

<b>Sanford Policy ENTERPRISE</b>	<b>Financial Assistance - Enterprise</b>
<b>Patient Financial Services:</b>	<b>APPROVED BY:</b> SENIOR VICE PRESIDENT, FINANCE, HEALTH SERVICES
<b>DATE REVIEWED/REVISED:</b> April 19, 2018	<b>FORMULATED BY:</b> SENIOR DIRECTOR, PATIENT ACCOUNTS

**Scope:** All Sanford Providers and Facilities

**PURPOSE:**

Sanford is committed to providing emergency and medically necessary care to all patients without regard to race, creed, sex, national origin, disability, age, or ability to pay. This policy sets forth the Sanford policy and procedures to offer and provide financial assistance to all qualified patients receiving emergency and medically necessary care at Sanford's hospitals and clinics.

**POLICY:**

Patients receiving emergency or medically necessary care and services at Sanford have the opportunity to apply for financial assistance. For patients who meet the eligibility criteria established in this policy, Sanford will offer financial assistance that can reduce their financial obligations for payment of these services.

**DEFINITIONS:**

For purposes of this policy, the following definitions apply:

**Emergency Care and Services:** Individuals who present to any Sanford emergency department seeking emergency care shall receive a medical screening examination by a qualified medical person to determine if an emergency medical condition exists. An emergency medical condition is one manifesting symptoms, including severe pain, psychiatric disturbances and/or symptoms of substance abuse, that the absence of immediate medical attention is likely to cause serious dysfunction or impairment to a bodily organ or function, or serious jeopardy to the health of the individual or unborn child. With respect to a pregnant woman having contractions, an emergency medical condition also includes situations where there is not enough time to safely transfer the woman prior to the delivery, or a transfer would pose a threat to the individual or her unborn child. (See Sanford Policy C-855, Standards of Conduct Relating to EMTALA Compliance).

**Medically Necessary Care and Services:** Medically necessary care and services include procedures and treatments necessary to diagnose and provide curative or palliative treatment for physical or mental conditions in accordance with professionally recognized standards of health care.

**What is NOT covered by Financial Assistance:** The term "medically necessary" does **not** include for example cosmetic procedures, birth control or fertility

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treatments, gastric by-pass procedures, non-emergency dental services, experimental or non-traditional care, tests, or treatment, hearing aids, and retail services such as pharmacy, optical shop, or durable or home medical equipment. For purposes of this policy, Sanford reserves the right to determine, on a case-by-case basis, whether the care and services meet the definition and standard of "medically necessary" for the purpose of eligibility for financial assistance.

Services received from care providers not employed by Sanford (i.e. private and/or non-Sanford medical and physician professionals, non-FM Ambulance transport, etc.) Patients are encouraged to contact these providers directly to inquire into any available assistance and to make payment arrangements. (See Appendix II for full listing of providers not covered under this policy.)

**Eligibility Criteria for Financial Assistance:** Upon Sanford's determination that the patient's care and services meet either the definition of "emergency care and services" or "medically necessary care and services" a patient (whether uninsured or insured by a third party) is eligible to receive full or partial financial assistance subject to the following criteria:

1. A patient (or patient guarantor) with a household income of 225% or less of the Federal Poverty Level (FPL) is eligible for full financial assistance.
2. A patient (or patient guarantor) with a household income between 226% and 375% of the FPL is eligible for partial financial assistance on a sliding scale. (See Appendix I for details of the sliding fee schedule.)
3. Eligibility for full or partial financial assistance is contingent upon the completion of a Financial Assistance Application and submission of sufficient documentation requested by Sanford to demonstrate financial need. Exceptional circumstances may influence a patient's (or guarantor's) eligibility for financial assistance and may be considered on a case-by-case basis. These circumstances include, but are not limited to:
  - Employment status
  - Total amount of debt (medical and non-medical)
  - Assets (liquid and non-liquid) in excess of liabilities'
  - Terminal illness
  - Total monthly expenses
4. Minnesota residents receiving emergency and medically necessary care and services at Sanford's Minnesota hospital facilities are also eligible to apply for a discount under the policy for the Minnesota Discount Program. (See Minnesota Discounts Program – Enterprise policy)

**PROCEDURE:**

**Availability of Financial Assistance**

1. Sanford takes reasonable efforts to fully inform all patients and the public of the availability of financial assistance, including the following means of communication:

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- Posting of signs in all patient registration areas and in other public areas of the facility.
  - Making available at registration desks the Financial Assistance Policy, the Financial Assistance Plain Language Summary and the Financial Assistance application.
  - Posting of information, including the Financial Assistance Plain Language Summary, the Financial Assistance policy and the Financial Assistance Application on the [Sanfordhealth.org](http://Sanfordhealth.org) website.
  - Providing written notification on patient billing statements of the availability of Financial Assistance and directions on how to apply.
  - Mentioning the availability of financial assistance when discussing the bill over the telephone with patients or guarantors.
  - Providing written notification in brochures and other information that is provided to the patient upon admission or discharge.
  - Providing information to local social services agencies.
2. Sanford takes reasonable efforts to help overcome any language or disability barrier that may serve as an impediment to informing patients and guarantors about the availability of financial assistance, including:
- Multi-lingual signs in English and in any other language that constitutes the primary language of at least 5% or the 1000 person threshold of the population in the community where the facility is located.
  - Multi-lingual information on the [Sanfordhealth.org](http://Sanfordhealth.org) website in English and any other language that constitutes the primary language of at least 5% or the 1000 person threshold of the population in the local communities where Sanford facilities are located.
  - Providing interpreters upon request of the patient or patient's guarantor to accommodate either language or disability needs.
3. Sanford's Financial Assistance Policy, the Financial Assistance Application, and a plain language summary are available free of charge, in English (or in other language that constitute the primary language of at least 5% or the 1000 person threshold of the population in communities where Sanford facilities are located). Individuals may obtain these documents through the following means:
- Hard copies can be provided in person or can be mailed to the patient upon request.
  - Hard copies can be accessed, downloaded, and printed from the website ([Sanfordhealth.org](http://Sanfordhealth.org)).
4. Once Sanford has provided emergency or medically necessary services, a patient or guarantor may submit a Financial Assistance Application. The right to apply for financial assistance consideration begins on the date of service and extends through the 240th day after the first billing statement is sent to the patient or guarantor. However, patients and guarantors are encouraged to submit their Financial Assistance Applications as soon as possible.

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5. Sanford provides assistance in completing the Financial Assistance application to any patient needing or requesting assistance. Patients (or the patients' guarantors) may contact Sanford Patient Financial Services at 877.629.2999 for this assistance. The patient may also present to any registration desk or admissions location and they will be directed to the nearest location for someone to assist in completion of the Financial Assistance application.

### **Financial Assistance Application Process**

1. Patients (or patients' guarantors) seeking financial assistance have the following obligations:
  - Complete, sign, and submit a Financial Assistance Application.
  - Submit sufficient documentation to establish financial need, including documents such as the latest filed IRS tax return, the two most recent pay stubs, and property tax statements for owned real property.
  - Respond to follow up questions and further requests for information so that Sanford can accurately and promptly assess eligibility for financial assistance.
  - Resolve and finalize any pending matters with applicable insurers and third party payers so that Sanford can proceed with the processing of a Financial Assistance Application.
  - Cooperation in applying for other financial assistance available through state or local agencies if qualified under the eligibility criteria of such programs.
2. Patients (or patients' guarantors) are expected to cooperate and to submit requested documents and information in a timely manner. Financial Assistance Applications will not be deemed complete until such time that the patient or guarantor submits all required documents. Sanford allows patients and guarantors a reasonable amount of time to submit the supporting documentation and to respond to follow up requests. A pending or incomplete Financial Assistance Application will be cancelled if the patient or guarantor:
  - Fails to submit all required supporting documentation within 30 days, or
  - Fails to respond to any follow-up questions and requests within 30 days
3. In the event that the patient or guarantor applies for financial assistance after an unpaid account has been referred to an external collection agency, Sanford will refrain from any extraordinary collection actions while the application remains incomplete and awaiting all required documents. However, in the event that a pending Financial Assistance Application is cancelled for a reason stated in the above paragraph, the unpaid account shall be subject to the terms and provisions of Sanford's Collections Policy.
4. Upon receipt of a Financial Assistance Application that is deemed "complete", Sanford will:
  - Suspend all collection activity until such time that Sanford makes a final determination on the eligibility for financial assistance.

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- Make a determination of the eligibility for financial assistance within 30 days of receipt of a completed Financial Assistance Application.
  - Notify the patient (or guarantor) by mail within 30 days of Sanford's determination to approve or deny the Financial Assistance Application.
  - In cases where full or partial financial assistance is approved, make appropriate adjustments in the account to reflect the percentage and amount of financial assistance.
5. Subject to Sanford's discretion, once a patient or guarantor has qualified for financial assistance, the eligibility can be extended up to a maximum of six months from the approval date to cover future qualified care or services. To be eligible for this extended term, Sanford may require patients or guarantors to provide updated financial information.
  6. Financial assistance can be granted solely for services and care performed by Sanford providers or billed for Sanford facilities through Sanford's Centralized billing office, Patient Financial Services.
  7. Services received from care providers not employed by Sanford (i.e. private and/or non-Sanford medical and physician professionals, non-FM Ambulance transport, etc.) Patients are encouraged to contact these providers directly to inquire into any available assistance and to make payment arrangements. (See Appendix II for full listing of providers not covered under this policy.)
  8. Sanford shall maintain confidentiality for all Financial Assistance Applications and supporting documents and may share this information outside of Sanford only upon written or verbal request from the patient or guarantor, or upon request by Sanford's external auditors, collection agencies, or law firms.

