availability of Financial Assistance in emergency departments, urgent care centers, admitting and registration departments, Patient Financial Services, and at other locations that DCH deems appropriate.
- Make paper copies of the FAP, FAP application form and the plain language summary of the FAP available upon request and without charge both by mail and in public locations.
- Notifying patients by offering a paper copy of the summary as part of intake or discharge process.
- Including conspicuous written notice on billing statements about the availability of financial assistance including the phone number of the hospital office that can provide information about the FAP and application process, and the website address where the FAP is posted.
- Provide notices and other information on Financial Assistance to all patients in the primary language of 5 percent or more of the primary community served by the hospital.
- Make available its Financial Assistance Policy or a program summary to appropriate community health and human services agencies and other organizations that assist people in financial need.
- Include information on Financial Assistance, including a contact number, on patient billing statements and through oral communication with uninsured and potentially underinsured patients.
- Provide financial counseling to patients about their DCH bills and make the availability of such counseling known. (Note: it is the responsibility of the patient or the patient's Guarantor to schedule assistance with a financial counselor.)
- Provide information and education on its Financial Assistance and collection policies and practices available to appropriate administrative

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and clinical staff.

- Encourage referral of patients for Financial Assistance by DCH representative or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.
- Encourage and support requests for Financial Assistance by a patient, a patient’s Guarantor, a family member, close friend or associate of the patient, subject to applicable privacy laws.
- Respond to any oral or written requests for more information on the Financial Assistance Policy made by a patient or any interested party.
- Provide a copy of the Collection Policy upon request, which can also be found at the link below:
 - <https://www.dchsystem.com/documents/chargemaster%20021/DCH-Health-System-Collections-Policy.pdf>

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