

<b>Financial Assistance Administrative House Wide Policy and Procedure</b>		
Applicable Campus	Department Name	Approval Authority
Salem Health and West Valley Hospital	Finance	System Director, Revenue Cycle
<b>Effective Date: January 2025</b>		<b>Next Review Date: January 2028</b>
List Stakeholders Position or Committee	Document Status	Date of Approval
System Director, Revenue Cycle	Revised	11/2024
Patient Billing Manager	Revised	11/2024
VP, Finance	Revised	11/2024
Chief Financial Officer	Reviewed	11/2024
Board of Directors	Reviewed	1/2025
System Director, Revenue Cycle	Reviewed	1/2025
<b>Final Approval Date SH &amp; WVH</b>	<b>Final Approval</b>	<b>MM/YEAR</b>

**Describe briefly the most recent revision made to this policy, procedure, or protocol and why:**

Updated the presumptive eligibility prescreening process, added information on how a patient can opt out of the award determined by the prescreening process, updated presumptive eligibility amounts to be in alignment with 501(r), updated traditional financial assistance amounts to be in alignment with HB3320 and HB3076, updated refund verbiage, updated application period from 2 years to 240 days.

### Policy Content

**Purpose/Policy Statement:**

This policy is written to ensure an equitable and comprehensive system of distributing financial assistance to the financially burdened within the available resources of Salem Health while ensuring that Salem Health is financially capable of providing the highest quality healthcare to the community. Salem Health and West Valley Hospital are collectively referred to herein as Salem Health.

Salem Health will attend to the needs of those that are financially disadvantaged and act with integrity in all endeavors, treating all patients with dignity, respect, and compassion.

Revenue Cycle staff will work to improve cash flow and efficiency related to patient liabilities by collecting co-payments, co-insurances, and uninsured balances/prior balances by establishing flexible and equitable payment arrangements, when needed, without placing an undue burden on patients/guarantors.

Salem Health provides a variety of options to assist patients/guarantors in resolving their accounts, including screening patients for eligibility for viable funding sources, financial assistance, other discounts, and extended payment plans. Patients/guarantors who submit a Financial Assistance application and are determined at or below 400% of federal poverty level qualify for charity assistance. See details in the procedure section of the policy. Patients/guarantors may qualify for other discounts such as presumptive charity, catastrophic charity, or uninsured, see financial matrix below. Salem Health may choose to apply additional Financial Assistance to past due accounts prior to collection activities when independent and/or additional sources indicate an inability to pay.

### Steps/Key Points Procedure

**Screening Patients for Paying Funding Sources**

Patients who are uninsured, under insured or "otherwise unable to pay for their care" are screened for eligibility through the Oregon Health Plan (OHP/Medicaid), Workers Compensation, Third Party Liabilities, or any other potential funding

source at the point of scheduling, patient registration or while inpatient. Salem Health or its representative will review the patient's current resources and work with them to gain eligibility for any of these programs as appropriate.

Patients that are not eligible for OHP or the other programs listed above, and have financial constraints that inhibit their ability to pay, will be assessed for the uninsured discount (see the Uninsured (Self-Pay) Discount policy for the current discount rate) as well as the additional financial discounts, as outlined below.

### **Application Process for Financial Assistance**

The Hospital has developed an application process for determining initial interest in and qualification for financial assistance. Requests for financial assistance will be accepted from the patient directly, or others on the patient's behalf. This could include but is not limited to, the patient's representative, or hospital staff.

A request for financial assistance may be made before, during, or after the provision of care.

The application may be:

- Accessed and submitted online through Salem Health's MyChart mobile application or on our website: [salemhealth.org/financialassistance](http://salemhealth.org/financialassistance)
- Downloaded from our website: [salemhealth.org/financialassistance](http://salemhealth.org/financialassistance)
- Obtained in the Emergency Department, and in registration areas.
- Requested via mail from: Financial Counseling, Salem Health, PO BOX 14001, Salem OR 97309-9976
- Requested via telephone by calling 503-562-4357
- Requested via email by contacting [financialcounselors@salemhealth.org](mailto:financialcounselors@salemhealth.org).

Salem Health's Financial Assistance Policy, Plain Language Summary, and Billing and Collections Policy can also be downloaded from our website. Paper copies may be requested from: via mail from Financial Counseling, Salem Health, PO BOX 14001, Salem OR 97309-9976, via telephone by calling 503-562-4357, or via email by contacting [financialcounselors@salemhealth.org](mailto:financialcounselors@salemhealth.org).

