

	SUBJECT: Patient Financial Assistance	POLICY # HW-074
		Page 1 of 4
SCOPE: Hospital-Wide RESPONSIBLE DEPARTMENT: Patient Financial Services		ORIGINAL DATE: 5/29/96 REVISED: 5/07/18; 2/24/21; 8/15/22; 5/2/24; 5/8/25; 12/30/25
APPROVED BY: Chief Financial Officer		EFFECTIVE: 12/30/25

PURPOSE:

Guidelines for the provision of financial assistance for patients receiving care from South Peninsula Hospital.

DEFINITION(S):

Amounts Generally Billed: The percentage of charges allowed by a combination of Medicare and Private Insurers; this percentage is calculated by the hospital each year.

Extraordinary Collection Actions (ECA): Defined by section 501(r) of the Internal Revenue Code as certain actions taken by SPH against an individual related to obtaining payment of a bill for care covered under the SPH Financial Assistance Policy. SPH will send statements, letters, and make collection calls to pursue collection of any outstanding balances prior to forwarding to a professional collection agency.

Financial Assistance: services provided to patients who are unable to pay based on income level, financial analysis, and/or further healthcare needs based on diagnosis. Patients who qualify for financial assistance will fall into one of three categories:

- 1) **Financial Hardship:** A person who is uninsured or under insured and is accepted for care with no or limited ability to pay for the services rendered based on the hospital's eligibility criteria set forth in this policy.
- 2) **Medical Hardship:** A person whose non-elective medical or hospital bills after payment by third-party payer exceeds a specified percentage of a household's annual gross income as set forth by this policy and is unable to pay the remaining balance.
- 3) **Medicaid Recipient:** A person who has been pre-determined to qualify for Medicaid in or after the month the services were rendered.

Federal Poverty Level (FPL): An income level judged inadequate to provide a family or individual with the essentials of life. The figure is adjusted to reflect changes in the Consumer Price Index. Alaska FPL is additionally adjusted to meet the geographic location of the state.

Financial Assistance Program (FAP) Application: the information and accompanying documentation that SPH requires an individual to submit to apply for financial assistance under the SPH Financial Assistance Policy.

Financial Assistance Brochure: A plain language summary of the Financial Assistance Policy and Program.

Household: A household includes the applicant and anyone they live with who is financially dependent on them or whom they financially support. This includes the applicant's tax dependents, their spouse, domestic partner, children, and other family members who are financially dependent on the applicant. If the applicant is claimed as a dependent by someone else, they are included in that person's household instead.

POLICY:

- A. Keeping with the mission of SPH it is considered not only necessary, but also appropriate to make adjustments to patient care charges under certain circumstances. It is not the intent of this policy to restrict this practice, but rather to establish clear guidelines by which to accomplish this task.
- B. South Peninsula Hospital (SPH) shall provide health care services to all persons in need of medical attention. All patients will be treated with respect and fairness, regardless of their ability to pay. Qualifications for financial assistance shall be based on the patient's ability to pay, and not race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), national origin, disability, age (40 or older) or genetic information (including family medical history).
- C. Free or discounted health services may be provided to persons who cannot afford to pay, including those who are uninsured or under-insured and/or eligible for any private or public health care program.
- D. Financial assistance will not be available for medically unnecessary procedures.
- E. The Financial Assistance Program at SPH covers multiple providers and honors the FAP determination. Those include:
 - South Peninsula Hospital Services
 - South Peninsula Hospital Physicians/Advanced Practice Professional (APP) including Emergency

Room Physicians, Radiologists, Anesthesia Providers and Physicians performing EKG/ECHO/EEG interpretations at SPH.

