



Policy Name:	Financial Assistance Policy		
Responsible Department:	CFO	Area: Finance	
Effective Date:	4/12/2023	Last Revision:	4/4/2024
Approval Authority:	Governing Board of Directors of SARH		
This Policy Should be Read by:	Employees and Public		
Resources & Related Forms:	1. Plain Language Summary 2. Financial Assistance Application		

Purpose: To define eligibility criteria and the application process for financial assistance at SARH and to describe the types of financial assistance available to uninsured and underinsured.

I. Definitions:

- A. Arkansas Resident
 - 1. is defined as an individual who resides in the state full time.
- B. Cosmetic Services
 - 1. are defined as those procedures that modify or improve the appearance of a physical feature and are typically not covered by insurance. These are categorically excluded from financial assistance.
- C. Homeless Person
 - 1. is defined as an individual who has no home or place of residence and depends on charity or public assistance.
- D. Medically Necessary
 - 1. for the purpose of this policy, is defined as a service that is necessary to treat a condition that in the absence of medical attention could reasonably be expected to result in jeopardizing the health or condition of the individual.

II. Guidelines:

- A. SARH is committed to providing financial assistance (or charity care) to Arkansas (and individuals eligible for assistance under this policy regardless of residency) residents who do not have the ability to pay for emergency or other medically necessary healthcare services, to the extent that financial assistance resources

are available to the organization. This policy does not affect or limit our dedication and obligation under EMTALA to treat patients with emergency medical conditions.

- B. Eligibility for financial assistance will be determined based on the established criteria without regard to age, race, color, national origin, ethnicity, religion, sex, gender identity or other legally protected status.
- C. Patients will be provided with information about this policy upon request, including specific information as to how eligibility is determined and the means of applying for assistance. The need for financial assistance may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek financial assistance.
- D. Patients who qualify for the financial assistance program will not be charged for emergency or other medically necessary care at rates higher than the amounts generally billed to third-party payers and may be eligible for additional discounts based on the Federal Poverty Guidelines as described in Appendix A.
- E. The SARH financial assistance program is overseen by the Finance Committee of the Board of Directors. This committee will review this policy annually and will recommend any changes to the Board of Directors for approval.

III. Procedures:

- A. Uninsured Discount for Medical Services
 - 1. Patients who do not have insurance coverage and are not eligible for a federal or state healthcare program (Medicare, Medicaid, Worker's Compensation, etc.) will not be billed more for emergency or other medically necessary care than amounts generally billed to individuals who have insurance covering such care.
 - 2. The uninsured discount may not apply to services that are not medically necessary. Nor does it apply to individuals who have insurance but elect to pay out of pocket for health care services. Types of services that generally are not considered medically necessary and are not eligible for the uninsured discount are listed in B. 3.
 - 3. The percentage amount of the uninsured discount will be reviewed by the Finance Committee of the Board of Directors at least annually and may be periodically revised as approved by the Board of Directors.
- B. Financial Assistance Program for Medical Services
 - 1. in addition to the uninsured discount, financial assistance (or charity care) is available to Arkansas residents who meet eligibility requirements. Exceptions to this requirement, such as for an individual who suffers a catastrophic injury while visiting the state, may be made by the Finance Committee of the Board.

2. A charity write-off will be given to any account with a balance of \$9.99 or below.
 3. Financial assistance is limited to medically necessary services. Services generally not eligible for financial assistance, include, but may not be limited to:
 - a) Plastic surgery services
 - b) Infertility services
 - c) Contact lenses and elective vision corrective procedures such as Lasik and Intraocular Lens
 - d) Assistive hearing and listening devices
 - e) Private care requested by the patient or related family
- C. SARH Specialty Pharmacy Financial Assistance Program
1. Individuals who are unable to afford certain high-cost specialty medications for complex medical conditions will be offered help with identifying assistance programs such as grants and manufacturer assistance programs for which the patient may be eligible.
- D. Eligibility for Financial Assistance
1. Eligibility for financial assistance is generally determined based on income as compared to the U.S. Federal Poverty Guidelines, and in certain circumstances, on the ratio of charges to family income. Other factors that will be considered when determining eligibility include, but are not limited to, investments, financial accounts, real estate, other assets, family size, net worth, employment status, earning capacity and other financial obligations. Additional descriptive income verification procedures are outlined in Appendix B.
 2. Patients with extraordinary circumstances, such as those who incur catastrophic health expenses beyond their insurance coverage or own ability to pay may be provided catastrophic protection by limiting payment liability as determined by the Finance Committee of the Board of Directors.
 3. Patients with Medicare or other third-party insurance may be eligible for financial assistance of the patient's obligation including charges for non-covered services. This applies regardless of contractual relationship between SARH and the payor.
 4. The amount of financial assistance will generally be based on the sliding scale attached in Appendix A, which will be adjusted annually based on the Federal Poverty Guidelines. Financial assistance discounts will be applied to the patient's obligation, including charges for non-covered services as well as coinsurance, deductible and copayment amounts related to charges.

