DEPARTMENT: **DATE LAST REVISED:** **DATE LAST REVIEWED:** **DATE ADOPTED:** **PAGE NUMBER:** **POLICY NO.:** **APPROVED BY:**	**Patient Access/Admitting** **10/22/2018** **10/22/2018** **1** **Fiscal Policy #605**	Avera POLICY AND PROCEDURE

Financial Assistance and Billing Practices

1.0 Introduction

1.1 In a spirit of charity and justice, Avera exists in response to God's calling for a healing ministry to the sick, the elderly and the oppressed, and to provide healthcare services to all persons in need, without regard to the consideration of age, race, sex, creed, national origin or ability to pay.

1.2 Our philosophy on providing healthcare for sick and needy patients:

1.2.1 We believe that providing healthcare for those who require it is an obligation of justice, as well as charity and mercy.

1.2.2 We believe that all persons have a right to medically necessary healthcare and equal access to diagnostic and therapeutic treatment regardless of financial status.

1.2.3 We believe caring and ensuring equal access to medically necessary healthcare is a societal obligation and should be shared by all healthcare institutions and society in general.

1.2.4 We believe that our healthcare organizations, because of our deep concern for human dignity, have an obligation to respond as fully as possible to the healthcare needs of the poor and medically indigent in our area.

1.2.5 We believe that we have a dual responsibility to maintain a leading role in providing medically necessary, cost effective healthcare for the poor and medically indigent and to take an advocacy role by working toward adequate reimbursement of healthcare services for the poor and medically indigent.

2.0 Scope

2.1 This policy and procedure pertains to all Avera Sponsored, Owned, and Leased facilities and is highly recommended for the Avera Managed facilities. Persons and departments covered by this policy include Pre-Admission, Patient Financial Advocate, Registrars and Patient Access Leadership. Independent physicians and other non-Avera providers and services are not covered. Patients seeking a discount for services provided by an independent physician or non-Avera provider should directly contact their physician or other provider.

2.2 This policy does not apply to certain groups or providers that may treat an Avera patient. See Appendix A for a listing of those groups or providers.

3.0 Purpose

3.1 The purpose of this policy is to state specifically how Avera views financial assistance, charity care, how requests for charity care will be addressed, and to ensure that Avera organizations follow and apply uniform billing practices.

3.2 Patients who are without health insurance, underinsured, or otherwise show a demonstrated inability to pay for healthcare services received, may qualify for various financial assistance programs. Providing qualified patients with financial assistance for healthcare needs is an essential element of fulfilling the Avera mission.

4.0 Policy

4.1 Avera is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation. Consistent with its mission to make a positive impact in the lives and health of persons and communities by providing quality services guided by Christian values, Avera strives to ensure that the financial capacity of people who need health services does not prevent them from seeking or receiving care.

4.2 Charity care is not a substitute for personal responsibility. Patients are expected to cooperate with Avera's procedures for obtaining charity care or other forms of financial assistance and to contribute to the cost of their care based on their ability to pay. Individuals and/or families with the financial capacity to purchase health insurance are encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual and/or family assets.

4.3 Avera's sponsored, owned and leased operations shall maintain an open door policy to provide **emergency and medically necessary medical care** to the community within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd). No limitations or situations for rendering care will be based on the patient's ability to pay.

4.4 This policy is specifically targeted at low-income, uninsured and underinsured patients who meet certain eligibility requirements and is not intended to be

applied to insured or self insured patients who have the means to accept the responsibility for their incurred charges.

4.5 Avera recognizes that certain state and/or federal laws require it to make good-faith efforts to collect all accounts and as such, collection agency services will be utilized in accordance with standard business industry practice.

4.6 Additionally, Avera recognizes that certain state and/or federal laws do not allow discounts to all patients and as such, Avera will only consider discounts on a case-by-case basis as requested by the patient or his or her legal representative or guardian. Avera also recognizes that laws may prevent it from discounting or waiving certain co-pays and deductibles.