To qualify for financial assistance, the application must be complete.

### **Eligibility Criteria Financial Assistance**

Financial Assistance is based on the determination of a patient's ability to pay, not their willingness to pay. In order to capture total 'allowable medical expenses' or those expenses that qualify to be totaled and assessed against a patient's ability to pay, financial counselors will total the outstanding balances on all hospital accounts less any services not meeting pre-defined medical necessity. Salem Health abides by the government's published standards for medical necessity. Eligibility for Financial Assistance will be determined regardless of race, color, sex, religion, age, national origin, sexual orientation, or immigration status.

Circumstances where a patient has declined enrollment in an insurance program requiring premiums will not be a basis for denying financial assistance. If the patient has insurance, all insurance benefits, including co-op community programs, should be exhausted and only the patient liability is eligible to receive discounts or adjustments. Financial Assistance is the option of last resort. A patient/guarantor must cooperate with the approval process of any funding solution that would pay the patient's bills in order to be eligible for Financial Assistance.

Services not covered are cosmetic and/or elective procedures that are not medically necessary, or any services deemed ineligible within the Financial Clearance Policy. Self-pay package pricing is also not eligible for Financial Assistance. (e.g., a pre-determined package pricing for a procedure would not be eligible for Financial Assistance)

Unpaid balances on all emergent and other medically necessary services are eligible for financial assistance.

### **Criteria considered in determining eligibility include, but are not limited to:**

- The household's\* gross income.
- Family size (persons legally responsible for the patient bill and their dependents)
- The family's monthly out of pocket expenses for medical supplies and services.

Eligibility may be contingent upon patient cooperation with the application process. Salem Hospital may accept information provided on an Oregon Health Plan (OHP) application, OHP eligibility, Probate Estates determination, or documentation

of homeless status, minor status, or reliable third-party credit information to aide in eligibility determination upon a financial assistance application request.

\*The definition of 'household's gross income' includes the combined gross monthly income of all persons legally responsible for patient bill or balance.

**Supporting documentation may include the following:**

*Patient must provide documents to support all sources of income, including but not limited to:*

- Current year federal tax filing including all pages and schedules
- Non-filing verification letter from the IRS
- Most recent three (3) months wage stubs from their employer
- Current year Social Security Administration award letter
- Current year pension benefit award letter
- Veterans Affairs award letter
- Annuity award letter
- Unemployment benefits letter
- Child support award letter
- Alimony award letter or court documents
- Student financial aid award letter
- Short term disability benefits award letter
- Long term disability benefits award letter
- A "Basic Needs" letter that indicates how persons with no income are meeting their day-to-day basic living needs. "Basic Needs" letter must only be considered a secondary supporting document after the Financial Counselor or Clerk validates the information.

Household incomes based on the annual Federal Poverty Guidelines (FPG) will be eligible for Financial Assistance upon submission of an application as outlined below and in the FPG Financial Matrix:

**Financial Matrix**

Financial Assistance Category	Percentage Discount
0-200% Income as a Percentage of Federal Poverty Level	100%
201-300% Income as a Percentage of Federal Poverty Level	75%
301-400% Income as a Percentage of Federal Poverty Level	Greater of 50% or AGB**
Catastrophic Discount	100% of balances greater than 20% Gross Family Income

*\*\* Minimum charity discount is based on AGB as described below and will be reviewed annually and revised if necessary to comply with IRS Section 501(r).*

AGB or Amounts Generally Billed represents the typical reimbursement amount of patients who have insurance covering their care. A patient eligible for Financial Assistance may not be charged more than AGB for emergency or other medically necessary care. Hospital facilities must calculate their AGB percentages at least annually by dividing the sum of the amounts of all its claims for emergency or other medically necessary care that have been allowed by the certain health insurers during a prior 12-month period divided by the sum of the associated gross charges for those claims. AGB has been determined using the Look-back method using Medicare fee-for service and all private health insurers paying claims to the hospital facility; as outlined in IRS Section 501(r)(5).

