



An Affiliate of **MERCYONE**

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Owner Megan Lenz:  
Non-Clinical  
Manager

Departments Patient Financial  
Services

Applicability Kossuth Regional  
Health Center

## Financial Assistance

### Purpose:

Integral to our mission, Kossuth Regional Health Center (KRHC) is committed to providing quality health care services with compassion, dignity and respect for those we serve by providing financially disadvantaged and other qualified patients with an avenue to apply for and receive free or discounted care. The concept of total care embraces the physical, psychological, spiritual, social and economic needs of those we serve, regardless of race, creed, sex, age, or financial status.

### Policy:

We are committed to providing Financial Assistance 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. The amount of financial assistance provided will be subject to the organization's financial ability to absorb the cost of such services, while remaining financially viable.

Patients shall be determined to be medically indigent if they do not have the personal resources to pay for their care. In determining whether a patient has inadequate resources to pay for their care, it should also be determined whether payment for the care would cause severe economic and/or social hardship for the patient and/or family.

KRHC strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

### Procedure:

- The determination of eligibility for financial assistance is based on the individual's demonstrated inability to pay for such services due to inadequate resources. It may include

- those persons who are uninsured or underinsured and/or not eligible for any private or publicly underwritten health care coverage program as documented in the patient's financial record.
- Financial Assistance is "free or discounted health services to persons who cannot afford to pay." The term in dealing directly with patients is "financial assistance" terminology when used in referring to Financial Assistance in a patient setting.
  - Financial Assistance does not include partial and/or total write-offs of amounts due and owing for reasons unrelated to the individual's or family's ability to pay. Individuals qualifying for Financial Assistance must meet certain pre-established criteria.
  - Eligibility for Financial Assistance will be based on gross earned and unearned income of the patient and/or household and assets.
  - Earned income includes salary, wages, self-employment income and tips earned by members of the household. Also included is unearned income received from Social Security, disability payments, retirement benefits, child support, alimony, unemployment, interest earnings, dividends, and income from another source (e.g. cash assistance programs such as temporary assistance to needy families)
  - Assets, which will be considered liquid, include those, which could be converted to cash within one year. These assets include checking accounts, savings accounts, trust funds and other investments. Additionally countable assets include the liquidated value of luxury items, equity in recreational vehicles, a second home, etc.
  - In lieu of liquidating the assets, the assets may be counted as current year's income in determining what level of Financial Assistance should be provided. Assets not countable/ineligible include the patient's residence, adequate transportation (e.g. a vehicle), and adequate life insurance.
  - The Financial Assistance Policy is to apply to all patients regardless of race, creed, sex, age, or payer.
  - Eligibility for Financial Assistance will be determined on an individual basis and evaluated on an assessment of the patient's and/or family's need, financial resources.
  - Financial Assistance is available only for medically necessary care. Financial Assistance may not be granted for self-inflicted injuries or elective procedures including cosmetic procedures.
    - Financial assistance will be voided if patient elects to enroll in Weight Loss Management Program.
  - Financial Assistance is available only after other payment sources have been exhausted. Therefore, a denial or statement of ineligibility will be required from Medicaid.
    - Denial is not needed for patients who are not US citizens as they do not qualify for Medicaid.
  - Once an account has been turned over to a collection agency, it is no longer eligible for financial assistance.
  - Trauma and emergency care will be provided to all patients, regardless of the patient's ability to pay.
  - In general, Kossuth Regional Health Center does not provide Financial Assistance to those who are not residents of the service area unless the patient presents with an urgent, emergent, or life-threatening condition. Residence is defined as continuous habitation within this area for

one year. Residents who had established residency at the time of service, but have since moved away, may be considered.

- In the event there is a liability claim paid or a medical settlement made to the patient to pay for medical bills that the patient applied to have treated as financial assistance care, KRHC reserves the right to void the Financial Assistance Application, approved or not, and seek restitution for the patient and pursue whatever legal recourse is necessary to secure payment.

