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**KALISPELL REGIONAL  
HEALTHCARE**

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**References:**  
**Applicability:** Kalispell Regional Healthcare  
 Kalispell Regional Medical Center  
 The HealthCenter

## Financial Assistance, A503

### PURPOSE

The Mission of Kalispell Regional Healthcare ("KRH") is to improve health, comfort, and life. The KRH Core Values are to: uphold Integrity in our words and actions; show Compassion to every person, every time; provide Service to our Patients, our co-workers, and our community; demonstrate Excellence every day, in every way; and take Ownership for all we do. In carrying out our Mission and acting on our Core Values, we provide healthcare services to all persons in need, without regard to whether the Patient is personally able to pay fully for the care received.

Some KRH Patients will not have the financial means to pay fully the charges made for the care provided to them by the KRH Providers and other healthcare services facilities or providers. This may be the case even when a portion of the bill for those charges is paid for by a governmental healthcare program, like Medicare and Medicaid, or a healthcare benefits plan or insurance. For that reason, KRH provides financial assistance to its Patients for Emergency Care and Medically Necessary Care through a discount/reduction to the portion of the billed amount that the Patient is personally responsible to pay, which is called the "Self-Pay Balance" in this Policy. In order to provide guidance to KRH Patients, their caregivers, the public, and KRH staff about the KRH financial assistance program, KRH has adopted this Policy and related procedures. This Policy and related procedures are intended to meet the requirements of Internal Revenue Code section 501(r).

**Note:** Defined terms used in this Policy, normally those words with initial capital letters, have important meanings. The definitions of these terms appear in the Definition of Terms section of this Policy below.

### POLICY

1. KRH will provide a reasonable amount of financial assistance to eligible Patients for the cost of Emergency Care and Medically Necessary Care provided by the KRH Providers. KRH is committed to providing this financial assistance to its Patients who are unable to pay the Self-Pay Balance based on their individual financial situations. The determination of whether a Patient is eligible for, and the amount of financial assistance to be given, will be made at the time the service is performed or hospital discharge or as soon thereafter as possible, in accordance with the provisions of this Policy and the related Procedures.
2. Eligibility for and the amount of financial assistance provided by KRH under this Policy may also be

accepted by and applied to other healthcare services providers who deliver Emergency Care and Medically Necessary Care in KRMC or THC.

[Note: A list of the other healthcare services providers and whether they follow, or do not follow, the KRH financial assistance policy when they perform a service related to an Emergency Care or Medically Necessary Care in KRMC, THC, or NVH is available on the KRH or other KRH organization's website and in writing. Patients seeking a discount for services provided by a non-KRH Provider who has **not** joined in this Policy need to contact that other healthcare services provider directly to see what, if any, financial assistance is available from that provider.]

3. All charges for Emergency Care and other Medically Necessary Care performed by the KRH Providers are eligible for financial assistance consideration. Services other than Emergency Care and Medically Necessary Care, such as cosmetic services, are **not** covered by this Policy.
  - A. Patients are expected to cooperate fully with KRH procedures for obtaining financial assistance and to contribute to the cost of their care based on their ability to pay.
  - B. Individuals and/or families with the financial capacity to purchase health insurance or who qualify for government health care programs are encouraged to get that coverage, as a means of assuring access to health care services and aiding in the payment for their health care.
4. KRH uses the Federal Poverty Guidelines as the primary ability to pay measurement tool to determine eligibility for financial assistance. The current Federal Poverty Level amounts may be found online at: <https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>. Other circumstances may also be taken into account in making the final determination.
5. Financial assistance is not a substitute for personal responsibility. A Patient who can afford to pay a portion of the Self-Pay Balance is expected to do so. Payment arrangements may be made on the remaining Self-Pay Balance by contacting a Patient Business Services Representative.
6. A determination of eligibility for financial assistance, and the amount of financial assistance determined, will remain valid for six (6) months. It will apply to the accounts for services for which the Patient made application for financial assistance, and to accounts for services performed during that six (6) month period if also requested by the Patient, unless the financial circumstances of the Patient have changed. All Patients must reapply for financial assistance after that six (6) month period is over.
7. In order to identify Patients who may be eligible for financial assistance but who may not have applied, KRH may use an income and health care credit scoring technology.
8. In all situations, once the Patient is determined to qualify for financial assistance:
  - A. the Patient will not be responsible for paying more for Emergency Care or other Medically Necessary Care than the Amounts Generally Billed ("AGB") to individuals who have insurance covering that same care;
  - B. the Patient's Self-Pay Balance:
    1. will not exceed the AGB;
    2. will be less than the Gross Charge for the services to which the financial assistance determination applies. If KRH collects an amount in excess of this limiting amount, it will promptly refund the excess amount to the Patient once that fact is known.
9. Patients who do not apply for, or do not qualify for, financial assistance but whose Self-Pay Balance is considered catastrophic, will be separately considered for financial assistance based on individual circumstances. The account will be forwarded to the KRH Chief Financial Officer for determination.