4.7 Any patient can complete an application and apply for financial assistance. Financial assistance can include full or partial charity adjustments, Medicaid, and other state and county assistance programs. The financial assistance program is designed to meet all Federal, State and Catholic Health Association requirements.

4.8 Avera organizations governed by this policy have discretion to weigh any extenuating circumstances when determining eligibility for financial assistance and when determining discount levels. Any such determinations must meet the parameters of this policy at a minimum such that eligibility may become easier for a patient to meet or discount levels are greater than prescribed in this policy.

5.0 Guiding Principles

5.1 To: Provide community assistance to patients and families when charges for hospital/clinical services received create an undue financial hardship.

5.2 To: Create a process in which all financial resources of the patient is evaluated (including household income and under some state laws, the income of adult children) and charity care provided relative to the patient's entire financial situation including all healthcare obligations.

5.3 To: Provide a uniform, consistent billing practice and charity care program throughout Avera's sponsored, owned and leased healthcare organizations.

6.0 Definitions

Bad Debt is defined as those amounts that are uncollectible and do not meet the charity care services eligibility criteria. Bad Debt is the result of unsuccessful collection efforts on accounts of patients unwilling to pay. Avera will use all methods legally available to collect on accounts of patients who have the means, yet are unwilling to pay. Any discounts to and write offs due to bad debt shall not count as charity care.

Charity Care: 100% free medical care for Emergency or Medically Necessary Services provided by Avera. Patients who are Uninsured or Underinsured for a medically necessary service who are ineligible for governmental or other coverage, and who have family incomes not in excess of 150% of the Federal Poverty Guidelines may be eligible to receive 100% Charity care based on their financial assistance application. Avera may determine or re-determine a patient's eligibility for charity care any time information on the patient's eligibility becomes available.

Financially Indigent: Uninsured or underinsured patients who are provided care with no obligation or a discounted obligation to pay for the services rendered. These patients are also defined as poor or economically disadvantaged and have income at or below federal poverty levels.

Indigent by Design: Patients who were offered health insurance and chose not to participate in the employer's health plan. Avera may, at its sole discretion, grant a discount to patients deemed to be indigent by design and will work with such patients to arrive at a payment schedule acceptable to both parties. Avera will use all methods legally available to collect on accounts of patients who are deemed indigent by design. Any discounts in this category shall not count as charity care.

Other situations that may be deemed Indigent by Design include, but are not limited to:

- Patients under 26 who qualify for inclusion on their parents health insurance plan
- College students who did not elect the student health plan

Medically Indigent: Patients who's medical or hospital bills, after payment by third-party payers, exceed the financial resources available to the patient. The patient who incurs catastrophic medical expenses is classified as medically indigent when payment would require liquidation of assets critical to living or would cause undue financial hardship to the family support system. In addition, medically indigent shall also include catastrophic medical expenses of patients where after payment by third-party payers, the residual amount exceeds the financial resources available to the patient.

Medically Necessary: Health care services or products that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness,

injury, disease or its symptoms in a manner that is: (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate in terms of type, frequency, extent, site and duration; and (c) not primarily for the convenience of the patient, physician, or other health care provider. (AMA definition of "medical necessity" Policy H-320.953[3], AMA Policy Compendium).

Partial Charity Care: Care at a discounted rate for Emergency or Medically Necessary services provided by Avera. Patients who are Uninsured or Underinsured for a medically necessary service, and who have family incomes in excess of 150% of the Federal Poverty Guidelines, are eligible to receive Partial Charity Care in the form of a discount of up to 90% off of net inpatient, outpatient and/or clinic charges. However, patients who would otherwise qualify for Partial Charity Care but who have sufficient liquid assets available to pay for care without becoming Medically Indigent are not eligible for Partial Charity Care. Authorized Patient Financial Advocates, Patient Financial Services and Senior Staff may grant a larger discount than the grid allows if the situation warrants the larger discount and may go up to 100%.