- SPH owned Physician/APP Clinics (including, but not limited to, Specialty Clinic, Family Care Clinic, Homer Medical Clinic, West Wing, SPH Obstetrics & Gynecology, Neurology, Seaworthy Functional Medicine, Serene Waters).
- F. The following is a list of providers that deliver services at SPH and do not honor the FAP determination:
- All other Non-SPH Employed physicians/APPs not described above do not routinely accept the Financial Assistance program determinations including but not limited to Dental Services, Alaska Heart, Central Peninsula Oncology/Podiatry, and Ophthalmology/Optomety professional services.
- G. Information gathered for Financial Assistance will include information sent-forth by applicants in written form and information provided orally through telephone or in-person conversations with hospital personnel.
- H. Financial Assistance documents shall be retained in accordance with established record retention policy.
- I. Publication of the Financial Assistance Program:
The SPH Financial Assistance Program will be widely publicized. Measures taken to ensure this publicity are:
1. Patients are offered a Financial Assistance Program brochure upon registration and in the Inpatient Admission packet.
 2. Financial Assistance Program brochure and application available at multiple locations within the hospital including the Front Desk, Financial Counselor offices, Financial Navigators offices, Registration areas and SPH Clinic Lobbies.
 3. SPH website containing information regarding the Financial Assistance Program including a URL link to the Financial Assistance Program brochure, policy and application.
 4. Billing Statements and letters include a statement regarding the availability of financial assistance, the URL link to the application and the phone number of the Patient Financial Services office to contact for more information.

PROCEDURE:

A. Applying for Financial Assistance

1. An application for Financial Assistance must be received in order to be considered for financial assistance. Patients will obtain a copy of the Financial Assistance application and complete it along with the required documentation attachments to the best of their ability. Incomplete applications (applications with limited information) may be accepted with approval from the Revenue Cycle Director (RCD) or the CFO. Financial Assistance determinations made based on Medicaid eligibility are an exception to requiring an application; see Determinations section.
2. Financial assistance requests may be made by the patient, outside healthcare providers, community or religious groups, social services, family members and SPH staff.
3. Accounts still in the active collection process that have not been turned to Bad Debt status are always eligible for Financial Assistance application and consideration.
4. If the account is in a Bad Debt status, applications for financial assistance can be submitted up to 240 days after the date of the first billing statement. After 240 days, the account is no longer eligible for financial assistance. If an application on an account that is in Bad Debt status is received within the 240 day period, the Financial Counselor will notify the Collection Agency to suspend any Extraordinary Collection Activity that may have been initiated.
5. Financial Counselors and Financial Navigators are available to answer questions or to assist in completing the application. They can be contacted at 907-235-0994
6. Completed applications may be submitted as follows:
 - a) Turned into the Front Desk or Financial Counselor offices in the main lobby of SPH
 - b) Faxed to registration office at 907-235-0251
 - c) Emailed to the Financial Navigators at PFN@sphosp.org
 - d) Mailed to:
South Peninsula Hospital
Attention: Financial Counselor
4300 Bartlett St
Homer, AK 99603

B. Eligibility Considerations

1. Financial assistance is generally secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and personal assets.
2. Family size (number of individuals living in household)
3. Employment status
4. After other financial resources listed above have been exhausted or ruled out, eligibility for financial assistance will be based on the household's gross monthly income. The amount of assistance will be determined utilizing the *Guidelines for Financial Assistance* chart.
5. Cosmetic or other services that are not medically necessary are not eligible for financial assistance. A patient may qualify and be approved for Financial Assistance, but a service may be determined to not meet the medical necessity criteria for Financial Assistance. If a procedure or service's medical necessity is in question, whether it has already been performed or is scheduled to be performed in the future, it will be reviewed by the Revenue Cycle Team and compared to Medicare and Commercial Insurance medical necessity guidelines, when available, along with information in the medical record and the opinion of the physician's(s)/APP(s) involved in the patient's care. A determination will be made, and the patient informed.
6. Other catastrophic or hardship circumstances may be considered in rendering a charity decision. (CFO determination only).
7. Guarantor Medicaid Eligibility can be proof of hardship, because the income limits for Medicaid are lower than the SPH 100% assistance based on poverty level. See Determinations section .
8. Medical Hardship – Evaluate additional circumstances
 - a) Medical bills combined are greater than 20% of annual gross income.
 - b) The hospital may consider other financial assets and liabilities of the person when determining the ability to pay.
 - c) A determination of a person's ability to pay the remainder of the bill will be based on whether the patient can reasonably be expected to pay the account in full over a 2-year period.