10. The Patient Accounting Department will retain all records relating to applications for and amounts of financial assistance provided to a Patient for seven (7) years.
11. This Policy has been adopted by the Board of Trustees of Kalispell Regional Healthcare System and the Board of Managers of THC and of NOSM and applies to all KRH Providers.
12. A copy of a summary of this Policy, as well as information and assistance about how the Policy may apply to a particular Patient's situation may be obtained, (1) in person at a check-in desk in the hospital or a KRH Provider's clinic, (2) by contacting a Patient Business Services Representative at 1-406-756-4408 (an automated line), (3) by mailing a request to: Patient Business Services, 310 Sunnyview Lane, Kalispell, MT 59901.

## PROCEDURE

1. Any Patient, as well as the Patient's Responsible Party (such as the parents of a Patient who is a minor child), can submit an application for financial assistance. Financial assistance can include a full or partial discount to a Self-Pay Balance, as well as assistance in enrolling in government health plans like Medicaid, and referral to other state and county assistance programs.
2. It is the responsibility of the Patient to specify the particular healthcare services accounts that KRH does not assume this responsibility, although Financial Counseling staff should attempt to determine the full obligation that the patient has to KRH when determining eligibility.
3. A Patient applies for financial assistance by completing a Financial Assistance Application and supplying the requested information and documentation. The information and documentation submitted are subject to verification.
  - A. Applying for financial assistance can be initiated by requesting a Financial Assistance Application, as well as obtaining additional information and assistance (1) in person at a check-in desk in the hospital or a KRH Providers clinic, or (2) over the phone by calling Patient Accounts or Patient Financial Advising (406) 756-1767, or (3) through the mail, or (4) off the KRH website ([www.kalispellregional.org/krmc/](http://www.kalispellregional.org/krmc/)) under the tab "Financial Assistance."
  - B. Completed applications need to be sent to Patient Financial Advising Department, 310 Sunnyview Lane, Kalispell, MT 59901, Attn: Financial Assistance Application.
4. An application for financial assistance should be made as soon as possible, preferably in advance of receiving healthcare services. The Application Period will normally end on the two hundred fortieth (240th) day after the first post-hospital discharge, or other post-service, billing statement is sent to the Patient. There are a few exceptions to the time that the Application Period will end that are dealt with specifically in the KRH Financial Assistance Policy and this Procedure.
5. When a Patient submits a Financial Assistance Application to the KRH Patient Financial Advising Department, a Patient Financial Advisor will review it for completeness (see Exhibit A for a summary of internal process).
  - A. If additional information needed, the Patient is notified in writing of what additional information is needed.
    1. The additional information or verifications should be returned within thirty (30) days, even if that thirty (30) day period ends after the original Application Period.
    2. If it is received within the thirty (30) day period and the original Application Period has expired, the application will still be reviewed and the Patient informed whether the Patient is eligible for financial assistance and, if so, the amount of financial assistance.