Patient – Household: Those who are responsible for payments for self or dependents. This may not be limited to those living directly at a single residence and may encompass any dependent relationship such as a child or dependent at college in a different town. This may also encompass other dependents living at the same residence such as dependent relatives living within the household.

Presumptive Charity Care: A determination that a patient is presumed eligible for Charity Care when adequate information is provided by the patient or through other sources which allow Avera to determine that the patient qualifies for Charity Care. (See Attachment IV)

7.0 Eligibility (HR3590 (4)(A)(i))

7.1 Avera will adhere to an established methodology to determine eligibility for Charity Care and Partial Charity Care. The methodology shall consider whether health care services meet Emergency or Medical Necessity criteria, as well as income, net assets, family size, and resources available to pay for care.

7.2 Uninsured and underinsured patients whose income/family income does not exceed 150% of the current Federal Poverty Guidelines may be granted 100% forgiveness of their charges for emergent or medically necessary care. Patient's assets will be taken into account for eligibility even if his or her income/family income is at or below 400% of the Federal Poverty Guidelines. For example, a patient with annual income of $10,000 and positive net assets of $100,000 may have the resources to pay his or her bill.

7.3 Uninsured and underinsured patients whose income/family income is greater than 150% of the Federal Poverty Guidelines may be granted up to 90% forgiveness of their charges for emergent or medically necessary care based on a sliding scale.

7.4 Uninsured, underinsured, and indigent by design patients whose income/family income is greater than 400% of the Federal Poverty Guidelines may be eligible for discounted care based on their particular circumstances. Such discounts are at the discretion of the organization and will not be counted as charity care.

7.5 Avera organizations have the option to provide a prompt pay discount. Such discounts are at the discretion of the organization and will NOT be counted as charity care.

7.6 Eligibility for Charity Care and Partial Charity Care will extend for up to 180 days from the date eligibility is determined, but can be re-examined at any time new information is available. The 180 day period is contingent upon the patient working in good faith with Avera on all payment sources.

7.6.1 Within this 180 day period, charity will not automatically be applied to patient accounts. The patient must contact Avera indicating they have an inability to pay. The patient will not have to reapply, but will need to confirm their current financial situation has not changed.

7.7 Circumstances that may disqualify a patient for a charity care are:

7.7.1 Fraud (providing false information on the Financial Assistance Application & Patient Financial Information Form).

7.7.2 Patient or legal representative/guardian unresponsive to requests for information.

7.7.3 Refusal to fully complete Financial Assistance Application & Patient Financial Information Form.

7.7.4 Refusal to provide requested documentation of income and assets.

7.7.5 Refusal to cooperate with the charity care policy.

7.7.6 Refusal to cooperate with any reasonable payment arrangements.

8.0 Calculation Methodology (HR3590 (4)(A)(ii))

8.1 All available financial resources shall be evaluated before a determination regarding charity care or partial charity care is made. Avera shall consider the financial resources of the patient, as well as other persons having legal responsibility to provide for the patient (e.g. parent of a minor, spouse). Special consideration may be given for the patient's primary residence and primary vehicle.

8.1.1 If, in the course of evaluating the patient's financial circumstances, it is determined by Avera that the patient may qualify for federal, state, or local programs or insurance coverage, financial counseling will be provided to assist patients in applying for available coverage. **Charity Care and Partial Charity care will be denied to patients/guarantors who do not cooperate fully in applying for available coverage.**

8.1.2 Patients with Healthcare Reinsurance or Medical Savings Accounts are insured for purposes of this policy and the amount on deposit will be considered as an available resource toward payment for services.

8.1.3 If a patient has a claim, or potential claim, against a third party from which the hospital's bill may be paid, the hospital will defer its Charity Care determination pending disposition of the third party claim.

