



Ashland Community Hospital

PATIENT FINANCIAL ASSISTANCE POLICY ("COMMUNITY CARE")

1.0 OBJECTIVES

Our hospital's mission is to provide compassionate, high quality care that improves the overall health of its patients and their families by working in partnership with physicians and other regional healthcare providers. As part of this mission, the hospital has adopted this policy of "Community Care" financial assistance to expand the availability of hospital services to those who might otherwise be unable to afford them. For qualifying patients, financial assistance may involve waiver of a portion of the patient's balance of medically-necessary hospital charges depending on actual financial need and circumstances. Financial assistance is provided in a fair, consistent and objective manner, keeping in mind the careful balance between the hospital's desire to promote charitable giving and its broad financial responsibilities to itself and the community.

This policy establishes the general criteria and procedures for providing free and discounted health care services under the ACH Community Care program.

Cross Reference to other ACH Policies

The following related programs are described in separate policies:

- ACH policy regarding Discounted Patient Bills; Payment Arrangements; Required Down Payment For Elective Procedures.
- ACH Collection Accounts policy, which describes the hospital's procedure for administering Collection Accounts.

2.0 COVERED SERVICES

This policy addresses hospital facility charges only. It does not cover billings for independent professional fees such as emergency department services, pathology services, anesthesiology, and readings of radiological images such as X-rays and CT-scans. Patients seeking reductions in their bills for professional services should inquire with the applicable provider.

3.0 ELIGIBILITY

A. General Eligibility

An individual with adequate resources will be required to pay the balance of his or her hospital bill in full, subject to certain discounts that may be available through other hospital programs such as the hospital's prompt-pay discount (see policy reference above).

A patient with limited resources, however, is encouraged to apply for reduced-price care under the hospital's Community Care program. Eligibility is based on the patient's family resources, including net assets and income as described below. However, in some cases, a patient may qualify notwithstanding his or her resources based on extenuating circumstances such as the total hospital bill, nature of illness, community needs, and other factors. For example, the hospital will consider the circumstances of a patient who incurs catastrophic medical expenses when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system.

All "Patient Balances" (see definition below) may be considered for discounts under the ACH Community Care program. An initial eligibility determination for Community Care may be reevaluated periodically or when otherwise appropriate, including cases when there is:

- A subsequent rendering of hospital services.
- A substantial change of resources or income.
- A change in family size.

B. Non-discrimination

The hospital's Community Care program is administered without regard to a patient's age, sex, race, creed, disability, sexual orientation, national origin or other class.

4.0 DEFINITIONS

A. Community Care. The program at Ashland Community Hospital designed to provide assistance to patients with limited financial means to pay for medically necessary health services. Financial assistance may take the form of free or reduced-price services based on the application of a sliding scale.

B. Dependents or Family. For purposes of this policy, a Family consists of the patient and persons related to the patient by birth, marriage, adoption or otherwise who reside with the patient or are legally obligated to pay the medically necessary medical expenses of the patient or both. Said persons

are referred to herein as "dependants." The Family consists of the patient and dependants.

C. Family Income. Family income is defined broadly to include total gross Family income from wages, salaries, dividends, interest, Social Security benefits, workers compensation, veterans benefits, training stipends, military allotments, regular support from family members not living in the household, government pensions, private pensions, insurance and annuity payments, rents, royalties, gifts, estates and trusts, and other sources.

D. Eligible Patient. A patient who qualifies for ACH Community Care as set forth in this policy.

E. Family Assets. A patient's Family Assets consist of all real, personal and intangible property owned by or available to the patient and his or her Family, including, but not limited to cash, checking and savings accounts, investments (such as money market accounts, stocks and bonds), immediately available retirement or IRA funds, life insurance values, trust accounts, real estate and personal property (including the patient's primary residence), and all other resources actually or constructively available to the patient and the patient's Family. Due to the need to provide financial assistance to as many patients as possible on an impartial and equitable basis, it is not the intention of ACH to provide assistance to patients with low income but who nevertheless possess other resources adequate to pay their hospital bills. Similarly, it is not the intention of ACH to provide assistance to patients who do not possess significant assets but who earn an income that enables them to pay their bill.

