



# **Rice Memorial Hospital**

## **Financial Counseling Policy & Procedure**

- I. PURPOSE:** To establish guidelines for payment or discounting of accounts through Uncompensated Care, or Charity Care Grants such as Rice Trust Fund and the Rice Matching Grant.
- II. POLICY:**
- A. Rice Memorial Hospital recognizes that an individual may need medical care but may not be in a financial position to pay for it. It is the policy of this hospital that a provision will be made in the annual budget to provide uncompensated care to patients that qualify based on hospital guidelines.
  - B. Through the availability of Rice Trust Funds or through a Matching grant, financial assistance will be offered to patients who qualify based on the Rice Trust and Rice Matching grant guidelines. Qualifying applicants of Rice Trust grant will receive money to apply toward their Rice Memorial Hospital bill. Qualifying applicants of Rice Matching Grant will have a portion of their payments towards their Rice Memorial Hospital bill matched by Rice Memorial Hospital.
  - C. All inpatients and in-scope outpatients will be financially cleared prior to discharge. Financial Advocate will be responsible for ensuring that procedures are in place to financially clear patients prior to discharge.
  - D. Timeframes:
    - 1. Normal Business Hours (Monday – Friday: 8:00am – 4:30pm): The financial clearance process is initiated and completed immediately upon notification that Pre-Registration (Scheduled patients) or Registration (Unscheduled patients) processes have been completed for the patient.
    - 2. Outside Normal Business Hours: The financial clearance process is completed on the following business day.
- III. RESPONSIBILITY:** Revenue Cycle - CEO and Board
- IV. Descriptions:**
- A. Uninsured: An individual who does not have “coverage” related to payment for their hospital/healthcare expense through a non-governmental third-party commercial and/or managed care payer, or through a government-sponsored payer such as Medicare or Medicaid.
  - B. Financial Clearance: Patients who have met the following criteria are considered financially cleared:
    - 1. Insurance benefits have been verified for active coverage on the date(s) of service and pre-certifications/authorizations have been obtained or acceptable payment arrangements have been made for any identified patient liabilities. Also, all necessary demographic and insurance information has been provided to facilitate billing and reporting requirements, and outstanding balances have been reviewed.

2. The patient may qualify for assistance through Medicaid or other funding sources as identified by the Financial Advocate and as supported by applicable tools. The patient is compliant with information required of said programs.
3. Valid signatures are on file for all documents as appropriate, including but not limited to: patient financial responsibility, Medicare Secondary Payer Questionnaire (MSPQ), Assignment of Benefits (AOB) form, Release of Information (ROI). \*MSPQ questionnaire must be completed for all Medicare patients.
4. Rice Memorial Hospital will ensure that full communication of expectations occurs at the earliest possible/compliant point within the patient's care/service pathway.

**V. FINANCIAL COUNSELING**

- A. Financial counseling will occur when it is determined during the pre-registration process that the patient is uninsured or unlikely to be able to meet the out-of-pocket obligation for the service. Specifically, provide financial counseling in the following instances:
  - a. The patient asks for financial assistance.
  - b. The patient is uninsured. The uninsured discount will be given to all uninsured patients
  - c. The admissions system indicates the patient has a bad debt.
2. Financial Advocates will provide the following assistance:
  - a. Information about applying for state programs.
  - b. Information about payroll deductions (if their employer is a participating organization).
  - c. Counseling about their hospital debt and payment plan arrangements including financial assessment if they indicate an inability of meeting our six month policy.
  - d. Information about the Rice Trust Grant and Rice Matching Grant.
3. Financial Advocates are responsible for calling all patients with outstanding balances, regardless if uninsured or residual balances under the following circumstances:
  - a. Balances over \$500 after 14 days of second statement submission.
  - b. Balances over \$4,999 after 14 days of first statement
4. All uninsured patients or any other patient who indicates an inability to meet their financial responsibility will be given the Rice Trust Grant and Rice Matching Grant applications and be counseled on the application process.
  - a. Staff will document in account notes that the patient received the application and was given a verbal explanation of the application process.
  - b. The patient will have 30 days to complete the Rice Trust application. If the patient has not submitted their completed application within 7 days of receiving it from RMH staff, RMH Financial Advocate staff must attempt to contact the patient to remind them to complete and submit the form. Staff must make two attempts (on day 7 and day 15) to contact the patient to remind them. The account will be sent to a Collection [bad debt] agency contracted by RMH after the 30 day hold has expired and after the required amount of statements have been submitted to the patient.
5. Collect patient payments/deposits as outlined within the Financial Clearance section of the Patient Access Procedure policy.
6. Coordination of Financial Assistance Identification and Form Completion:

- a. Financial Advocates are responsible for helping the patient identify and apply for all programs in which the patient may be eligible. This includes but is not limited to RMH charity care applications, State Medicaid applications, Federal Medicare applications, and applications for other state and federal programs for which the patient may be eligible. This also includes running eligibility and benefits queries to search for potential active Commercial, Medicare, and Medicaid coverage(s).
- b. Financial Advocates are also responsible for collecting and scanning patient information that facilitates the coordination of these processes. This includes but is not limited to: insurance card(s), photo ID, tax return forms, and other information to verify patient insurance, demographics, and income as necessary.
- c. Inpatients: Financial Advocates are required to attempt to contact the patient at least three times during the patient visit to coordinate financial assistance procedures mentioned above, and each attempt must be documented in a patient account note. If patient stay is less than three days, an attempt should be made to contact the patient each day of the patient stay.