8.2 Eligibility for Charity Care or Partial Charity Care will be determined using a sliding scale in excess of 150% of the Federal Poverty Level Guidelines as published annually in the Federal Register, as well as consideration of available assets and liabilities and any extenuating circumstances.

8.2.1 Avera Medical Group Behavioral Health Marshall will be exempt from utilizing assets and liabilities from their charity determinations.

8.3 Avera organizations will use **Attachment V** for scoring Charity Care and Financial Assistance Applications and apply the applicable discount to patient's bill where the patients income is in excess of 150% of the Federal Poverty Guidelines.

8.4 Patients/Guarantors shall be notified in writing when Avera makes a determination concerning Charity Care or Partial Charity Care.

8.5 All information obtained from patients and guarantors shall be treated as confidential to the extent required by the Health Insurance Portability and

Accountability Act of 1996 (HIPAA) and any other applicable federal, state or local privacy laws.

8.5.1 Applications and supporting documentation should not be stored in the patient's paper or electronic record. Storage should be in the central contract management system or other electronic, secure central repository as may be determined by committee.

9.0 Presumptive Charity Care (HR3590 (4)(A)(ii))

9.1 Presumptive Charity Care is a tool of last resort and applies only after all other avenues have been exhausted. There are occasions when a patient may appear eligible for a charity care discount, but there is no financial assistance form on file because documentation was lacking that would support the provision of financial aid. Such instances have resulted in a patient's bill being assigned to a collection agency and ultimately recognized in the accounting records as a bad debt expense, due to a lack of payment. This approach, however, results neither in a fair solution for the patient nor in an appropriate accounting of the transaction. Often there is adequate information provided by the patient or through other sources, which could provide Avera with sufficient evidence to provide the patient with a charity care discount, without needing to determine eligibility for medical indigence. This presumptive eligibility, when properly documented internally by Avera staff, is sufficient to provide a charity care discount to patients who qualify. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted to the patient by Avera is a 100% write-off of the account balance.

9.2 Some patients are presumed to be eligible for charity care discounts on the basis of individual life circumstances (e.g., homelessness, patients who have no income, patients who have qualified for other financial assistance programs such as food stamps or WIC). Avera shall grant only 100% charity care discounts to patients determined to have presumptive charity care eligibility. Avera shall internally document any and all recommendations to provide presumptive charity care discounts from patients and other sources such as physicians, community or religious groups, internal or external social services or financial counseling personnel.

9.2.1 To determine whether a qualifying event under presumptive eligibility applies, the patient/guarantor shall provide a copy of the applicable documentation that is dated within 30 days from the date of service.

9.2.2 For instances in which a patient is not able to complete an application for financial assistance, Avera may grant a 100% charity care discount without a formal request, based on presumptive circumstances, approved by the Avera Business Office Director or Manager, Director of Patient Accounts/Central Billing Office, CFO, CEO or designees in accordance with approval thresholds found in Attachment V.

9.2.3 Avera shall utilize the Standardized Patient Charity Care Discount Application Form – Presumptive Eligibility (see **Attachment IV**).

9.2.4 The determination of presumptive eligibility for a 100% charity care discount shall be made by Avera on the basis of patient/guarantor income, not solely based on the income of the affected patient.

9.2.5 Individuals may not be required to complete additional forms or provide additional information if they already have qualified for programs that, by their nature, are operated to benefit individuals without sufficient resources to pay for treatment. Rather, services provided to such individuals may be considered charity care and shall be considered as qualifying such patients on the basis of presumptive eligibility. Examples of patient situations that reasonably assist in the determination of presumptive eligibility can be found on Attachment IV to this policy.

9.3 Avera entities may also use a presumptive charity process that includes the scoring of patient accounts via a third party vendor. For patient accounts that score out as charity eligible, Avera will grant 100% charity and notify the patient of their decision via mail. Payments previously made on presumptive accounts will not be refunded to the patient.

