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Financial Assistance and Collection Policy - 501 (r)

POLICY :

TriState Health (TSH), and Tristate Health Services (TSHS) provide medical care to any patient without discrimination or their ability to pay. TSH and TSHS are committed to providing financial assistance to persons who have healthcare needs that qualify for assistance. Financial assistance shall be provided for medically necessary health care services to patients who meet financial assistance qualifications. TSH and TSHS will use the most current Federal Poverty Guidelines to determine eligibility under its financial assistance policy. Patients qualifying for financial assistance may receive free or discounted care or pay a discounted fee under this policy based on the household income ranging up to 350% of the Federal Poverty Level. This financial assistance policy (FAP) complies with state and federal laws and regulations relating to medically necessary services, emergency medical care, patient financial assistance, and charity care including but not limiting to WAC 246453 Section 010, and Section 501 (r) of the Internal Revenue Service code.

If eligible for financial assistance, it will be provided as secondary to all other financial resources available to the patient or guarantor, including but not limited to insurance, government and outside agency programs, and third party liability payers. TSH and TSHS have the expectation that patients, and/or guarantors will cooperate with TSH and TSHS and apply for state Medicaid insurance for medical coverage as a condition to their eligibility for the financial assistance program if the patient is under the federal poverty level. If information in the charity care/financial assistance application indicates that the patient or their guarantor may be eligible for coverage, TSH and TSHS will assist the patient or their guarantor in applying for coverage. Per each patient's needs, this includes walking them through the process, answering questions, providing them with the appropriate forms, linking them to an agency representative and/or providing them with the appropriate links.

After services rendered, TSH and TSHS will bill patients and applicable payers accurately and in a timely manner. By use of billing statements, and notices, TSH and TSHS will make diligent efforts to advise patients of their financial responsibilities, and available financial assistance. If the patient and/or guarantor does not comply with the policy, TSH and TSHS may refer balances to a third party for

collection. The collection process applies to all persons who receive care whether or not financial assistance is applied, or requested. The collection process does not begin until diligent efforts to collect payment have been made.

KEY CONCEPTS and TERMS:

501 (r) Requirements: The requirements of Section 501 (r) of the Internal Revenue Code of 1986, and the related Treasury Regulations pertaining to billing and collections activities, and financial assistance.

Bad Debt: Un-collected amounts, excluding contractual adjustments, arising from failure to pay by patients whose care has not been classified as financial aid.

Charity Care: Health care services that have been provided for free or at a reduced price to low income patients who meet the established criteria.

Collections: A third party agency that collects payments on patient's bills that are overdue.

Family: A group of people who reside together that are related by birth, marriage, or adoption. For purposes of the financial assistance provision, according to the Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent. Any and all resources of the household are considered together to determine eligibility.

Finance Charge: A finance charge will accrue on accounts 90 days after the first billing statement. The interest rate will be .75% per month, which is an annual percentage of 9%.

Guarantor: The person responsible for the bill.

Health Savings Account: A savings account used in connection with a health insurance policy that allows individuals to save money tax free against medical expenses.

Income: Earnings before taxes from working, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, Social Security Disability Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, investments, dividends, rents, income from estates or inheritance, trusts, and alimony, child support.

Medically Necessary: Emergency treatment, medical care, services or items reasonable and necessary for the diagnosis and or treatment of an illness, injury, disease, condition, or its' symptoms.

Minimum Due: The minimum payment requirement due each billing cycle.

Poverty Guidelines: A measurement of income revised every calendar year by the Department of Health and Human Services. Federal poverty level is an economic measurement used to decide where the individual or family lies on the poverty line to help determine financial assistance eligibility.

Self-Pay/Prompt-Pay Discount: 10% discount is available to uninsured patient balances paid in full within 30 days of the first billing cycle.

Special Consideration: If a patient applies for financial assistance but does not meet the eligibility requirements, they may apply for a special consideration.

Verbal Screening: If account balances are under $1,000.00 a verbal screening for financial assistance

may be requested.

Presumptive charity care: A patient is presumed eligible for charity care from the hospital, based on financial and historical qualifiers. These patients are often not old enough for Medicare and are just above the income requirement for Medicaid.

FEDERAL POVERTY LEVEL:

Financial assistance that provides care at a discount on gross charges to eligible patients with an annual family income up to 350% of the Federal Poverty Guidelines. TSH and TSHS will consider patients for financial assistance and charity care under this policy, when third-party coverage, if any, has been exhausted, based on the following criteria:

- Up to 200% federal poverty level will receive 100% financial assistance.
- 201%-250% federal poverty level will receive 75% financial assistance.
- 251%-300% federal poverty level will receive 50% financial assistance.
- 301%-350% federal poverty level will receive 25% financial assistance.