F. Medically Necessary Expense. An expense for necessary inpatient or outpatient medical treatment and/or diagnostic services that is medically necessary in terms of generally accepted medical practice. For purposes of this policy, ACH is solely responsible for determining which expenses are medically necessary. Medically necessary expenses do not include so-called elective expenses ("Elective Expenses") such as non-restorative cosmetic surgery, bariatric surgery, and treatment for the purely audible impacts of snoring (when not performed to correct sleep apnea).

G. Patient Balance. The final, open patient balance after payments have been timely received from all other sources, including insurance, employers, government programs, and third party liability.

H. Resource Exemptions. ACH may, in its discretion, exempt certain items from the calculation of resources. In doing so, ACH will evaluate the totality of circumstances affecting the patient.

5.0 GENERAL ELIGIBILITY CRITERIA

Financial assistance is generally secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and personal resources.

A patient is presumptively eligible for financial assistance under the following circumstances, subject to the further evaluation and approval of ACH:

- i. The patient's Family Income, as a percentage of the Federal Poverty Level, is less than three hundred percent (300%).
- ii. The patient's total Family Assets do not exceed fifteen thousand dollars (\$15,000.00), after taking into account applicable Resource Exemptions, if any, as defined in this policy.
- iii. The patient has exhausted all reasonable sources to pay the Patient Balance of his or her bill, including, but not limited to, insurance payments and third-party liability such as accident liability.
- iv. The patient otherwise meets the criteria set forth in this policy.

6.0 FINANCIAL ASSISTANCE LEVELS

Eligible patients lacking sufficient overall family resources to pay the Patient Balance of their hospital bill may receive financial assistance in accordance with the hospital's most current Financial Assistance Table And Methodology. The Financial Assistance Table And Methodology takes into account the patient's Family Income and the number of the patient's dependants to determine a "grade" for discount purposes. The grade is then applied to the Patient Balance to determine the percentage of discount applied to the Patient Balance. For instance, a patient with a Family Income of \$30,000.00 with four dependants will be assigned a grade of 1. If the patient has a Patient Balance of \$10,000.00, the Patient Balance will be reduced to \$250.00.

The Financial Assistance Adjustment Percent will apply to the Patient Balance, after payments from all other sources such as insurance and third-party accident liability.

7.0 APPLICATION PROCEDURES

A. Application Form

ACH will provide a standard application form to any individual who requests one. ACH may also accept application forms from other hospitals provided that the forms contain substantially the same information required by

ACH. Community Care requests may be proposed by sources other than the patient, such as the patient's physician, family members, community or religious groups, social service organizations or hospital personnel. The patient shall be informed of any such request, which shall be processed pursuant to normal ACH policy unless the patient requests and ACH approves otherwise.

The application form will require information concerning the patient's Family Income, Family Assets, Family members, availability of payment from other sources such as insurance or other responsible parties, and other information that ACH deems relevant to the determination of whether financial assistance is appropriate.

ACH may request additional information not included on the application form if ACH believes that the information is needed to evaluate a patient's request for financial assistance.

B. Suspension of Collection Activity

Collection activity will be suspended while ACH considers the completed Community Care application and during any appeal of an adverse decision, but will resume if the application is denied.

C. Application Assistance And Patient Responsibility

Representatives from the hospital's Patient Advocate Office or its designee will provide application assistance to patients who request financial assistance. Spanish translation will be offered to all patients upon advance request. The patient bears the ultimate responsibility for requesting financial assistance and submitting a completed application. ACH does not automatically initiate applications for financial assistance on behalf of a patient.

D. Timing of Application

Patients will be encouraged to submit application forms prior to the time that services are rendered. However, patients are free to submit an application at any time, including when a bill is received.