9.4 Avera entities may also use presumptive charity based on information obtained from its collection agency Accounts Management Incorporated (AMI) when accounts are close and returned. The following close and return codes from AMI may be used as 100% presumptive charity write-offs.

- 409 Debtor Destitute (doubt this is used much if at all anymore)
- 410 Debtor Deceased
- 411 RTP No Assets (RTP= refuse to pay)
- 412 Unable/Pay No Assets
- 419 In Prison/Jail
- 427 Charity Adjustment (old cancel code)
- 428 Medicaid Unable/Pay (doubt this is used)
- 437 Charity
- 443 Medicare Unable/Pay

- 789 Presumptive Charity
- 436 CPR Adjustment
- 408 Filed Bankruptcy

10.0 Application Process (HR3590 (4)(A)(iii))

10.1 Patients can apply for financial assistance by contacting the business office or by visiting www.avera.org to obtain all application materials. Copies of documents to substantiate income levels and assets shall be provided by the patient/guarantor (e.g.: W-2, most recent Tax Return, Pay Stubs, and Bank Statements)

10.2 The patient/guarantor shall be required to provide information sufficient for Avera to determine whether he or she is eligible for benefits available from insurance, Medicare, Medicaid, Workers' Compensation, third party liability and other federal, state, or local programs. Use **Attachment I.**

10.3 In the event that Avera determines that a patient is ineligible for Charity Care or Partial Charity Care, the patient may appeal that decision in writing to the Chief Financial Officer (CFO) or designee within thirty (30) days following receipt of the bill for which financial assistance has been requested. Failure to appeal will result in the decision becoming final. The determination of the CFO or designee shall not be subject to further appeal.

10.4 Patients who return a completed application and qualify for financial assistance must have all extraordinary collection activities reversed on their accounts and refunded any amounts they have paid above and beyond their new calculated balance.

10.5 Patients who return an incomplete application must be given 10 business days to complete the application and all extraordinary collection activities must be suspended. The patient must also be sent a letter indicating what information is needed to process their application and the contact information to use if they have questions.

10.6 Should a patient need free assistance with completing or understanding this policy or the application materials, they can obtain assistance by visiting one of the Avera locations Financial Counselors or by calling the number found on their statement.

10.7 Completed applications and attached documents will be forwarded to the organizations designated department for processing and scoring (typically the Business Office or Financial Counselors)

10.8 Applications will be scored and determination letters sent to the patient or guardian within 3 weeks of receipt.

10.9 Application, attachments and determination letter will be scanned into central repository with expiration noted as 180 days from determination. (central repository still being developed by Avera Health)

12.0 Billing and Collections (HR3590 (4)(A)(iv))

12.1 At the time of billing, the organization shall provide to all SELF-PAY, low-income, uninsured patients that qualify for free or discounted care under this policy the same information on services and charges that it provides to all other patients receiving care. Qualified patients will be granted a self pay discount and any applicable Charity Care discount. Thus, the gross charges, applicable discounts, and net balance will show on the bill with the net charges being the patient's responsibility to pay.

12.1.1 If the patient qualifies for 100% charity care, no further bills will be sent. A letter will be sent instead indicating that the patient's bill has been completely forgiven.

12.2 When sending a bill to any patient, the organization shall include on the bill all of the following information:

12.2.1 A statement that indicates that if the patient meets certain income requirements the patient may be eligible for a government-sponsored program or for financial assistance from the organization for help in paying for the services that were provided; and

12.2.2 A statement that provides the patient with an organization phone and website contact info for which the patient may obtain information about the organization's financial assistance policy for low-income uninsured patients and how to apply for such assistance for the payment of services that were provided

12.2.3 Notices and contact information must be printed on the front of patient billings. The printing on the bill does not need to be exhaustive and may read similar to "Avera has a financial assistance policy. If you meet certain requirements and are unable to pay your bill you may qualify for a discount. This policy, along with a summary of the policy and application

materials can be found at www.avera.org. For more information contact your local business office."