3. If the thirty (30) day period is not beyond the end of the two hundred forty (240) day Application Period, as long as the Patient submits the needed information or verifications before the end of the Application Period, it will be accepted.
6. The amount of financial assistance for a Patient is determined using the following general guidelines, information and factors:
    - A. If a Patient's Family Income is less than 200% of the Federal Poverty Guidelines, the Patient is eligible for a 100% adjustment of up to the amount of the Self-Pay Balance.
    - B. If the Patient's Family Income is more than 200% but less than 400% of the Federal Poverty Guidelines, the Patient is eligible for a partial discount of the Self-Pay Balance, using a sliding scale (see Exhibit B). The sliding scale will be revised annually as the Federal Poverty Guidelines are updated.
    - C. A Patient's Self-Pay Balance will never exceed twenty percent (20%) of the Patient's Family Income. In cases when there is a Self-Pay Balance remaining after financial assistance is applied that exceeds the 20% limitation, the financial assistance will be adjusted to reflect the twenty percent (20%) limitation of the Patient's Family Income.
    - D. The amount of third-party financial resources (including health insurance and health plan benefit coverage, or government health plan coverage [such as Medicare or Medicaid]), any recovery from a personal injury claim, Victims of Crime assistance, and non-hospital financial aid programs (including public assistance and private charity or foundation grant programs, for example).
    - E. The income and the value of Family Assets from all sources of the Patient's household. This includes compensation from employment and other income.
    - F. Employment status: both past and future earnings potential is reviewed, to differentiate between temporary financial circumstances and those that are not likely to change soon.
    - G. All self-employed Patients applying for financial assistance (whether as sole proprietor, partner of a partnership, shareholder of a corporation, member of a limited liability company, etc.) must provide tax returns for that business that include all return schedules to support line item entries. KRH will add back to deductions taken from income for the following:
      1. Depreciation expense
      2. Mileage
      3. Travel and entertainment
    - H. A Balance Sheet, Cash Flow, and Profit and Loss statement for the past two (2) years will also be required. If the business has been in existence for less than two (2) years, statements for the period of existence must be provided. Business assets such as vehicles and owned real and personal property are also considered as Family Assets based on the Patient's or Responsible Party's personal control of those assets.
    - I. If the Patient does not have the documents referred to above, the Patient may contact a Patient Financial Advisor to discuss whether other evidence may be provided to demonstrate eligibility.
    - J. Falsification of financial information (including number of dependents) or refusal to cooperate may result in a denial of financial assistance.
    - K. Refusal to apply for government health care coverage such as Medicaid.
      1. Patients who refuse to apply for a government health care need-based program and who

appear to qualify for a government health care program based on their financial application information shall receive financial assistance at the percentage determined based on their application OR have their charges discounted to Medicaid reimbursement rates for the applicable services, whichever discount is less. This determination will apply only for the period of time available to those who do apply or for presumptive eligibility, as applicable.

L. KRH reserves the right to change a financial assistance determination amount if financial circumstances have changed.

7. The financial discount amount will be determined by Patient Financial Advising in reference to the Patient Family Income, as follows:

A. If the Patient Family Income is less than 200% of the Federal Poverty Guidelines, 100% discount is applied to Self-Pay Balance.

B. If the Patient Family Income is greater than 200% but less than 400% of the Federal Poverty Guidelines, a partial discount will be determined via sliding scale. Sliding scale components are: Federal Poverty Guidelines, income and value of Family Assets, employment status, and third party financial resources. If the Patient is self-employed, tax returns and financial statements will be requested.

C. The Patient's account will be reviewed to ensure that the amount owing from the Patient is less than Medicare rates (Amounts Generally Billed) for services provided.