**Determination for Financial Assistance**

The hospital will make a determination based upon written information received from the patient, the patient's representative, or a third-party charity scoring vendor. The determination can be made at any time prior to the closure of the account. Hospital personnel will communicate this initial determination to a patient or the patient's representative. A subsequent determination can be made if patient provides sufficient documentation to meet eligibility criteria for a different level of financial assistance. Salem Health will make every attempt to send a "Notice of

Determination” letter to all applicants within 21 days of receipt of a completed application and supporting documentation. If additional information is required to process the application, patients/guarantors will be informed of those requirements and of their rights to appeal in the letter. Applicants will have 45 days to provide additional information or appeal the decision.

Financial Assistance determinations are valid for 12 months. Coverage will begin 240 days prior to Salem Health receiving the signed financial assistance application and end the last day of the twelfth month from which the approval is processed. Salem Health will provide a refund for the amount a patient/guarantor has paid for care that exceeds the amount the patient/guarantor is determined to be personally responsible for paying under the FAP, unless such excess amount is less than \$5.00.

If Salem Health determines eligibility incorrectly (that the patient did not qualify for financial assistance for the services based on information provided by the patient), the hospital will pay the patient interest on the amount of financial assistance at the rate set by the Federal Reserve and any other associated reasonable costs, such as legal expenses and fees, incurred by the patient in securing financial assistance based off the time of the incorrect determination.

### **Appeal Process for Financial Assistance**

A guarantor/patient may submit a written request or complete our Financial Assistance Appeal Request form to appeal the determination. The Appeal Request form can be found on our website at [www.salemhealth.org/financialassistance](http://www.salemhealth.org/financialassistance) or the patient can call or email to request the form. Appeals can be made for up to 45 days from the date of the “Notice of Financial Assistance Determination” letter. A review by the hospital’s Chief Financial Officer or a designee may also be requested. The appeal process will include a review of the financial assistance application and any new financial documentation provided.

To submit an appeal request, a patient/guarantor can do so in one of the ways listed below:

- By e-mailing: [financialcounselors@salemhealth.org](mailto:financialcounselors@salemhealth.org)
- By faxing: 503-814-1998
- By mailing: Attn: Financial Counselor Team, PO Box 14001, Salem, OR 97309-5014
- By presenting in person to: Information Desk in Bldg A at Salem Health’s main campus or at West Valley Hospital’s front desk in the lobby

### **Screening for Presumptive Eligibility**

Salem Health will screen any patient/guarantor that resides in Oregon without public or private health insurance coverage, any patients/guarantors enrolled in a state medical assistance program, or any patient/guarantor that will owe the hospital \$500 or more on a single statement, prior to them receiving a statement. Salem Health will also screen all patients/guarantors that reside in Oregon prior to sending to collections.

Presumptive charity discounts are determined based on the Federal Poverty Guidelines (FPG) and Oregon House Bill 3076 as well as Oregon House Bill 3320 legislation. The presumptive eligibility screening may include a review of:

- (a) Existing patient records;
- (b) Information routinely collected during patient registration or admission;
- (c) Information voluntarily supplied by the patient;
- (d) Previous financial assistance adjustments; and
- (e) Existing eligibility for assistance programs. Examples include, but are not limited to: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Women, Infants and Children (WIC), free lunch or breakfast programs, low income home energy assistance programs, or any other program which are means tested and would reasonably reflect the approximate patient household income.

Based on the outcome of the review, adjustments will be applied to the patients/guarantors account prior to receiving a billing statement in accordance with financial matrix above.

Salem Health will notify all patients, regardless of the outcome, the results of the screening either by sending a “Notice of Presumptive Eligibility” letter or by including verbiage on the billing statement. A patient/guarantor cannot opt out of the screening process for presumptive eligibility; however, a patient/guarantor may choose to decline the presumptive charity discount by contacting Patient Financial Services at 503-814-2455 (BILL). In choosing to decline the presumptive charity discount, no presumptive charity discounts will be applied for one year unless the patient’s/guarantor’s financial situation has changed and requests Salem Health to apply the discount. Salem Health

will document that the patient/guarantor received the presumptive eligibility discount, and the patient/guarantor chose to decline the discount.

### **Catastrophic Discount**

Catastrophic discounts are determined when evaluating financial assistance applications. If a patient's medical expenses exceed 20% of gross family income, the hospital will waive the excess billing.