12.3 If the patient qualifies for the organization's financial assistance policy for low-income, uninsured patients and is cooperating with the organization with regard to efforts to settle an outstanding bill within current self pay collection policy guidelines and timeframes, the organization or its agent shall not send, nor intimate that it will send, the unpaid bill to any outside collection agency. At such time as the organization sends the uncollected account to an outside collection agency, the amount referred to the agency shall reflect the reduced-payment level for which the patient was eligible under the organization's financial assistance policy for low-income uninsured patients. Avera does not report any data to any of the credit agencies, however, the collection agencies Avera utilizes may report to the credit agencies.

12.4 Avera organizations will allow 240 days from the first post discharge billing statement for individuals to apply for financial assistance.

12.5 Avera organizations will allow all individuals 120 days from the first post discharge statement to apply for financial assistance before initiating any extraordinary collection activities (ECA). Avera considers placement at a collection agency an ECA.

12.6 The term "individual" does not include any trust, estate, partnership, association, company, corporation, or governmental entity and, thus, would not include any private or public insurer. Accordingly, the final regulations retain the provision in the 2012 proposed regulations regarding ECAs against individuals with responsibility for a patient's hospital bill. This provision does not require a hospital facility to make reasonable efforts to determine FAP-eligibility before engaging in ECAs against private or public insurers or any other liable third parties that are not individuals.

12.7 Prior to sending to a collection agency, Avera will provide the patient with a statement or final notice that contains a listing of the specific collection action(s) it intends to initiate, and a deadline after which they may be initiated (that is no earlier than 30 days after the date the notice is provided); a summary of the FAP will also be included with the notice. The language to be used on statements or billing notices is: "Extraordinary collection activity may result upon non-payment of your account within 30 days of the date of this notice. This activity may include the placement of your account with a debt collection agency. Subsequent to judgment, the collection agency may choose to proceed with garnishment."

12.8 For any patient that Avera intends to initiate ECAs on, the patient will be notified of Avera's financial assistance policy in all verbal communications regarding their bill.

12.9 Avera will refrain from any debt collection practices during an emergency room visit unless the patient has been discharged.

12.10 Any extended payment plans offered by a **hospital**, **or the hospitals representative**, in settling the outstanding bills of patients who qualify for financial assistance shall be interest-free so long as the repayment schedule is met.

12.10.1 Avera clinics generally do not offer extended payment plans.

13.0 Public Notice, Posting, and Communication with Patients. (HR3590 (4)(A)(v))

13.1 Avera organizations shall post a notice, in accordance with the Community Assurance Provision of the Hill-Burton Act and various other State, Federal, and JCAHO requirements, regarding the availability of financial assistance for the payment for services provided to low-income uninsured patients.

13.2 The Community Assurance Provision of the Hill-Burton Act under Title VI of the Public Health Service Act requires recipients of Hill-Burton Funds to make services provided by the facility available to persons residing in the facility's service area without discrimination on the basis of race, color, national origin, creed, or any other ground unrelated to the individual's need for the service or the availability of the needed service in the facility. The community service obligation does not require the facility to make non-emergency services available to persons unable to pay for them. It does, however, require the facility to make emergency services available without regard to the person's ability to pay. This assurance is in effect for the life of the facility only so long as the facility is operated by a not-for-profit or public entity. For reference, please visit http://www.hhs.gov/ocr/hburton.html

13.3 Notices shall be posted in the community's dominant language(s) in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as emergency departments, billing offices, admitting offices, and outpatient service settings as well as the organization's website.

13.3.1 Posted notices shall contain the following:

13.3.1.1 A statement indicating that the organization has a financial assistance policy for patients who are low income and/or

uninsured may not be able to pay their bill and that this policy provides for charity care and reduced-payment for healthcare services; and

13.3.1.2 Identification of a contact phone number that a patient can call to obtain more information about the financial assistance policy and about how to apply for such assistance.