## FINANCIAL ELIGIBILITY GUIDELINES

- A Financial Assistance determination will be made once the Financial Assistance assessment has been completed for the patient and approvals have been received.
- A completed Financial Assistance Application will serve as the basis for documenting the patient's eligibility for assistance.
- The assessment will include the following information:
  - Earned income including monthly gross wages, salary, and self-employment income
  - Unearned income including dividends interest and miscellaneous income from any other source such as cash assistance, unemployment and workers compensation, etc.
  - Number of dependents in household.
  - Information to determine the patient's financial status, including assets and liabilities.
  - Where appropriate, supporting documents such as payroll stubs, tax returns, credit reports, etc. will be requested to support information reported and will be filed with the completed assessment.
- It is also appropriate to use proxy information to determine if the individual is eligible for Financial Assistance. For example, the fact that an applicant "Stays with friends", and "only occasionally works" are good proxies for income levels when income is unable to be determined directly.
- Financial Assistance determination can be made while the patient is in-house or following discharge, including situations where the patient attempted to obtain retroactive coverage through governmental financial assistance programs, but where such coverage was not available or was denied.
- Financial Assistance will be considered for patients that have private insurance or other coverage but do not have the financial resources to pay co-insurance or deductible amounts.
  - Financial Assistance will not be granted to patient who have chosen an out of network insurance carrier.
- Financial Assistance will be considered for patients that have financial resources to pay a portion of the account balance, but not the entire amount. In such situations, it is appropriate to consider the portion for which there is an inability to pay as Financial Assistance.
- Documentation of financial assistance eligibility (i.e. financial statement) with appropriate approvals must be maintained in hard copy or other form of storage media. Financial Assistance eligibility documentation should also be noted on the patient's account on the

accounts receivable system.

## Financial Assistance-SPECIAL AREAS

- KRHC recognizes that not all patients are willing, or able to provide complete financial and/or social information. Therefore, some financial assistance cases may be determined based on available resources such as other departments of the hospital that had contact with the patient. Examples of these presumptive cases include: Patient is deceased with no known estate, patients with current eligibility under county or state medical indigent services administered by county or state facilities or private sector entities, or patient is homeless or unemployed. Included in the above category are members of religious organizations who have taken a vow of poverty and have no resources individually or through the religious order.
  - If a patient is deceased and has a living spouse, the spouse is responsible for the balance due and will be billed as such. They may apply for financial assistance for this balance, but it will not automatically be granted.
  - If a patient is deceased and has no living spouse, staff will verify whether an estate has been filed. If an estate has been filed, staff will alert Account Management Solutions to file against the estate.
  - If a deceased patient has no estate filed for 4 months after their date of death, staff will write off the balances to Financial Assistance as "Deceased-No Estate."
- In addition to the above cases of presumptive eligibility, financial assistance will be granted to patients who have filed bankruptcy. A notice of bankruptcy will be acceptable to proof on insolvent financial resources.
- Financial Assistance will be systematically accounted for so that this component of community benefit is accurately recorded.

## APPEALS

- The patient may appeal a denial of eligibility for Financial Assistance by providing additional information to the Patient Financial Services Department within fourteen (14) calendar days of receipt of notification of denial. All appeals will be reviewed by the Chief Financial Officer for a final determination. If the final determination affirms the previous denial of Financial Assistance, notification will be sent to patient, legal guardian, and/or responsible party.

## FINANCIAL SUPPORT & GUIDELINES:

### EXHIBIT A

Income as a % of Poverty Level	% of Financial Assistance
Less than 200%	100%
From 200%-400%	73%

Prompt pay cash discounts will not be granted for those receiving financial assistance.

A request for financial assistance consideration may be initiated by anyone having knowledge of an indigent person needing medical care. All requests for financial assistance should be directed to Patient Financial Services.

The Financial Counselor is responsible for collecting all financial data to make a determination of financial need. This data may include a financial assistance application, a copy of the previous year's tax return, credit reports, and pay stubs.

If additional information is needed, the Financial Counselor will send a request to the patient. The patient will have 15 working days to respond to the request.

After KRHC received the final information or documentation, the approval or denial of the application will be completed and the Financial Counselor will send written notification within 15 working days.

Source: <https://www.federalregister.gov/documents/2021/02/01/2021-01969/annual-update-of-the-hhs-poverty-guidelines>

For family units with more than 8 members, add \$4,540 for each additional member.

## Attachments

- [!\[\]\(223f1a84e0bc2cacb9c165f716817dcc\_img.jpg\) 2025 Patient Financial Assistance Calculator.xlsx](#)
- [!\[\]\(c437123967ec19fa50ef7951237304ba\_img.jpg\) Financial Assistance Application.docx](#)
- [!\[\]\(5325e9c836a444f145b8307dfcd1cfab\_img.jpg\) Financial Assistance Cheat Sheet.docx](#)

## Approval Signatures

Step Description	Approver	Date
	Megan Lenz: Non-Clinical Manager	03/2025