E. Application Automatically Denied if No Follow up in 30 Days

Financial assistance will be automatically denied, without any notification by ACH to the patient or other party requesting assistance, if the application is not completed and submitted to ACH within thirty (30) days of mailing or hand-delivery by ACH to the patient or the patient's representative. However, the automatic denial will not prevent submittal of a new application.

8.0 APPLICATION REVIEW PROCESS

A. Information Needed

As part of its review process, ACH may conduct a personal interview of the patient (or patient's health-care representative or financial guarantor as appropriate) to clarify and supplement information provided on the application form. The review process will include evaluation of the availability of payment from sources other than family income or resources, including Medicare, Oregon Health Plan and other governmental insurance sources; private insurance; workers' compensation; private or governmental grants and similar forms of assistance; and third-party liability (e.g. automobile accidents or other claims against other parties).

ACH may request verification of income, including, but not necessarily limited to W2 employment wage forms, payroll stubs, and tax returns. ACH may also request verification of assets, including, but not limited to bank statements, mortgage statements, and other information useful to ACH to determine net assets. An application will not be deemed complete until all information requested by ACH has been provided.

ACH may obtain a credit report from one or more credit-reporting agencies as part of the evaluation process. ACH may condition eligibility to its Community Care program on the results of the report(s). The hospital understands that negative credit reports sometimes reflect conditions entirely outside the patient's control, and will, as reasonable, strive to be compassionate in any credit-check review for Community Care purposes.

B. Calculation of Financial Assistance

Eligibility for financial assistance will be calculated in two general steps. First, the hospital will determine whether the patient has sufficient Family Assets to pay the balance of the hospital bill. This determination will be made regardless of the patient's Family Income. Typically, a patient who has Family Assets that do not exceed fifteen thousand dollars (\$15,000.00)--after taking into account applicable Resource Exemptions as defined above--may qualify for financial assistance. ACH may grant exceptions to this amount depending on other compelling factors.

If the patient's Family Assets do not exceed the maximum asset amount, then the hospital will determine the Family Income of the patient, the number of dependants, and the Family Income applied to the Federal Poverty Level as noted in the Section 6 above. The Patient Balance will then be reduced according to the sliding scale in the hospital's most current Financial Assistance Table And Methodology. A new billing will be sent to the patient reflecting the reduced amount.

ACH may, in its discretion, exempt certain items from the calculation of resources. In doing so, ACH will evaluate the totality of circumstances affecting the patient.

C. Extenuating Circumstances

The hospital recognizes that patients often experience hardships, and that the need for financial assistance that cannot always be evaluated by amounts, calculations, sliding scales and other mechanical measures of the ability to pay. Therefore, ACH may consider the extenuating circumstances of a patient in granting financial assistance in addition to purely financial factors such as income and assets.

D. What Constitutes A Complete Application

No financial assistance will be provided without submittal of a completed application including all supporting materials requested by ACH. No application will be considered complete without provision of all required materials.

E. Need to Submit New Application(s) after Approval of First Application

A patient previously approved for Community Care assistance who has incurred (or will incur) additional hospital charges may, at the discretion of ACH, be approved for additional Community Care assistance without undergoing all of the steps required for the original application. The decision of ACH will be based on the totality of circumstances affecting the patient and the hospital.

9.0 NOTIFICATION AND APPEAL

A. Approval Notification

ACH will make every reasonable effort to process applications as soon as practicable within time and staffing constraints. It is the goal of ACH to notify an applicant in writing within thirty (30) working days after receipt of a complete Community Care application. Written notification will be sent to the patient's billing address. ACH will also attempt as reasonable to provide oral notification if the patient is available.

B. Payment Arrangements

The balance of any bill reduced under the hospital's Community Care program will be due and payable in accordance with standard ACH payment policies unless another arrangement has been agreed to in writing between ACH and the patient. The balance will be eligible for all other discounts available to

ACH patients, including the prompt-pay discount. Failure to pay the balance may result in characterization of the balance as bad debt, and may subject the patient to the same collection activities applicable to patients who do not qualify for the Community Care program.