Applying for Financial Assistance:

The patient, legal guardian, or guarantor may obtain an application from hospital staff during registration. The applications are also found on our website at tristatehospital.org, or can be picked up at one of the TSH and TSHS offices, or clinics. The application can be completed before or after services are provided. A patient will not be deferred or denied medically necessary care based on the non-payment of previously provided care, if financial assistance has not yet been determined. Completed applications may be mailed or brought into any one of the TSH or TSHS hospital, clinics, or offices. To submit applications by mail, send to:

Tri-State Memorial Hospital and Tri-State Health Services, 1100 Highland Avenue, PO Box 189, Clarkston, WA 99403

Financial Assistance Eligibility Requirements and documentation:

All patients with a self-pay balance may be eligible for financial assistance. However, financial assistance excludes care that is not medically necessary, or disallowed by government or third party payers. These services include procedures considered elective, experimental, or cosmetic in nature. Financial assistance also excludes office visit copays.

The patient, or other persons responsible for the bill must complete the financial assistance application to its entirety, submit all the required information, sign, and date the application before being considered for financial assistance. Falsification of the application information, failure to fully disclose income, or refusal to comply will result in the denial of financial assistance.

All requested documentation when applying for financial assistance must be included with the completed Financial Assistance application. Documents may include but are not limited to:

- Income information such as recent pay stubs, supporting documentation for self-employment income, the most recent income tax return, W-2 withholding statement, bank statements, and

any Government income verification.

- Dependent verification
- Government, or State assistance approval or denial
- Court documents
- Written statements from employers or welfare agents

TSH and TSHS may pursue other sources of funding including but not limited to Medicaid, Crime Victims, or County Aid (for Idaho residents), and non-hospital financial aid programs. All third party resources must be exhausted before financial assistance can be considered. Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA), must be at a zero balance, and proof of zero balance is required with completed application.

Prima Facie Write Offs: In the event the patient newly becomes eligible for State Medicaid, a review of past accounts may be eligible for Prima Facie, and 100% Financial assistance applied. Any patients who are transient, or incompetent may also be valid Prima Facie candidates. In such cases, TSH and TSHS may not complete the full verification or documentation request.

If a patient applies for Financial Assistance, and is denied eligibility due to income requirements, they may be eligible for a Special Consideration. Determination will be made upon patient's completion of the Special Consideration Financial Assistance Application and the specified supporting documentation as proof of severe financial hardship.

Financial Assistance Determination:

The hospital will make an initial determination of eligibility based upon verbal or completed application. For the purpose of determining financial assistance eligibility, TSH and TSHS will review the annual gross family income from the prior three-month period and/or the prior tax year as shown by the most recent pay stubs, or income tax returns and other information. In the event a patient cannot provide documentation supporting their application for Financial Assistance, Administrative discretion will apply. Patients determined to be eligible may be granted financial assistance for up to six months. However, eligibility may be reevaluated during that time period if financial circumstances change. A letter will be sent to the patient or the guarantor after the Financial Assistance has been applied for each outstanding account, followed by a new billing statement. TSH and TSHS shall provide the final determination within fourteen calendar days of receipt of a complete application, or a verbal screening for financial assistance.

If denied eligibility for Financial Assistance, the patient may re-apply when there has been a change of income or status. Denials will be written and include instructions for appeal and reconsideration. The responsible party may appeal the determination of eligibility for Financial Assistance by correcting any deficiencies in documentation to the Patient Financial Counselor assigned to their accounts.

Presumptive Charity Care:

Presumptive Eligibility Criteria: Patients will be deemed eligible for financial assistance when adequate information, provided directly by the patient or through other sources, indicates qualification for presumptive charity care. Accounts may undergo review for presumptive eligibility through a third-party

data and analytics vendor. The scoring process utilizes public information to predict the likelihood of a patient qualifying for charity care regarding their self-pay balances. In cases where eligibility is met, presumptive eligibility can be established when sufficient information is provided directly by the patient or through alternative sources.

Prima-Facie:

Prima Facie Write-Offs: The hospital may choose to grant Financial Assistance based solely on the initial determination. In such cases, the hospital will not complete full verification or documentation of any request. This could include patients that qualify for Medicaid and are not covered for the date of service, patients that are currently incarcerated, or patients that are decease with no probate, or surviving spouse.

