

Sanford Policy ENTERPRISE	Financial Assistance - Enterprise
Patient Financial Services:	APPROVED BY: EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER, VICE PRESIDENT, CHIEF REVENUE CYCLE OFFICER
DATE REVIEWED/REVISED: 05/05/2026	FORMULATED BY: SENIOR DIRECTOR, PATIENT ACCOUNTS

Reference Policies: [Collections - Enterprise](#), [EMTALA Compliance- Enterprise](#), [Minnesota Discount Program- Enterprise](#)

1. SCOPE:

All Sanford Hospital and Clinic Facilities and Sanford Employed Providers.

2. DEFINITIONS and EXPLANATIONS of TERMS

- Amount Generally Billed:** The amount generally billed for emergency or other medically necessary care to individuals who have insurance coverage. AGB refers to the total amount due after applicable insured discounts are applied. (See [Appendix III](#) for calculations of AGB.)
- 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 professional to determine if an emergency medical condition exists. An emergency medical condition is one manifesting multiple 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 [EMTALA Compliance- Enterprise](#)).
- Emergency Medical Condition:** A medical condition (including labor and delivery) that shows acute symptoms of sufficient severity (including severe pain) such that the lack of immediate medical care could result in one or more of the following: (a) serious jeopardy to the patient’s health; (b) serious impairment to bodily functions; (c) serious dysfunction of a bodily organ or part.

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- **Extraordinary Collection Actions (ECA):** Actions taken against an individual to obtain payment of a bill for care that requires a legal or judicial process, involves selling an individual's debt to another party or involves reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus.
- **Guarantor:** Person(s) financially responsible for payment of medical services. The Guarantor may be the patient, a parent, legal guardian, or other person financially obligated by law. Any reference to "patient" in this policy shall mean the patient and/or the Guarantor.
- **Household:** For purposes of determining household size and household income under federal poverty guidelines, Household includes the applicant, the applicant's spouse (regardless of whether the spouse lives in the home), the applicant's unmarried partner if they are living together with a child in common, any minor children or dependents residing in the home and claimed on the patient's federal income tax return. An applicant who is claimed as a dependent on another's federal tax return, the Household will include all claimed members. Household will also include a third party or sponsor who has agreed to be financially responsible for the patient. Sanford may request copies of legal or immigration documents to determine sponsorship.
- **Insurance Carrier:** A company that provides insurance coverage, and for the purpose of this policy includes both fully insured and self-funded ERISA plans.
- **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.
- **Uninsured:** An individual who has no health insurance coverage. Patients/guarantors who have insurance coverage but have balances due to portions not paid by their health insurance (including but not limited to deductibles, coinsurance, copayments, benefit maximums or non-covered services) are not considered uninsured.
- **Underinsured:** Insurance coverage which results in significant out of pocket expenses for the patient/guarantor due to benefit plan design and/or low reimbursement levels by the Insurance Carrier.

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a. ABBREVIATIONS:

- AGB – Amount Generally Billed
- ECA – Extraordinary Collection Actions/Activity
- ERISA – Employee Retirement Income Security Act
- FHC – Family Healthcare Center
- FPL – Federal Poverty Level

3. Policy

PURPOSE STATEMENT:

Sanford is committed to providing emergency and medically necessary care to all patients without regard to race, color, religion, sex, national origin, disability (physical or mental), age, sexual orientation, gender identity, existence of medical debt, 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 or from Sanford providers.

POLICY:

Patients receiving emergency or medically necessary care and services at Sanford can 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.

3.1 What is NOT covered by Financial Assistance:

The term "medically necessary" does **not** include services deemed elective. Examples of these services and care include but are not limited to:

- Cosmetics, aesthetics, and performance-enhancement procedures or services.
- Birth control, sterilization, sterilization reversal, or fertility treatments services.
- Gastric bypass procedures.
- Non-emergency dental services.
- Experimental or non-traditional care, tests, or treatment.
- Retail products such as hearing aids, glasses, contacts, retail pharmacy, or retail durable or home medical equipment.
- Cottage rental for hospice services that are not covered by insurance and included in a contractual agreement.
- Services offered at a discounted or packaged cash-based price.
- Any other not medically necessary services.