8. The package of all documentation will be submitted for approval to the appropriate individual per the following schedule:

Under \$2,000.00	Manager of Patient Accounting may approve.
\$2,000.00 – \$10,000.00	Director of Patient Accounting may approve.
\$10,000.00 - \$50,000.00	Executive Director of Revenue Cycle may approve
Over \$50,000.00	Chief Financial and Information Officer may approve

9. The decision on eligibility for, and any amount of, financial assistance will be communicated to the Patient in writing and documented in the Patient Financial Advising files. If the Patient is eligible for financial assistance in an amount less than the full amount of the Patient's Self-Pay Balance, the financial assistance notice will set out both the amount of financial assistance awarded and the remaining amount the Patient owes for the care. The notice will also contain information about whom to contact to make payment arrangements, whether the Patient may still take advantage of the prompt pay discount, how to obtain information about the AGB (amounts generally billed) computation, and, if a refund is due the Patient because of amounts already paid, payment of the refund amount (unless that amount is less than Five Dollars (\$5.00)).

A. A Patient who can afford to pay a portion of the Self-Pay Balance is expected to do so. Payment arrangements may be made on the remaining Self-Pay Balance by contacting a Customer Service Representative.

B. If a remaining balance is due after discount and is more than 20% of the Patient Family Income, it will be adjusted to be below 20%.

1. If the Patient cannot pay in full, a payment plan will be established.

2. If the Patient doesn't agree to a payment plan or pay the outstanding balance, the remaining balance on the account will be sent to collections.

10. KRH uses the following processes to identify additional potential financial assistance cases, called "presumptive eligibility" for financial assistance:
  - A. Proof of current eligibility in a qualifying State or Federal need-based assistance program such as SNAP or WIC
  - B. Eligibility determinations from approved charitable entities and foundations, such as Shepherd's Hand Free Clinic
  - C. Validated patient homelessness
  - D. Medicare patients approved for financial assistance via presumptive eligibility will have their financial assistance write-offs tracked separately to ensure exclusion from the Medicare Cost Report
11. Approval for financial assistance using these presumptive eligibility methods will result in qualification for 100% financial assistance for a six (6) month period of time. It will apply to the accounts for services for which the determination was made, and to accounts for services performed during the specified period, unless the Patient makes a later application for financial assistance or KRH has reason to believe that the financial circumstances of the Patient have changed.
12. KRH may change the methodology for calculating AGB in the future. Any member of the public may obtain a copy of the AGB methodology that is in current use, free of charge, by calling the Patient Accounting or Patient Financial Advising Departments, (406) 756-1767, from the KRH website ([www.kalispellregional.org/krmc/](http://www.kalispellregional.org/krmc/)) under the tab "Financial Assistance", or by mail addressed to Patient Business Services, 310 Sunnyview Lane, Kalispell, MT 59901, ATTN: AGB Methodology Request.
13. Catastrophic Event Accounts.
  - A. A Self-Pay Balance is considered catastrophic if the Self-Pay Balance is more than One Hundred Thousand Dollars (\$100,000). If this is the case, a Patient Financial Advisor representative will contact the Patient, if discussions with the Patient about the situation have not already taken place. The Patient will be asked to provide to KRH the same information as is used to determine eligibility for financial assistance in other situations. If KRH finds that the Patient has no identified means to pay the amount of the Patient's Self-Pay Balance in full, taking into account other payment options, the following guidelines will be utilized: The Self-Pay Balance will be equal to the current Medicare reimbursement amount for the particular service.
  - B. Other factors, such as Family Assets, total family medical debt, future earnings potential, loss of wages and total personal debt may be considered to increase or reduce the amount of financial assistance.
  - C. A Self-Pay Balance that is reduced under this category of financial assistance must have the Self-Pay Balance paid within ninety (90) days from the time of the financial assistance determination unless other payment arrangements have been agreed to with KRH.
  - D. All cases under this section must be approved by the KRH Chief Financial Officer.

## DEFINITIONS

1. Amounts Generally Billed or AGB – Means amounts generally billed for Emergency Care or other Medically Necessary Care to individuals who have insurance covering that same care. In determining AGB, KRH has chosen to use the "Look-Back Method", in which AGB is based on Medicare fee for service payment amounts and the amounts paid by private health insurers (including health benefits plans whether or not insured), as outlined in Internal Revenue Code regulations.