Denial Appeals:

Upon the receipt of an appeal, there will be a thirty-day hold in the collection process in accordance with WAC 246-453-020 (9) (b). The basis for the dispute or appeal should be in writing and submitted within 30 days of the patient's experience giving rise to the dispute or notification of the decision on Financial Assistance eligibility. The Chief Financial Officer (CFO) will review and respond to all appeals within fourteen days of receipt. If this review affirms the previous denial of Financial Assistance, written notification will be sent to the patient or guarantor and the Department of Health, in accordance with state law. If the denial is reversed, the patient shall immediately be declared an eligible candidate. Appeals may be mailed to:

Tri-State Memorial Hospital and Tri-State Health Services, 1100 Highland Avenue, PO Box 189, Clarkston, WA 99403

Eligible Services for Financial Assistance:

Eligible services include Emergency Room and Minor Care, Hospital Inpatient, Outpatient and Observation, Clinic services; including Family Practice, Internal Medicine, Rheumatology, Nephrology, Surgical Specialists, Urology, Tele Health, Infections Disease, Pulmonology, Diabetes Education, Medical Nutrition Therapy, and Behavioral Health. Hospital outpatient services; including Sleep Lab, Wound Care, Podiatry, Respiratory Therapy, Day Surgery, Endoscopy, Pain Clinic, Radiology, Dialysis, Laboratory and Interventional Pain Consultants; including Outpatient Surgical Services.

Excluded Services for Financial Assistance:

Office visit co-pays, elective services; such as sterilization procedures, Ideal Protein and HMR, Sports Physicals, Department of Transportation Physicals, contracted Occupational Health, elective circumcision, Spa services, retail products, or any other services determined to be not medically necessary by the health insurance plan.

Eligible Providers:

All TriState Health (TSH) l and TriState Health Services providers accept our financial assistance. Those services include:

- Tri-State Behavioral Health

- Tri-State Clearwater Medical
- Tri-State Emergency
- Tri-State Dialysis
- Tri-State Family Practice-Clarkston
- Tri-State Family Practice-Lewiston
- Tri-State General Surgery
- Tri-State Interventional Pain Consultants
- Tri-State Minor Care
- Tri-State Nephrology
- Tri-State Podiatry
- Tri-State Pulmonology
- Tri-State Radiology
- Tri-State Respiratory Therapy
- Tri-State Rheumatology
- Tri-State Sleep Lab
- Tri-State Urology
- Tri-State Wound Care
- Hospitalist Leif Kanooth
- Hospitalist Chad Ficek

Excluded Providers:

The following *local* clinics/physicians do not accept the TSH and TSHS financial assistance determination:

- Lewiston Orthopedics
- Dr. Alex Watson
- Dr. Carl Dettwiler
- Dr. Chad Bouterse
- Dr. Edwin Tingstad
- Dr. Geneen Bigsby
- Dr. Jeff Burry
- Dr. John Morgenstern
- Dr. Mark Eggleston
- Dr. Murray Larsen
- Dr. Neil Washington
- Dr. Sarah Berg
- Dr. Sennett Pierce

Collection Procedure and Process:

TSH and TSHS will make reasonable efforts to provide patients with information about our financial assistance policy, and balances owed before our collections vendors take certain actions to collect payment. TSH and TSHS shall comply with federal and state regulations and laws governing healthcare billing and collections. No extraordinary collection actions will be pursued against any account within 120 days of issuing the initial bill or without first making reasonable efforts to determine whether that patient is eligible for financial assistance.

For insured patients, TSH and TSHS will bill applicable third-party payers in a timely manner. If a claim is denied or is not processed by a payer, staff will follow up with the payer, and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after follow-up efforts, TSH and TSHS may bill the patient. TSH and TSHS generates the first patient statement in a timely manner following receipt of the insurance payment or denial. Balances paid in full within 90 days of the first billing statement will not receive finance charges. Balances extended beyond 90 days are subject to a .75% monthly finance charge for a total of a 9% annual interest rate.

Payments:

A 10% discount is offered to uninsured patients when balances are paid in full within 30 days of the first statement date. It is the guarantor's responsibility to make appropriate financial arrangements with TSH and TSHS. Payment contracts that extend past 12 months must be approved by TSH and TSHS. Minimum monthly payments must be made consistently. The minimum monthly payment is $50.00, or 5% whichever is larger. Payment may be submitted by check, paid over the phone, paid in person via cash, check or card. Payment can also be made on our website https://tristatehospital.org/pay-my-bill/. To send check by mail, address envelope to:

Tri-State Memorial Hospital and Tri-State Health Services, 1100 Highland Avenue, PO Box 189, Clarkston, WA 99403

Employee Discount:

Employees are entitled to a discount of 25% for services rendered to self, spouse, and legal dependent children under the age of 18, in the event there are no records of balances with a collection agency. Balances with a collection agency must be resolved before employee discount will be offered. Cosmetic procedures or any other non-covered service for employees or their immediate family are not eligible for employee discount. Office Visit copays are excluded from Employee Discount.