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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, etcetera). Sanford encourages these patients 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.)

3.2 Eligible Care and Services covered by Financial Assistance:

- Emergency services, provided to treat an Emergency Medical Condition, including labor and delivery.
- Urgent services provided to avoid a potential onset of an Emergency Medical Condition.
- Preventative and screening services recommended under standard of care.
- Medically necessary services.

3.3 Eligibility Criteria for Financial Assistance:

Upon Sanford's determination that the patient's past or future 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:

- 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.
- 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.)
- If a patient meets the criteria in either number 1 or 2 above and if a patient has cash assets or assets convertible to cash that are not necessary for the patient's daily living, the patient is eligible for financial assistance if the assets are valued at less than 400% of the patient's outstanding balance or future expected out of pocket expenses determined by a price estimate.
- Self-pay or Uninsured patients deemed to be potentially eligible for public medical assistance programs or Medicaid may be required to provide a denial for coverage or be determined to be ineligible for coverage by a Sanford financial advocate or a financial advocacy partner company. Application for

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- assistance may be suspended until such additional supporting documentation is provided or a review with an advocate is completed.
- Sanford's financial assistance is resolution of last resort and is only available after all available third-party payors or resources are exhausted. Applicants are expected to follow their insurance carrier's requirements for coverage. Balances resulting from failure to follow an insurance carrier's requirements may be excluded from financial assistance. 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. A letter explaining exceptional circumstances may be required. These circumstances include but are not limited to
 - Employment status.
 - Total amount of debt (medical and non-medical).
 - Assets compared to expenses.
 - Medical condition of the patient.
 - Ability or timeline for return to work.
 - Sanford will follow all state mandate requirements in relation to uninsured or financial assistance discounts.
 - Michigan residents receiving emergency or medically necessary care and services at Sanford Michigan hospital facilities who are uninsured are eligible to apply for their balances to be discounted to a remaining balance equivalent to 115% of the Medicare Fee Schedule.
 - 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 Discount Program- Enterprise](#))
 - Sanford financial assistance is available to all patients receiving emergency and medically necessary care and services at any Sanford facility, regardless of permanent residency location or immigration status.

4. PROCEDURE:

4.1. Availability of Financial Assistance

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

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- Posting of information, including the Financial Assistance Plain Language Summary, the Financial Assistance policy and the Financial Assistance Application on the Sanford Health 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.
- Sanford makes 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 Sanford Health 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.
- Sanford's Financial Assistance Policy, the Financial Assistance Application, Plain Language Summary, and Collection policy 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.
 - Electronic copies can be accessed, downloaded, and printed from the Sanford Health website (www.sanfordhealth.org/patients-and-visitors/billing-and-insurance/financial-assistance-policy) or at www.marshfieldclinic.org/patient-resources/billing/financial-assistance.
- Application period for applying for financial assistance: The patient may apply for financial assistance consideration beginning anytime up to 90 days pre-service and extending through the 240th day after the first billing statement is sent to the patient or guarantor. Exceptions beyond 240 days may be granted when the patient or guarantor has been prevented from applying for assistance due to health conditions or extenuating circumstances. However, patients and guarantors are encouraged to submit their Financial Assistance Applications as soon as possible.
- 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

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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.

- Sanford financial assistance is available to all patients receiving emergency and medically necessary care and services at any Sanford facility, regardless of permanent residency location.