2. Application Period - The period of time during which KRH must accept and process an application for financial assistance under the Financial Assistance Policy. The Application Period begins when the Patient files an application for financial assistance and ends on the 240th day after KRH provides the first post-discharge or post service billing statement to the Patient.
3. Family Assets –Items of property owned or under the effective control of the Patient or Responsible Person, such as real estate that has value above any legitimate debt secured by that real estate (but the Patient's primary residence and primary automobile are not considered assets), securities (such as stocks, bonds, mutual funds), savings accounts, checking accounts, retirement accounts, recovery of funds, including, for example, recovery from a personal injury claim, Victims of Crime assistance, and non-hospital financial aid programs, secondary automobiles, boats, recreational vehicles and other vehicles, and other assets (such as agricultural or recreational land), which are considered by KRH as available to pay the Patient's medical expenses.
4. Patient's Family – A Patient's Family is defined as the Patient, the Patient's spouse or domestic partner, and dependent children.
5. Patient's Family Income –All resources (income plus the Family Assets) of the Patient's Family on an annual basis.
6. Responsible Party - The person or persons who may be responsible for payment of the Self-Pay Balance of a Patient, whether instead of the Patient (such as the parents of a minor child) or in a representative capacity for the Patient (such as a legal guardian or attorney in fact).
7. Emergency Care - Means medical treatment for an emergency medical condition, which is (A) a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in (i) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (ii) serious impairment to bodily functions, or (iii) serious dysfunction of any bodily organ or part; or (B) with respect to a pregnant woman who is having contractions, (i) that there is inadequate time to effect a safe transfer to another hospital before delivery, or (ii) that transfer may pose a threat to the health or safety of the woman or the unborn child. KRH has a separate policy on the provision of Emergency Care consistent with federal law.
8. Federal Poverty Guidelines – A measure of income level issued annually by the Department of Health and Human Services used to determine eligibility for certain governmental programs and benefits.
9. Gross Charge - Means the full, established price for medical care that KRH Providers consistently and uniformly charges Patients before applying any contractual allowances, discounts or deductions to that price. It also can be called the charge master rate.
10. Kalispell Regional Healthcare – For the purposes of this Policy, Kalispell Regional Healthcare includes its hospitals Kalispell Regional Medical Center ("KRMC") and The HealthCenter ("THC"); and Northwest Orthopedics and Sports Medicine ("NOSM"), as well as their employed physicians and other healthcare services providers. KRMC, THC, and NOSM, and their employed physicians and other healthcare services providers are called the "KRH Providers" in this Policy. Also, the term "KRH" includes Kalispell Regional Healthcare and the KRH Providers, unless stated otherwise.
11. KRH Providers - Means Kalispell Regional Healthcare and its hospitals Kalispell Regional Medical Center ("KRMC") and The HealthCenter ("THC"), and Northwest Orthopedics and Sports Medicine ("NOSM"), as well as their employed physicians and other healthcare services providers.
12. Medically Necessary Care – Means a medically necessary service or treatment which is reasonably calculated to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions in a

Patient which: (i) endanger life; (ii) cause suffering or pain; (iii) result in illness or infirmity; (iv) threaten to cause or aggravate a handicap; or (v) cause physical deformity or malfunction. A service or item is not medically necessary if there is another service or item for the recipient that is equally safe and effective and substantially less costly, including, when appropriate, no treatment at all. Experimental services or services which are generally regarded by the medical profession as unacceptable treatment are not medically necessary. An elective or cosmetic surgery or treatment is not medically necessary.

13. Patient - Means the person who receives the hospital or other medical care covered by this Policy, as well as that person's Responsible Party when the context requires.
14. Self-Pay Balance - Means the amount remaining to be paid by the Patient or Responsible Party after all other sources of payment have been received or taken into account (such as health insurance or health plans payments, claims of responsibility against third parties, governmental health care plan payments [like Medicare or Medicaid], or discounts allowed under this Policy). For a Patient who has health insurance or health plan coverage, it commonly will be the co-pay, co-insurance and deductible amounts that the Patient is to pay. The Self-Pay Balance is also considered to be the amount "charged" to the Patient under this Policy.