Family income is determined as provided below (**income considered available to pay patient's medical expenses**):

1. The hospital will multiply the annual family income and assets by 20%.
2. The hospital will determine the patient's allowable medical expenses based on eligibility criteria defined in this policy.
3. The Hospital will compare 20% of the annual family income to the total of the patient's allowable medical expenses for twelve months. If the total of the allowable medical expenses is greater than 20% of the family income, then the patient meets the catastrophic discount qualification. The Hospital will limit patient liability for medical expenses to 20% of the family's income. Amounts that exceed this limit will be eligible for discount. For Example: Family income of \$70,000 per year and allowable medical expenses of \$45,000. Twenty percent of the family's annual income is \$14,000; the family's medical expenses of \$45,000 exceed this amount. The family would therefore be eligible for a discount of \$31,000.
4. The Catastrophic Discount is based on Annual income and annual medical expenses.
5. Catastrophic coverage is effective from oldest date of service per household and will end the last day of the twelfth month from which the approval is processed.
6. Catastrophic discount may supplement financial assistance coverage discount.

If a patient feels they may qualify based on subsequent patient bills or a change in financial status, an appeal may be submitted for reevaluation.

### **Communications to the Public**

Information on the Hospital's Financial Assistance shall be made publicly available in the following manner:

- Notices are posted in key areas of the Hospital, including Admitting, the Emergency Department, Outpatient Department registration areas, and Patient Financial Services.
- The Conditions of Admission Form informs the patient of their right to apply for financial assistance.
- Written information shall be available in English, Spanish, Russian and Vietnamese. The Hospital will provide the appropriate interpretation services for patients/guarantors who do not speak English.
- Front-line staff will be trained to answer financial assistance questions effectively and will direct any that cannot be answered to Financial Counselor's in a timely manner.
- This policy will be posted on Salem Health's web site. Written information about this policy will be made available upon request.
- All patient billing statements will include a notice that financial assistance is available and contact information if they want to learn more.

### **Emergency Medical Care**

Salem Health has a dedicated emergency department and provides care for emergency medical conditions (as defined by the Emergency Medical Treatment and Labor Act (EMTALA)) without discrimination consistent with available capabilities, without regard to whether or not a patient has the ability to pay or is eligible for financial assistance.

Financial Assistance will not be implemented in contradiction of any state or federal regulations including, but not limited to, EMTALA.

### **Applicable Providers**

Financial assistance determination will be applied to any balance(s) owed to Salem Health or employed providers of the Salem Health Medical Group. Non-employed providers rendering services within our facility are not required to honor our financial assistance determination.

## Extraordinary Collection Activities (ECAs)

Section 501(r)(6) requires a hospital organization to make reasonable efforts to determine whether an individual is eligible for assistance under the hospital organization’s financial assistance policy (FAP) before engaging in extraordinary collection actions (ECAs) against an individual. ECAs are defined as actions taken by a hospital facility against an individual related to obtaining payment of a bill for care covered under the hospital facility’s FAP that

- involve selling an individual's debt to another party,
- involve reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus (collectively, “credit agencies”),
- involve deferring or denying, or requiring a payment before providing, medically necessary care because of an individual’s non-payment of one or more bills for previously provided care covered under the hospital facility’s FAP, or
- require a legal or judicial process.

In accordance with our philosophy of “No Patient Harm is Acceptable to Us,” Salem Health Hospitals and Clinics does not engage in Extraordinary Collection Activities against our patients.

Definitions – Insert N/A if not applicable
N/A
Equipment or Supplies - Insert N/A if not applicable – N/A
N/A
Form Name and Number or Attachment Name - Insert N/A if not applicable – N/A
Provider Participation <a href="https://www.salemhealth.org/about/financial-assist">https://www.salemhealth.org/about/financial-assist</a>
Expert Consultants Position
N/A
References (Required for clinical Documents and within the last five years):
N/A
Related CBT's, Policy, Procedure or Epic Protocol Cross Reference Information – Insert N/A if not applicable
Salem Health and Salem Health West Valley Plain Language Summary Billing and Collections Policy Uninsured (Self-Pay) Discount Policy Financial Clearance Policy
Computer Search Words
Financial Assistance, Charity, Catastrophic, Presumptive, Prescreening
<b>Is there a Regulatory Requirement? Yes</b>
Yes, ORS, IRS 501(r), HB3076, HB3320