13.4 In addition, Avera organizations will make the financial assistance policy widely publicized within the communities they serve. Publication may include, but is not limited to, newspaper, radio, or television advertisements, website, mailers, flyers, or distribution at centers or locations frequented by indigent populations such as food pantries or shelters.

13.5 Make reasonably available, and/or on request, the booklet "A guide to your hospital bill and insurance" both in print form and on each hospital website.

13.6 Each Avera organization shall post on its website or otherwise make available to the public on a reasonable basis, notification that it has a financial assistance program for low-income, uninsured patients and the organization's contact person or department to request financial assistance.

13.6 Each Avera organization shall post on its website and otherwise make available to the public this policy or any local variation of this policy.

13.7 Avera organizations will make available free copies of the summary of financial assistance via www.avera.org. This summary will also be offered prior to discharge and within the final billing statement prior to any extraordinary collection activities.

13.8 Avera organizations will make available the translation of the financial assistance policy, application form and summary of the policy in the language spoken by each LEP language group that constitutes the lesser of 1,000 individuals, or 5 percent of the community serviced by the hospital facility or the population likely to be affected or encountered by the hospital facility.

14.0 Limitation on Charges (HR3590 (5)(A) & (B))

14.1 Avera recognizes that Medicare regulations require uniform Hospital "charges" for cost reporting purposes. Therefore all patients must be "charged" the same amount for the same service.

14.2 Avera also recognizes that Section 501(r)(5) limits amounts "charged" to patients for emergency or other medically necessary care to amounts not more than those generally billed to individuals who have insurance covering such care.

14.2.1 Avera organizations shall BILL 100% patients who apply and qualify for charity care or financial assistance under this policy (incomes at or less than 400% of the Federal Poverty Guidelines) not more than the lowest IP & OP combined Medicare & commercial payment rate. This rate may vary by each Avera organization and will be reviewed on an annual basis. This rate is considered the look-back method per IRS guidelines.

14.2.1.1.1 Rates will be updated annually each October and therefore during the course of a calendar year two different rates may be used.

14.2.1.1.2 For information on how this rate was calculated please contact our customer service department at 605-322-6400.

14.2.2 Patients shall receive a new statement from Avera that line items out the following: gross charge amount, discount amount applied through the look back method, financial assistance discount amount, and total balance due.

14.2.2.1.1 The account balance post any self pay discounts will be used to determine the percentage of charity given.

14.2.3 In the instance where a State, Federal or other regulation or agreement is more stringent than Section 501(r)(5), the method prescribed in that regulation or agreement will be followed. Once specific example is the Minnesota Attorney General agreement with the hospitals. That agreement specifies that the hospitals shall provide the Most Favored Nation discount.

14.3 The statement sent to the patient will show the gross charges, self-pay discount, any charity care or financial assistance discounts and the net patient responsibility amount.

14.4 Clinics bill the best rate for charges to self pay and the bill may not necessarily show the gross charges and self pay discount, but rather only the best net charge.

15.0 Data Compilation and Reporting Requirements

15.1 The Avera Central Office shall annually compile and post on its website or otherwise make available to the public on a reasonable basis the following data in accordance with the Catholic Health Association (CHA) and Internal Revenue Service (IRS) guidelines:

15.1.1 The amount of charity care provided based on cost.

15.1.2 The un-reimbursed costs of care provided to beneficiaries of government programs including, but not limited to Medicaid and county indigent programs with this item being defined as the shortfalls between costs and off-setting reimbursement/revenue that a hospital experiences in providing care.

15.1.3 The un-reimbursed costs of care provided to beneficiaries of Medicare with this item being defined as the shortfalls between costs and off-setting reimbursement/revenue that a hospital experiences in providing care. This item is not to be included in the Community Benefits Report except as a separate note.