4.2. Financial Assistance Application Process

- 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:
 - Latest filed IRS tax return
 - Two most recent pay stubs of each wage earner in household
 - social security benefit letter
 - pension/retirement disbursement letter
 - VA benefit verification letter
 - Other documents identifying income
 - Statements showing the value of cash or assets convertible to cash.
 - 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.
 - Cooperate with Sanford advocate or partnering agency advocate in applying for other financial assistance or Medicaid coverage available through state or local agencies if qualified under the eligibility criteria of such public programs.
- Sanford expects Patients (or patients' guarantors) to cooperate and to submit requested documents and information in a timely manner. Financial Assistance Applications are not 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 denied 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, or
 - Fails to cooperate with Sanford or partner agency advocate to apply for public assistance.
- When the patient or guarantor applies for financial assistance after an unpaid account has been referred to an external collection agency, Sanford will

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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 denied for a reason stated in the above paragraph, the unpaid account shall be subject to the terms and provisions of Sanford's [Collections - Enterprise](#) policy.

- Upon receiving a Financial Assistance Application that is deemed "complete", and with all obligations outlined above, Sanford will:
 - Suspend all collection activity until such time that Sanford makes a final determination on the eligibility for financial assistance.
 - 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 or electronic notification 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.
 - Applicants who are determined to be eligible for financial assistance and have paid for eligible care in excess of the calculated personal responsibility amount due under the financial assistance policy, will be refunded any amounts paid within the past 240 days in excess of \$5.
- Subject to Sanford's discretion, once a patient or guarantor has qualified for financial assistance, the eligibility can be extended up to six months from the approval date to cover future qualified care or services. Sanford may require patients or guarantors to provide updated financial information in certain circumstances.
- 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.
- 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 about any available assistance and to make payment arrangements. (See [Appendix II](#) for full listing of providers not covered under this policy.)
- 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.

4.3. Presumptive Financial Assistance Determination (without application)

- 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

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status and financial capacity scoring. This scoring predicts and estimates income, assets valuation, and liquidity.

- Sanford will also consider patients who have Medical Assistance/Medicaid coverage to presumptively qualify the patient for financial assistance due to coverage income being less than our current financial assistance income guidelines.
- 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.
- The predictive model may be used to supplement an incomplete application for determination of complete or partial financial assistance.

4.4. Granting Full or Partial Financial Assistance

- For patients or guarantors who are deemed qualified for full financial assistance, Sanford will send written confirmation by mail or electronic notification within 30 days of that determination.
- For patients (or guarantors) who are deemed qualified for partial financial assistance, Sanford (or its external collection agency if the patient account has 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 written confirmation by mail or electronic notification within 30 days of that determination providing confirmation of assistance granted and instructions on how to pay the remaining balance or establish an 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 Medicaid in combination with Medicare and all private health insurers. The AGB discount amount is established every twelve months by analyzing the actual claims paid to Sanford by all payers for the previous twelve months ending November 30th and is in effect for the following calendar year.
- (See [Appendix III](#) for the current discount amounts in effect by region.)

4.5. Collections Practices

- Sanford expects payment from patients and guarantors with the ability to pay. In the event such patients or guarantors fail or refuse to fulfill their

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financial obligation, Sanford may engage in collections action including the referral of unpaid accounts to external collections agencies. Sanford does not sell patient debt to collection agencies or other external parties but may engage agencies to assist in the collection process. Sanford will not engage in extraordinary collection actions before making reasonable efforts to determine whether an individual who has an unpaid account is eligible for financial assistance. Neither Sanford nor our third-party collection agencies will report patient debt to credit reporting agencies. For more information, please reference Sanford's Collection – Enterprise policy.

- Use this link to access: [Collections - Enterprise](#)

4.6. Administration of this Policy

- 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

Sliding Discount Schedule for Assistance

*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.

- The first list represents providers and facilities included under the Sanford Financial Assistance Policy.
- The 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, the billings for these services are not included under the Sanford Financial Assistance Policy.

[Providers covered by Sanford FAP- Enterprise](#)

[Providers not covered by Sanford FAP- Enterprise](#)

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

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

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 Medicaid in combination with Medicare and private health 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 all Sanford Regions.

These calculations are completed on an annual basis for data for the previous 12 months at the end of November of the current year to be in effect for services provided during the Fiscal (Calendar) year beginning on January 1.

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