5. SARH may also presume eligibility for financial assistance for patients who are eligible for other government programs for low- income individuals or for whom a public record database search reveals a lack of assets. Examples of patients who may be considered presumptively eligible for financial assistance include but may not be limited to:
 - a) Deceased patients for whom a death certificate or estate search shows no estate (if there are no assets, the deceased patient will count as a family member on the application, but their income will be zero);
 - b) Patients who are approved for state or local assistance programs for indigent individuals, including, but not limited to, food stamps, subsidized school lunch programs, or low-income/subsidized housing.
 - c) Patients who are homeless if they have a letter of confirmation from a homeless shelter or the financial counselor can validate that they are homeless (The application needs to indicate in the address field that the patient is homeless, and the application must be signed by the patient);
 - d) Patients who are incarcerated if their medical expenses are not covered by the incarcerating entity.
 - e) Medicaid eligible patients who have exhausted benefits, are receiving non-covered services or services in excess of a benefit limit maximum or length of stay limit.
 - f) Patients with Medicaid or another indigent program in the past twelve months;
 - g) Charges not covered under Medicaid as part of the Medicaid patient's share of cost; and
 - h) Patients for whom information from external sources supports the patient's eligibility for financial assistance.
 - i) Persons with unknown identity
 6. No presumption of eligibility will be granted based on the applicant's pending bankruptcy or legal actions, however, these patients may still apply for financial assistance.
 7. Other factors that may be considered when determining eligibility include other assets, family size, employment status, and other financial obligations. Any questions about eligibility for financial assistance should be referred to the SARH's Business Office Director who will take to the Finance Committee of the Board of Directors for resolution.
- E. Individuals will be provided with information about the financial assistance program on request or when identified as potentially eligible. Completed financial assistance applications with supporting documentation should be returned within

20 days of services rendered to SARH's Business Office Manager. Incomplete applications will be returned by SARH's Business Office Manager and any requests for additional information must be received within 15 days. Financial assistance forms will be posted on the SARH website.

- F. Financial assistance may be denied to patients who do not provide the requested information necessary to completely and accurately assess their financial situation in a timely manner and/or who do not cooperate with efforts to secure governmental healthcare coverage.
- G. Falsification of information on a financial assistance application will result in denial and/or withdrawal of financial assistance and the patient will be billed in full. In the event a patient approved for financial assistance fails to comply with payment terms for a period of more than sixty (60) days, the account will be subject to normal collection procedures.
- H. Patients will be notified in writing of the decision concerning eligibility for financial assistance within thirty business (30) days of receipt of a completed application. A patient's household income and family size are used to calculate the discount percentage. If a patient disagrees with the decision, they can appeal to SARH's Chief Financial Officer and Business Office Director for further consideration.
- I. If a patient has applied for and received financial assistance within the past twelve (12) months, and the patient's financial circumstances have not changed, the patient will be deemed eligible for financial assistance without having to submit a new application. Such patients may be required to complete an attestation that their financial circumstances have not changed since they submitted their initial application.
- J. Individuals who do not qualify for financial assistance may be eligible to receive a pre-payment discount for services paid in full at the time of service. The amount of the pre-payment discount will be reviewed annually by the Business Office Director, the Chief Financial Officer, and the Chief Executive Officer and may be periodically revise. This program will be approved by the Finance Committee and subsequently approved by the Board of Directors. This program will be based off of prevailing Medicare procedure rates.
- K. Applications for financial assistance will be maintained for one (1) year. Patients who are denied financial assistance may reapply if their income or family size changes.

Appendix A

Federal Poverty Scale

The poverty guidelines are published in the *Federal Register* by the Department of Health and Human Services (HHS) in January of each year and can be located at <http://aspe.hhs.gov/poverty>. The guidelines are a simplification of the poverty thresholds for use for administrative purposes — for instance, determining financial eligibility for certain federal programs.

The new poverty guidelines will be implemented within 30 days of the published date.

Income as a % of the Federal Poverty Scale	SARH Discount
138% or less	100%
138.01% – 150%	75%
150.01% - 175%	50%
175.01% - 200%	25%
200.01% or more	0%

Annual Poverty Scale Standard Operating Procedure outlines the step-by-step procedures followed to update the FPL Table.

Appendix B

Income Verification Procedure

- I. Income/Employment Status – includes total cash receipts from all sources before taxes. Verification of income is not required for dependents under age 18.
- II. The following are considered income:
 - a. Wages, tips and salaries before deductions
 - b. Self-employment income
 - c. Social security benefits
 - d. Pensions and retirement income/distribution
 - e. Unemployment compensation
 - f. Strike benefits from union funds
 - g. Workers' Compensation
 - h. Veterans' payments
 - i. Public Assistance payments
 - j. Training stipends
 - k. Alimony
 - l. Military family allotments
 - m. Income from dividends, rents, royalties, & interest income
 - n. Income from estates and trusts
 - o. Income from legal settlements
 - p. Regular insurance or annuity payments
 - q. Lottery winnings
- III. The following will not be considered income:
 - a. Food or rent received in lieu of wages
 - b. Non-cash benefits
 - c. Payments from student loans and grants
 - d. Child Support
 - e. Supplemental Security Income (SSI)
- IV. The following may be used to prove income:
 - a. Federal and state income tax returns for the prior calendar year.
 - b. Self-employed patients are to provide all schedules of their federal income tax return. The following deductions will not be allowed in determining income:
 - i. Depreciation
 - ii. Travel, Meals, & Entertainment
 - iii. Expenses listed as "Other" on other schedules will be evaluated on an individual basis
 - c. W-2 Form(s), or other IRS income forms, included with the prior calendar year tax return filing.
 - d. Payroll check stubs covering the last six weeks are required. When check stubs are unavailable, telephone verification from employer verifying employment and income is acceptable. Telephone verification may only be performed by an authorized