**VI. Discounts**

**A. Insurance**

- a. No discounts will be issued to a health plan unless specified in a written contract signed by the CFO. However, at director discretion, a ten percent discount may be given to a non-contracted insurance.

**B. Uninsured**

- a. Uninsured patients or patient whose charges at Rice Memorial Hospital are not covered under a Worker's Compensation claim or any other liability claims may be eligible for a discount based on the most favored insurer from the prior year to be effective the first of the calendar year<sup>1</sup>. All of the following must apply:
  - (i) Lack of third party coverage including medical assistance, Worker's Compensation, liability and the other amount of discount must be documented in patient notes.
  - (ii) Any patient who refuses to comply with proof of non-coverage will not be eligible for the discount.
  - (iii) Lack of compliance must be documented in patient notes.
  - (iv) Medically unnecessary cosmetic procedures are NOT subject to this discount.
  - (v) Self-administered drugs dispensed in outpatient setting will automatically qualify for the uninsured discount.
- b. If it is determined that the patient is eligible for third party coverage including Medical Assistance, Worker's Compensation or liability claim and a discount has been applied to their charges the discount will be reversed before any claims are submitted.

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<sup>1</sup> For more information, please reference page 13 of the Attorney General Agreement for Ramsey County, Minnesota. This agreement states that a hospital shall not charge more for uninsured treatment than it would be reimbursed directly from its most favored insurer and from the insurer's policyholder under any applicable and allowable copayments, deductibles, or coinsurance.

**VII. Uncompensated Care**

- A. Eligibility
  - a. Patients who qualify based on criteria established for the Rice Trust Grant program, but lack a piece of documentation that would otherwise qualify them.
  - b. Patients who are deceased with no financial means or estate
  - c. Patients on Medical Assistance with residual unpaid balances, those with Medical Assistance in other states but with non-covered benefits/services, or those with Medical Assistance in other states that Rice Memorial Hospital does not have a contract with.
- B. Financial Advocate
  - a. Exhaust all areas of financial aid, such as other grants, Medical Assistance, Department of Veterans Affairs, etc.
  - b. Determine amount to be submitted for consideration.
    - (i) Amount may have been adjusted by payments made either by third party or patient.
  - c. When appropriate, notify patient of results
- C. Approval Process
  - a. All other requests require signatures of approval.
    - (i) Up to \$5,000 – Director or Manager of Financial Advocates
    - (ii) Over \$5,000 – CFO along with Director or Manager of Financial Advocates

**VIII. Rice Charity Care**

- A. Eligibility
  - a. Patients who do not qualify for any Medical Assistance programs (this applies to Rice Trust Grant only).
  - b. Patients who incur medical expenses which would cause a financial hardship and therefore would qualify upon application.
  - c. Patients whose combined amount owed to Rice Memorial Hospital is greater than \$100.
  - d. Once accounts have been forwarded to an outside collection agency the patient is no longer eligible for Rice Matching Grant.
  - e. Matching will only occur on future payments after qualifying for the grant.
- B. Documentation
  - a. Document in patient notes when an application for either grant has been given to a patient or their guarantor and notify the Financial Advocates.
- C. Financial Advocate
  - a. Grants should be considered after all areas of financial aid have been exhausted.
  - b. Pre-authorize the patient for either grant by running their financial information through the Simplified Eligibility Guidelines. If qualification for either grant is not immediately clear begin the application process with the Rice Trust Grant. For the Rice Matching Grant continue on with numbers one and two below.
    - (i) Income Verification – Rice Matching Grant only
      - i) The Rice Matching Grant shall not be used for non-

- elective procedures (Physician approval required for non-elective procedures).
    - ii) Income shall be viewed using both W2 wages from tax return and social security income.
    - iii) Other income shall also be included.
      - a) Additional schedules from the tax return will be requested for non-cash deductions.
  - (ii) Assets – Rice Matching Grant only
    - i) Outside sources will be utilized to determine the value of vehicles, property taxes, and other assets.
  - (iii) Provide an application for the appropriate grant to the patient or guarantor of the account.
    - i) Request that the application be completed and returned with a Medical Assistance denial and tax return (A Medical Assistance denial is not necessary when applying for the Rice Matching Grant).
      - a) If no tax return is available, patient shall sign a statement indicating no taxes were filed.
    - ii) Document that the patient has been given an application and has been counseled on the application process.
  - (iv) The patient will have 30 days to complete an application. During this time all collection activity on the account will continue with the exception of sending the account a collection agency. If the application and required forms have not been received by Rice Memorial Hospital within 30 days, and the account is ready to be sent to the collection agency, it can be sent.
    - i) Report all Grant applications to the Director or Manager on a monthly basis.
  - (v) Validate the Rice Trust Quarterly Report with the Director or Manager for amounts being rewarded by Rice Trust Grant. Send encrypted email with quarterly report to Bremer Bank, Willmar MN office. Upon receipt of Rice Trust check money to be applied to the financial general ledger account,
    - (i) IP 01-01-5599-551014
    - (ii) OP 01-01-5599-552014
    - (iii) .
  - (vi) Participants of the Rice Matching Grant will have amounts equal to their payment adjusted from their balance at time payment is received by Rice. Payment plans for participants of the Rice Matching Grant must be consistent with the collection policies in the Self Pay Billing & Collections Procedure policy.

- (vii) All applicants will be notified whether or not they qualified for a grant.
- (viii) Accounts whose grant request have been denied will have collection activity resumed after the patient has been notified.