**Presumptive Financial Assistance Determination (without application)**

1. Sanford Health may utilize a third-party to conduct an electronic review of patient information to assess financial need. This review utilizes a healthcare industry recognized model that is based upon public record databases. This predictive model incorporates public record data to calculate socio-economic status and financial capacity scoring. This scorings predicts and estimated income, assets valuation, and liquidity.
2. Assistance available under our predictive model is set at a minimum threshold for offering full financial assistance. However, it is not utilized for determination of partial assistance.
3. The predictive model may be used to supplement an incomplete application for determination of complete or partial financial assistance.

**Granting Full or Partial Financial Assistance**

1. For patients or guarantors who are deemed qualified for full financial assistance, Sanford will send a written notification by mail within 30 days of that determination.
2. For patients (or guarantors) who are deemed qualified for partial financial assistance, Sanford (or its external collection agency if the patient account has

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been referred to collections) will submit a bill to the patient or guarantor reflecting the discount for the partial financial assistance. In these cases, the amount accepted for payment for emergency or other medically necessary care will not exceed the amount Sanford accepts as "payment in full" for the same services provided to patients who are insured by third party payers (including Medicare and all private health insurers). This constitutes the reduction of the outstanding balance to the Amount Generally Billed (AGB) as a maximum for any patient qualifying under the Sanford Health Financial Assistance policy. Sanford will send a written notification by mail within 30 days of that determination providing confirmation of assistance granted and instructions on how to pay the remaining balance or establish appropriate payment plan.

- The Amount Generally Billed (AGB) for insured patients has two components: the amount required to be paid by the third party insurer **plus** the amount required to be paid by the patient.
- The AGB discount amount is established by Sanford using a calculation of the weighted average of discounts provided to Medicare and all private commercial health insurers. The AGB discount amount is established every twelve months by analyzing the actual claims paid to Sanford by insured patients and their third party payers for the previous twelve months.
- (See Appendix III for the current discount amounts in effect by region.)

### **Collections Practices**

1. Sanford expects payment from patients and guarantors who have the ability to pay. In the event such patients or guarantors fail or refuse to fulfill their financial obligation, Sanford may engage in collections action including the referral of unpaid accounts to external collections agencies. Sanford will not engage in extraordinary collection actions before taking reasonable efforts to determine whether an individual who has an unpaid account is eligible for financial assistance.

### **Administration of this Policy**

1. It is the responsibility of each Sanford facility to develop local operating procedures to administer and accommodate this policy, including the following:
  - Determination of local multi-lingual requirements for signage and other documents, and arrangements for interpreters.
  - Education and training of staff for communicating financial assistance availability for patients served in their facility.
  - Tracking procedures and account adjustment codes for Sanford facilities that do not utilize Sanford's centralized billing function.

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**Appendix I – Sliding Discount Schedule for Assistance**

<b>Household Income as a % of FPL</b>	<b>Discount % Sioux Falls Region</b>	<b>Discount % Fargo Region</b>
<b>225% or less</b>	<b>100%</b>	<b>100%</b>
<b>226% - 275%</b>	<b>90%</b>	<b>90%</b>
<b>276% - 325%</b>	<b>75%</b>	<b>75%</b>
<b>326% - 375%</b>	<b>61%</b>	<b>58%</b>
<b>\$376% or greater</b>	<b>0% *</b>	<b>0% *</b>

\*Financial assistance may be considered on a case by case basis when Sanford is supplied with additional documentation to support the hardship the medical condition has caused for the patient and family.

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**Appendix II – List of Providers and Facilities covered under Sanford Financial Assistance Policy and List of Providers not covered under Sanford Financial Assistance Policy**

Please see attached lists.

- First list represents providers and facilities included under the Sanford Financial Assistance Policy.
- Second list represents providers providing services at a qualifying Sanford facility, but billing for those professional services is not provided through the Centralized Patient Financial Services office. Therefore, these services are not included under the Sanford Financial Assistance Policy.

[Provider covered by Sanford FAP.xlsx](#)

[Providers not covered by Sanford FAP.xlsx](#)

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## **Appendix III – Amount Generally Billed (AGB) Minimum Discount for Financial Assistance eligible patients**

### [Amount Generally Billed \(AGB\) Discount](#)

Sanford Health calculates the Amount Generally Billed (AGB) discount by using the Method 1: Look-Back Method. Sanford uses a historical discount percentage by calculating average contractual allowed amount adjustments applied to Emergent and other Medically Necessary care services using a combination of Medicare and Private Third Party Insurers. Under this method, Sanford divides the allowed amounts (including patient responsibility portion) for a twelve month period by the total charges to determine the percentage of charges that constitute the Amount Generally Billed. This discount amount is the amount that any patient qualifying for the minimum level of assistance under the Sanford Financial Assistance Policy will receive as a reduction of the amount owed. The amount remaining, after all deductions and discounts, including discounts available under the FAP have been applied and less any amounts reimbursed by insurers, is considered the amount he or she is personally responsible for paying.

Please see attached spreadsheet listing this calculation by facility by region and the regional roll-up of discounts percentage used when processing Financial Assistance discounts for the Sioux Falls region and the Fargo Region.

These calculations are completed on an Annual basis for data for the previous 12 months at the end of May of the current year to be in effect for services provided during the Fiscal year beginning on July 1.

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