## **EXHIBIT A**

### **Summary of KRH Internal Process for Financial Assistance Applications**

1. Patient submits a financial assistance application form to KRH Patient Accounting Department.
2. KRH Patient Accounting representative reviews for completeness.
  - A. If additional information needed, the Patient is notified in writing of what additional information is needed.
  - B. If complete; proceed to the next step.
3. KRH Patient Accounting representative reviews account for eligibility.
  - A. KRH financial eligibility criteria:
    1. DOS/discharge date must be <240 days prior.
    2. Care must have been emergent or medically necessary.
    3. Patient has been screened to determine whether or not Medicaid or other payer source is available.
    4. If eligible, Patient will be contacted and assisted with applying for coverage.
    5. Patient Family Income must be < 400% of the Federal Poverty Guidelines.
4. Discount amount will be determined by KRH Patient Accounting via:
  - A. Patient Family Income <200% the Federal Poverty Guidelines
    1. If yes, 100% discount is applied to self-pay balance.
    2. If no, proceed to next step.
  - B. Patient Family Income >200% but <400%
    1. Partial discount will be determined via the sliding scale. Sliding scale components: Federal

Poverty Guidelines, income and value of Family Assets, employment status and third party financial resources. If Patient is self-employed, tax returns and financial statements will be requested.

C. Account will be reviewed to ensure that the amount owing from the Patient is less than Medicare rates (Amounts Generally Billed) for services provided.

5. Package of all documentation will be submitted for approval to the appropriate individual per the following schedule:

Under \$2,000.00	Manager of Patient Accounting may approve
\$2,000.00 – \$10,000.00	Director of Patient Accounting may approve.
\$10,000.00 - \$50,000.00	Executive Director of Revenue Cycle may approve
Over \$50,000.00	Chief Financial and Information Officer may approve

6. Patient is notified in writing of eligibility and financial assistance discount amount.

A. If remaining balance due after discount:

1. And is more than 20% of the Patient Family Income, it will be adjusted to be below 20%.
2. If Patient cannot pay in full, a payment plan will be established.
3. If Patient doesn't agree to a payment plan or pay the outstanding balance, the remaining balance on the account will be sent to collections.

## Presumptive Eligibility for Financial Assistance Process

1. KRH Patient Accounting representative reviews outstanding self-pay balances.
  - A. Patient has been screened to determine whether or not Medicaid or other payer source is available. If it is, Patient will be contacted and assisted with applying for coverage.
2. KRH Patient Accounting representative runs a check to determine eligibility for financial assistance.
  - A. If Patient Family Income is <200% Federal Poverty Guidelines, then the full discount is applied to the outstanding self-pay balance
  - B. If Patient Family Income is >200% but <400%, then the account will be reviewed to ensure that the amount owing from the Patient is less than Medicare rates (Amounts Generally billed) for services provided.
3. Patient is notified in writing and informed of presumptive eligibility for discount and requested to follow the above application process.
4. Patient has two hundred forty (240) days (Application Period) to submit the Financial Assistance Application.
5. If an application is received from the Patient during the Application Period, the procedures listed above under Patient Financial Assistance Application Process will be followed.

If Patient Accounting is unable to locate the Patient, or the Patient does not return a completed Financial Assistance Application, KRH will apply the presumptive eligibility amount to the self-pay as determined by the presumptive eligibility tool.

### Attachments:

No Attachments

## Approval Signatures

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Approver	Date
Pamela Robertson: CEO	08/2018
Tracey Talley	08/2018
Kelly Stimpson: Associate General Counsel	07/2018
Sabrina Cottrell: Executive Director	07/2018
Beth Kolberg: Director, Patient Access	06/2018

## Applicability

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Kalispell Regional Healthcare, Kalispell Regional Medical Center, The HealthCenter

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