SARH employee to the applicant's Human Resource Representative, not vice-versa. The SARH employee must document in the system and/or record the following:

- i. Company name
 - ii. Date, time of phone call
 - iii. Phone number called
 - iv. Person at applicant's place of employment verifying income
- e. Other current income from any source not directly related to employment, such as retirement or disability benefits, Social Security, or Veteran's Benefits must be verified with check stubs or other documentation.
- f. The most recent checking & savings account statements.
- g. Patients who are employed, but due to a temporary medical condition rendering them unable to work are not drawing an income, will have their annual income reduced by the period of inability to work. This pro-rated income will be used in determining the patient's eligibility for Charity.
- i. Example: The income of a patient with an annual income of \$40,000 who is unable to work for 12 weeks will have a pro-rated annual income of \$30,769 for the purposes of determining eligibility for Charity.
($\$40,000 / 52 \text{ weeks per year} \times 40 \text{ weeks of work}$)
- V. Unemployment may be documented by presentation of:
- a. Arkansas Employment Security Commission documents
 - b. Letters from state and local agencies on their letterhead
 - c. In the absence of any of the above, patients who are unemployed are required to document how their expenses are being paid. These requirements will be waived for patients of retirement age as published by Social Security.
- VI. The following calculations will be used to determine income:
- a. Checking and Savings Accounts - Excluding deposits of income already calculated or excluded due to policy (student loans or grants), take ending balance from each statement, and add all other deposits. Add the three-monthly subtotals and divide the amount by three to obtain a monthly average. The average amount is then added as a one-time amount to annual income.
 - b. Money Markets, Stocks, Bonds, and Certificates of Deposit - Add 100% of value toward annual income.
 - c. Individual Retirement Accounts - Do not count when funds not being drawn. When funds being drawn, take amount received per month and multiply by number of months received in a year. Add to annual income.
 - d. Pay Stubs, Retirement Accounts, and Social Security Disability (SSD) – Convert all income to an annual amount. If paid a certain amount each month, multiply this by the number of months this income received in a year. If paid hourly, take the hourly amount and multiply by the average number of hours worked per week. Multiply the weekly rate by the number of weekly worked per year. If paid a salary, convert the salary to a yearly amount. Multiply the salary by 52 if paid weekly, by 26 if paid every other week (bi-weekly), by 24 if paid twice a month and by 12 if paid monthly.
 - e. Real Estate Owned (other than primary residence) - Take the tax value minus the remaining mortgage amount due to calculate the equity. Equity is then added to total annual income.
 - f. Self-Employment - Includes depreciation, meals and travel, gifts, and entertainment obtained from all schedules.

- VII. Family Size - a group of two or more persons related by birth, marriage, or adoption that live together. All such related persons are considered as members of one family. Family members are defined as follows:
- a. The patient and, if married, his/her spouse;
 - b. Any biological or adopted minor child of the patient, or spouse who has not been emancipated by a court and who is not, or has never been, married;
 - c. Any minor for whom the patient or patient's spouse has been given the legal responsibility by a court;
 - d. Any person designated as "dependent" on the patient's latest tax return;
 - e. Any student over 18 years old who is dependent on the patient's family income, up to the age of 21 and;
 - f. Any other person dependent on the patient's family income
- VIII. Dependency is determined by one of the following documents that contain the patient's or patient's spouse's name:
- a. Current tax return
 - b. Court-ordered guardian/conservatorship
 - c. Birth certificate
 - d. Baptismal record
 - e. Social Security award letter
 - f. U.S. Immigration documentation
 - g. In the absence of any of the above, a signed affidavit from the patient witnessed by a SAHR representative attesting to the dependency of minor child or other family member.
 - h. A minor is one who has not reached his/her eighteenth (18th) birthday and who is not and has never been married. When the marital status of the minor cannot be determined, or when there is no documentation indicating the patient is an emancipated minor, the parents or legal guardian should be designated as the responsible party. The parents or guardian's income and residence should be used to determine eligibility for Charity. Legal guardianship must be fully executed, and valid legal documents are necessary.
 - i. Unmarried college students or individuals 26 or under, must submit parent income and reason for lack of coverage under parent insurance policies.
- IX. Proof of family size will be based on the most current filed Federal Tax form in accordance with the IRS tax laws. A birth certificate(s) must be presented to validate an increase in the family unit above the total claimed on the most recent tax return. If no tax return is provided, the family size will be calculated as one (1).