C. Denial

If a patient is denied Community Care, the patient shall be informed in writing within five (5) working days of the denial. The denial will be sent to the patient's last-known address. ACH will provide reasons for the denial and information concerning the appeal process described below.

As noted above, financial assistance will be denied automatically without any notification to the patient if an application is not completed within thirty (30) days of mailing or personal delivery to the individual requesting an application for Community Care. However, any such denial will not prevent a patient from submitting a new application.

D. Appeal

Each patient denied Community Care financial assistance may petition the hospital within thirty (30) days for reconsideration based on extenuating circumstances. The patient will be notified of any particular requirements for reconsideration. A reconsidered application will be processed as soon as practicable.

10.0 PROGRAM AWARENESS

A. Information

ACH will provide information at key locations in the hospital advising patients of the existence of the ACH Community Care program.

B. Staff Resources

The hospital's Patient Advocate Office and Business Office will share responsibility for administering the ACH Community Care program, including evaluating applications and making recommendations to the ACH Chief Executive Officer for approval or denial of requests for financial assistance.

Employees in the patient accounting, billing, admitting and registration departments and in emergency areas will be familiar with the hospital's Community Care program, have access to the application forms, and will be able to direct questions to the appropriate hospital representatives.

11.0 CONFIDENTIALITY

Ashland Community Hospital recognizes that the need for financial assistance may be a sensitive and deeply personal issue for potential recipients. As required by the law, confidentiality of information and preservation of individual dignity shall be vigorously maintained for all who seek charitable services. Orientation of staff and the selection of personnel who will implement the program will be guided by these values.

12.0 CHANGES TO POLICY

Due to changing economic circumstances that are hard to predict, this policy is subject to change without notice. However, no changes will occur for patients who have already been approved by the hospital for a discount.

FINANCIAL ASSISTANCE TABLE AND METHODOLOGY

Effective January 24, 2006

FAMILY INCOME		DEPENDANTS					
at least	maximum	1	2	3	4	5	6 or more
GRADES							
	14,700.00	1	1	1	1	1	1
14,701.00	18,150.00	3	1	1	1	1	1
18,151.00	21,300.00	5	2	1	1	1	1
21,301.00	24,450.00	7	3	1	1	1	1
24,451.00	27,600.00	9	5	2	1	1	1
27,601.00	30,750.00	10	7	3	1	1	1
30,751.00	33,900.00	11	8	4	2	1	1
33,901.00	37,050.00	11	9	5	3	1	1
37,051.00	40,200.00	11	10	6	4	2	1
40,201.00	43,350.00	11	11	7	5	3	2
43,351.00	46,500.00	11	11	8	6	4	3
46,501.00	49,650.00	11	11	10	7	5	4
49,651.00	52,800.00	11	11	11	8	5	4
52,801.00	55,950.00	11	11	11	9	6	5
55,951.00	59,100.00	11	11	11	10	7	5
59,101.00	62,250.00	11	11	11	11	8	6
62,251.00	65,400.00	11	11	11	11	8	7
65,401.00	68,550.00	11	11	11	11	9	8
68,551.00	71,700.00	11	11	11	11	10	8
71,701.00	74,850.00	11	11	11	11	11	9
74,851.00	78,000.00	11	11	11	11	11	10
78,001.00	80,400.00	11	11	11	11	11	10

A pro-rated discount is assessed based on the pictured tables, which take into consideration family income, number of dependents and amount of the patient's balance for the hospital visit. The tables are based on 150% of the Federal Poverty Level (FPL), effective 01/24/2006, receiving a 95% "Community Care" reduction, pro-rated down to 300% of the FPL receiving a 10% "Community Care" reduction.

PATIENT BALANCE		GRADE FROM ABOVE TABLE										
at least	maximum	1	2	3	4	5	6	7	8	9	10	11
	5,000.00	95%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
5,001.00	30,000.00	100%	95%	85%	75%	65%	55%	45%	35%	25%	15%	0%
30,001.00	higher	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	0%

Patients at 150% or below the FPL would be responsible for 5% of the first \$5,000, maximum out-of-pocket \$250.