Statement Process:

Displayed on all hospital and clinic statements is the following "Financial Assistance may cover necessary or emergency medical treatment received from a hospital or clinic. Please call 509-758-4652 option 1 to make a payment or option 2 to discuss payment arrangements or financial assistance".

First statement to generate, any account balance over $300.00, a Payment Option Letter will be mailed out with the statement.

Patient accounts aged 30 days from initial statement (second statement released) will receive a "Past

Due" notice. A notice to call for Financial assistance will be applied to the second statement.

Patient accounts aged 60 days after initial statement (third statement released) will receive a second "Past Due" notice. For balances over $1,000.00, a Patient Financial Counselor will attempt to contact the patient by phone to discuss payment options and Financial Assistance availability.

Patient accounts aged 90 days after initial statement (fourth statement released), a "Final Notice" will be sent to the Guarantor.

Patient accounts aged 120 days from initial statement will be sent to a Collection Agency.

Collection Agency Process:

Patient balances may be referred to a third party for collection at the discretion of TSH and TSHS. Accounts will be referred for collections only when the following caveats:

- There is reasonable basis to believe the patient owes the debt.
- All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. TSH and TSHS will not bill a patient for any amount that an insurance company is obligated to pay.
- TSH and TSHS will not refer accounts for collection while the account is still pending third party payer payment.
- TSH and TSHS will not refer accounts for collection where the claim was denied due to TSH and TSHS error.
- TSH and TSHS will not refer accounts for collection where the patient has initially applied for financial assistance and TSH and TSHS has not yet notified the patient of its determination.

The first time a patient or guarantor is sent to collections, the debt collection agency will initiate the Pre-Collection Process. The patient has an opportunity to resolve the account by making payment in full within 30 days before the account is processed as full collection by the collection agency.

Collection Agencies:

TSH and TSHS use two collection agencies. Chapman Financial Services, and Automated Accounts. Accounts on patients whose last name starts with A-L is referred to Automated Accounts. Patient Accounts, whose last name starts with M-Z is referred to Chapman Financial Services.

- Automated Accounts is located at 1728 NW Blvd Spokane, Washington. They can be reached by phone at 800-421-8470. Credit reporting with Automated Accounts will begin 180 days from the date the account was referred to them by TSH and TSHS. The basis for legal action will depend on wage garnishment requirements, a minimum balance requirement, and within the statute of limitations for the state they are proceeding in.
- Chapman Financial Services is located at 316 N 4th St. Coeur D' Alene, Idaho. They can be reached by phone at 800-594-9866. Credit reporting with Chapman Financial Services will begin 180 days from the date they received the referral from TSH and TSHS. Legal action from Chapman Financial Services will begin once they have written permission from TSH and TSHS. The basis for legal action will depend on wage garnishment requirements, a minimum balance requirement, and within the statute of limitations for the state they are proceeding in.

Staff Training:

All relevant and appropriate staff shall participate in standardized training based on this Financial Assistance Policy. The staff will use interpreter services to assist persons with limited English proficiency and non-English-speaking persons in understanding information about the availability of Financial Assistance will be provided on an annual basis. The training shall help ensure staff can answer Financial Assistance questions effectively, obtain any necessary interpreter services, and direct inquiries to the appropriate department in a timely manner.

Documents and Records:

All information relating to the application will be kept confidential, and follow all Federal HIPAA guidelines. Complete copies of documents that support the application will be kept with the application form. Documents pertaining to Financial Assistance shall be retained for four years.

All reviews/revisions to this policy will be forwarded in pdf format to hospitalpolicies@doh.wa.gov. The policy will also be updated on the hospital's website per regulation.

References:

Section 501 (r) of the Internal Revenue Service code

Washington Administrative Code (WAC)

All Revision Dates

Apr 05, 2024, Jun 28, 2022, Jun 02, 2022, Feb 21, 2022, Jun 14, 2021

Attachments

Financial Assistance -- Plain Language Summary

Financial Assistance Application.pdf

Approval Signatures

Step Description	Approver	Date
	Jim Heilsberg	Apr 05, 2024
	Katie Combs	Feb 26, 2024