Mercy Medical Center  
FINANCIAL ASSISTANCE POLICY AND PROCEDURES

1. POLICY  
Mercy Medical Center (Mercy) is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for government programs, or are otherwise unable to pay for medically-necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Mercy Medical Center strives to ensure that the financial capacity of people who need healthcare services does not prevent them from seeking or receiving care. Mercy Medical Center will provide, without discrimination, care for emergency medical conditions to individuals regardless of his or her eligibility for financial assistance or for government assistance. Mercy Medical Center will not engage in actions that discourage individuals from seeking emergency medical care.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance – free and discounted care
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describes the method by which patients may apply for financial assistance
- Describes how the hospital will widely communicate the policy within the community served by the hospital
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amounts generally billed by (received by) the hospital for commercially insured or Medicare patients

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Mercy Medical Center’s procedures for obtaining other forms of payment or financial assistance, and to contribute to the cost of his or her care based on the individual’s ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so as a means of assuring access to healthcare services, for their overall personal health and for the protection of their individual assets.

In order to manage resources responsibly and to allow Mercy to provide the appropriate level of assistance to the greatest number of persons in need, the Finance Board establishes the following guidelines for the provision of patient financial assistance.
II. DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

**Amounts generally billed (AGB):** The amounts generally billed for emergency or other medically-necessary care to individuals who have insurance covering such care.

**Financial assistance:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Financial assistance results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

**Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

**Family income:** Family income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
- Non-cash benefits (such as food stamps and housing subsidies) do not count
- Determined on a before-tax basis
- Excludes capital gains or losses
- If a person lives with a family, includes the income of all family members (non-relatives such as housemates do not count)

**Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

**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.
Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by the Centers for Medicare/Medicaid Services (CMS) (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

III. PROCEDURES

A. Services Eligible Under This Policy
The following healthcare services are eligible for financial assistance:

1. Emergency medical services provided in an emergency room setting

2. Services for a condition, which if not promptly treated would lead to an adverse change in the health status of an individual

3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting

4. Medically-necessary services evaluated on a case-by-case basis at Mercy Medical Center’s discretion.

B. Eligibility for Financial Assistance
Eligibility for financial assistance will be considered for those individuals who are uninsured, underinsured, ineligible for any government healthcare benefit program, and who are unable to pay for their care based upon a determination of financial need in accordance with this policy. The granting of financial assistance shall be based on an individualized determination of financial need and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

C. Method by Which Patients May Apply for Financial Assistance

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need and may:

   a. Include an application process, in which the patient or the patient’s guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need

   b. Include the use of external, publically available, data sources that provide information on a patient’s or a patient’s guarantor’s ability to pay (Mercy does not use credit scoring)

   c. Include reasonable efforts by Mercy Medical Center to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients in applying for such programs
d. Take into account the patient’s available assets and all other financial resources available to the patient

e. Include a review of the patient’s outstanding accounts receivable for prior services rendered and the patient’s payment history

2. It is preferred, but not required, that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically-necessary services. However, to qualify for financial assistance an individual application must be received within 240 days from date of first statement date of post discharge.

3. Mercy Medical Center’s values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of financial assistance. Requests for financial assistance shall be processed promptly. Mercy Medical Center shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

4. Patients and families wishing to apply may submit an application and supporting documentation to the Patient Accounts Department. The financial assistance application may be found on the health system website (www.mercycare.org). Alternatively, printed copies of the hospital’s Financial Assistance Policy or its Plain Language Summary may be obtained at no extra costs by visiting or calling the Patient Accounts Department or hospital registration or cashier office. Patients may contact the Patient Accounts Department for a copy of the application and to discuss any questions. The Patient Accounts Department is located at 800 Seventh Street SE, Cedar Rapids, IA 52403, and can be reached at (319)369-4505.

D. Presumptive Financial Assistance Eligibility
There are instances when a patient may appear eligible for financial assistance but there is no financial assistance application on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance. In the event there is no evidence to support a patient’s eligibility for financial assistance, Mercy Medical Center could use outside agencies in determining approximate income amounts for the basis of determining financial assistance eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs
2. Homeless or received care from a free clinic
3. Participation in Women, Infants and Children programs (WIC)
4. Food stamp eligibility
5. Subsidized school lunch program eligibility
6. Eligibility for other state or local assistance programs that are unfunded (e.g. Medicaid spend down)
7. Low income/subsidized housing is provided as a valid address
E. Eligibility Criteria and Amounts Charged to Patients
Services eligible under this policy will be made available to the patient on a sliding-fee scale in accordance with financial need as determined in reference to the Federal Poverty Levels (FPL) in effect at the time of determination. Once a patient has been determined by Mercy Medical Center to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. Mercy Medical Center uses the look-back method, described at 26 C.F.R. § 1.501(r)–5(b)(3), (using Medicare fee for service and all private health insurers) for computing the amounts generally billed (AGB). Our current look-back discount rate is 72 percent. Individuals may obtain a more detailed description of this calculation by contacting the Patient Account Department at 800 Seventh Street SE, Cedar Rapids, IA 52403 or (319)369-4505. The basis for the amounts Mercy Medical Center will charge patients qualifying for financial assistance is as follows:

Patients whose family income is at or below 200 percent of the FPL may qualify for 100 percent discount from gross charges. Patients whose family income is 200 percent to 400 percent of the FPL may qualify for 75 percent discount from gross charges. In addition, patients may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances such as catastrophic illness or medical indigence, at the discretion of Mercy Medical Center.

F. Communication of the Financial Assistance Program to Patients and Within the Community
Notification about financial assistance available from Mercy Medical Center (which shall include a contact phone number) will be disseminated by various means that may include but are not limited to: the publication of notices in patient bills and by posting notices in emergency rooms, in the Conditions of Admission form, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places as Mercy Medical Center may elect. Mercy Medical Center also shall publish and widely publicize a summary of this financial assistance policy on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as Mercy Medical Center may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Mercy Medical Center. Referral of patients for financial assistance may be made by any member of the Mercy Medical Center staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. Relationship to Collection Policies
Mercy Medical Center management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for financial assistance, a patient’s good faith effort to apply for a governmental program or for financial assistance from Mercy Medical Center, and a patient’s good faith effort
to comply with his or her payment agreements with Mercy Medical Center. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, Mercy Medical Center may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Mercy Medical Center will not impose extraordinary collections actions such as wage garnishments, liens on primary residences or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for discounted services under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital

2. Documentation that Mercy Medical Center has or has attempted to offer the patient the opportunity to apply for financial assistance pursuant to this policy and that the patient has not complied with the hospital’s application requirements

3. Documentation that the patient does not qualify for financial assistance on a presumptive basis

4. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan

5. If patients wish to receive a free copy of Mercy Medical Center’s Billing and Collections policy, please contact the Financial Advocate group, located at 800 Seventh Street SE Cedar Rapids, IA 52403, at (319)369-4505 or via MyChart email.

H. Regulatory Requirements
In implementing this policy, Mercy Medical Center management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

I. Physicians included and excluded from Mercy Medical Center Financial Assistance Program:

See Addendum 1

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