Review and Revision History		
History	Review or Revision	Date
Updated the presumptive eligibility prescreening process, added information on how a patient can opt out of the award determined by the prescreening process, updated presumptive eligibility amounts to be in alignment with 501(r), updated traditional financial assistance amounts to be in alignment with HB3320 and HB3076, updated refund verbiage, updated application period from 2 years to 240 days.	Revision	11/2024
Added presumptive charity discount from Other Self-Pay Discounts (now Uninsured (Self-Pay) Discounts policy. Added in prescreening process for presumptive eligibility. Added additional income sources. Edited appeal process	Revision	07/2024

details/options. Clarified hospital practices on Extraordinary Collection Activities. Rearranged the sections. Updated in accordance with HB3320.		
Updated financial/charity assistance coverage period from 6 months to 12 months. Added catastrophic discount from Other Self-Pay discounts policy. Updated Criteria of what is considered for income eligibility such as Cobra payments, non-liquid assets, etc. Removed Hawthorne address reference.	Revision	09/2022
The Financial Assistance Policy (FAP) has been updated to comply with the Oregon Association of Hospitals and Health Systems recommendations, IRS 501(r) requirements, in accordance with HB 3076. Specific changes include the following key points: <ol style="list-style-type: none"> <li>1. Revised verbiage highlighting submission of application for eligibility into Salem Health's Financial Assistance Policy</li> <li>2. Added verbiage that "Salem Health may choose to apply additional Financial Assistance to past due accounts prior to collection activities when independent and/or additional sources indicate an inability to pay."</li> </ol>	Revision	01/2020
Updated policy to reflect 3 year review cycle.	Revision	01/2018
The Financial Assistance Policy (FAP) has been updated to comply with Oregon Association of Hospitals and Health Systems recommendations, IRS 501(r) requirements, and recommended best practices. Specific changes include the following key points: <ol style="list-style-type: none"> <li>1. Formatted using current policy template</li> <li>2. Revised threshold for 100% Financial Assistance from 200% of the Federal Poverty Level(FPL) to 300% FPL</li> <li>3. Moved Catastrophic Discount and Uninsured Discount to Other Self-pay Discounts Policy</li> <li>4. Added Workers Compensation and Third Party Liability to Screening Patients for Paying Funding Sources</li> <li>5. Added Russian and Vietnamese translations to the English and Spanish versions of Financial Assistance documents</li> <li>6. Added Emergency Medical Care section affirming compliance with EMTALA</li> <li>7. Added contact Information including: website address, phone number, physical address, mailing address.</li> <li>8. Added Application Period section</li> <li>9. Added clarifying language to Eligibility Criteria section</li> <li>10. Supporting Documentation section was updated to include Probate Estates determination</li> <li>11. Financial Matrix was updated to current criteria</li> <li>12. Added required language describing Amounts Generally Billed (AGB) methodology</li> </ol>	Revised	12/2016
	Review	04/2015
The Financial Assistance Policy (FAP) has been updated to comply with Oregon Association of Hospitals and Health Systems recommendations, IRS 501(r) requirements, and recommended best practices. Specific changes include the following key points. <ol style="list-style-type: none"> <li>1. Removed Attachment A, Table for Determining Financial Assistance and embedded Financial Matrix table in body of policy.</li> <li>2. Removed all other attachments from document</li> <li>3. Removed the term 'Charity Care' from the document. This term has been replaced with the phrase 'Financial Assistance' throughout.</li> <li>4. Modified the percentage of family income that is utilized as the threshold for 'collectable medical expenses' from 30% to 20%. Any allowable medical expenses greater than 20% of family income should qualify for 100% financial assistance</li> <li>5. Modified the asset test to exclude any and all equity related to primary residence when performing asset test against total allowable medical expenses for determination of financial assistance.</li> </ol>	Revised	04/2014

6. Added language that denies Financial Assistance to patients who refuse to cooperate in applying for a viable funding solution found by Salem Health Financial Counselors		
7. Added language stating that cosmetics and elective procedures that are not medically necessary will not be eligible for Financial Assistance.		
	Review	01/2014
	Revised	01/2013
	Revised	01/2012
	Revised	01/2011
	Review	10/2009
	Review	08/2006
	Review	05/2006
	Review	04/2006
	Review	03/2006
	Review	04/2005
	Review	07/2004
	Review	02/2004
	Review	02/2000
	Review	11/1997
	Review	07/1996
	Review	06/1995
New Policy	New	03/1994