15.1.4 The amount of Bad Debt incurred based on cost. This item is not to be included in the Community Benefits Report except as a separate note.

16.0 Compliance Monitoring

16.1 Avera Internal Audit shall periodically conduct audits to ensure compliance with this policy.

17.0 Amendments/Interpretation

17.1 This policy is subject to change without prior notice, is subject to interpretation by Avera at it sole discretion, and is not intended to create any contractual relationship or obligation.

17.2 Avera Health Finance shall determine the need for revisions to this policy and shall submit revisions for review to General Counsel and Avera Sponsored Hospital CFO's and shall submit revisions for approval to the Avera Health Board of Directors.

DEPARTMENT: **DATE LAST REVISED:** **DATE LAST REVIEWED:** **DATE ADOPTED:** **PAGE NUMBER:** **POLICY NO.:** **APPROVED BY:**	**Patient Access/Admitting** **10/22/2018** **10/22/2018** **17** **Fiscal Policy #605**	Avera POLICY AND PROCEDURE

Financial Assistance and Billing Practices

PREVIOUS STATEMENTS:
AUGUST 1982
SEPTEMBER 1984
FEBRUARY 1991
MAY1999
NOVEMBER 2004

Appendix A-Providers and groups not subject to this policy that may treat Avera patients. (last updated 10/22/2018)

- Central Plains ENT & Audiology
- Harbert Orthopedics PC/Aberdeen Orthopedics & Sports Medicine
- Dr. Sanjeevi Giridhar & NE Mental Health CTR
- Family Dental Care, Aberdeen
- Aberdeen Dental Associates
- Aberdeen Dermatology Clinic
- Ophthalmology Associates, Aberdeen
- Aberdeen Asthma & Allergy
- Physician Labs
- Bostwick Laboratories
- Yankton Medical Clinic
- Yankton Anesthesiology
- Lewis and Clark Family Medicine
- Yankton Surgical Associates
- Shindler Foot Clinic
- Willcockson Eye Associates
- Nephrology Associates
- Family Medicine Clinic of Yankton
- Anesthesiology Associates, Inc
- Affiliated Medical Center, Marshall MN
- Southwest Minnesota Sports Medicine
- Whitney Sleep Center
- Central Dakota Ear Nose and Throat
- North Central Heart
- Dr. Bormes- SURGERY
- Dr. Wyatt
- Audiology Associates
- Dr. Werth
- Dr. Cihal
- Dr. Whitney
- Jeff Schmidt, DPM
- Kynan Trail, M.D.; Yankton Surgical Associates
- Michael Krause, M.D.; Dakota Women's Clinic
- Michael Pietila, M.D.; Yankton Medical Clinic
- North Central Heart Institute
- Ear, Nose, & Throat Associates, PC
- James Valley Imaging, 2200 N Kimball Street, Mitchell, SD 57301
- KCI
- Parkston Ambulance
- Tripp Ambulance
- Corsica Ambulance
- Lake Andes Ambulance
- The Hearing Clinic

- CHI Health
- Faith Regional Cardiovascular
- Lesley Kester-Certified DSF
- Platte Valley Medical Group
- Heartland Hematology and Oncology
- Nephrology Associates
- Midlands OBGYN
- Miles Eye Center
- Shindler Foot Clinic
- White Mountain Foot and Ankle
- Nebraska Pulmonary Specialists
- Urology Associates-Grand Island
- Surgical Institute of South Dakota
- James Valley Imaging, LTD
- Graham Ear Nose & Throat, PC
- Mitchell Anesthesia, PC
- Mitchell Clinic, LTD
- Sanford Clinic
- Ophthalmology LTD
- Dakota Women's Clinic, Michael R. Krause, D.O., P.C.
- Horizon Health Care, Inc.
- Urology Specialists of Sioux Falls
- Jeffrey R. Schmidt, DPM
- Plastic Surgery Associates of Sioux Falls