C. Documentation Requirements

1. For patient/guarantor who is not self-employed:
 - a) Brief written or typed explanation of applicant's circumstances
 - b) Bank statements for the last 3-months including checking, savings, certificates of deposit etc. for all household members.
 - c) Proof of Income – Most recent pay stubs indicating year to date earnings and/or unemployment check stubs or determination letter, or Retirement Benefit Statement, SSI, SSDI statement (or proof of deposit on bank statement).
 - d) Last year's tax return
2. For patient/guarantor who is self-employed
 - a) Brief written or typed explanation of applicant's circumstances
 - b) Financial Statement
 - c) Previous year tax return, personal and business if separate returns. Including Schedule C, if on a personal return.
 - d) Current year business profit/loss or income statement to date.
 - e) Bank statements for the last 3-months for both business and personal use, including checking, savings, certificate of deposit etc.

D. Qualification for Financial Assistance

Patients may qualify for one or more of the following financial assistance programs:

1. Full Financial Assistance: Patients whose income level is at or below 100% of the Alaska Federal Poverty guidelines may be considered for a full waiver of their medical bill.
2. Partial Financial Assistance: Patients whose income level is between 100 and 350% of the Alaska Federal Poverty guidelines may receive a partial medical bill waiver on a sliding scale.
3. Medicaid eligibility can be proof of hardship.
4. Medicaid Recipients Assistance: Patients receiving Medicaid assistance may qualify for financial assistance. Medicaid patient balances of \$500 or less will automatically qualify for Financial Assistance. Balances of more than \$500 will require an application.

E. Determination

1. Determination of eligibility will be made by the PFS Department within 45-working days, after receipt of all necessary information; this timeframe may be extended when insurance coverage or claims remain in process. A determination of eligibility for financial assistance may be made on a partially completed application without all of the required documentation items, if the patient or information is not reasonably available and eligibility is warranted under the circumstances.
2. Determination based on Medicaid eligibility –
 - a) Patients eligible for Medicaid on or after the date of service qualify for 100% financial assistance on their balance(s), after all available insurance resources have been exhausted; in the event the guarantor is not the patient, the guarantor must also meet Medicaid eligibility and income criteria.
 - b) Patient will be notified of financial assistance determination in writing for all applications submitted.
 - c) Approved Financial Assistance applications are valid for 3-months from the date of determination of approval. Services rendered after 3-months from the date of approval will require additional documentation to support the need of continued financial assistance. Patients with fixed income (Retirement Benefits, SSI, SSDI) may be approved for 6-months at the discretion of the Revenue Cycle Director and/or CFO.

F. Application of Financial Assistance Percentage Discount

1. Financial Assistance Program eligible patients will not be charged more than the Amounts Generally Billed percentage established by the hospital annually using the look back method. The amount charged is defined as the balance they are personally responsible for paying after all deductions and discounts including the FAP discount, and less any amounts reimbursed by insurers.
2. Initially charges will be placed on the patient’s account equal to that found in the facility charge master for that date of service, regardless of financial assistance eligibility.
3. After applicable insurance and existing self-pay payments are applied and after determination of Financial Assistance eligibility has been made, an adjustment will be entered in the amount of the remaining balance on the account as of the date the application was received (Gross charges less any payments already made), multiplied times the approved financial assistant discount percentage. No refunds will be issued for amounts previously paid.

G. Income Guidelines for Financial Assistance

Income Poverty Guidelines are updated annually based on Alaska Poverty levels; income levels used will be as of the date the application is received.

Income Poverty Income Level ≤ 200%	Income Poverty Income Level ≤ 201% - 250%	Income Poverty Income Level ≤ 251% - 350%
100% Assistance	80% Assistance	60% Assistance

H. Approval Limits

1. Approval of financial assistance is based on need, and are reviewed and approved in the following balances:
 - Revenue Cycle Director - \$0.00 - \$5000.00
 - Chief Financial Officer - \$5000.01 - \$25,000
 - Chief Executive Officer - \$25,001 and above.

ADDITIONAL CONSIDERATION(S):

N/A

REFERENCE(S):

1. IRS Financial Assistance Policy and Emergency Medical Care Policy – Section 501(r)(4)
2. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

CONTRIBUTOR(S):

Chief Financial Officer; Patient Access Supervisor; Policy Committee