

MOSAIC COMMUNITY SERVICES, INC.
Policy and Procedure Manual

Policy Number:

Subject: **Financial Assistance**

Effective Date: **May 24, 2005**

Approval: _____

This policy applies to the following programs: **All client programs**

I. Policy

Financial assistance will be provided to clients who are willing but unable to pay for services rendered and who meet the criteria established in this policy regardless of race, color, creed, religion, gender, national origin, age, marital status, family status, handicap or other discriminatory factors. Non-medically necessary services are not considered eligible for financial assistance.

II. Procedures

If the client states that (s)he is unable to pay out-of-pocket expenses, a determination will be made whether assistance is available through other programs such as Medicaid. If applicable, the client must first apply for Medical Assistance. All other resources, including Medical Assistance, will first be applied before financial assistance is given. If no outside assistance is available and all third-party coverages are exhausted, an application obtained from the program staff or billing office may be submitted by the client/guarantor for financial assistance considerations. A committee of program staff and administrative personnel will review all current applications during a regularly scheduled meeting to determine need. The client will be advised of the decision by mail within 30 days of receipt by the committee of a completed application.

It is expected that clients needing assistance will identify themselves upon admission; during the course of treatment when financial difficulties become apparent; or when financial circumstances change. Those requests will be processed in accordance with this policy.

- A. All applicants are required to complete an application for Financial Assistance (copy attached) and provide proof of income, assets, expenses and verification of other items when requested.
- B. Eligibility is determined based upon a two-part test that considers income and accumulated assets.

1. Income – Income is based upon 200% of the current Federal Poverty Guidelines (FPG's) as published in the Federal Register.
2. Accumulated assets - \$10,000 per individual, \$25,000 per family.

A liability limit will be established annually for each client qualifying for charity care. The liability limit will equal 15% of gross income in excess of 200% of the FPG. Clients will not be asked to pay more than this liability limit in any one-year period.

Applicants whose income and assets exceed the established guidelines but state they are unable to pay all or part of their account balance(s) may be further evaluated for financial assistance on a case-by-case basis. Eligibility for full or partial charity care will be determined after giving consideration to the client's total financial situation including any extenuating circumstances.

- C. Income includes wages and salaries, Social Security, veteran's benefits, retirement benefits, unemployment and worker's compensation, trust payments, child support, alimony, public assistance, strike benefits, union funds, income from rent, interest, dividends and other ongoing support from any person living in the home.
- D. Applications will be considered current for six months. At the time of application, all open accounts are eligible for consideration.
- E. If only partial financial assistance is approved, a payment arrangement will be obtained on balances due. No interest, late fees or penalties will be assessed. It is expected that clients who qualify for partial financial assistance will keep current with their balances. If balances become delinquent, financial assistance will be discontinued and the client will be responsible for their full balance.
- F. An approval or denial letter will be sent directly to the client or guarantor to inform them of the final disposition of the charity care request.
- G. Accounts meeting the criteria set forth in this policy will be written off to financial assistance (charity care).
- H. A summary of the Charity Care Policy will be posted in the Admissions area and in the Patient Handbook.

III. Forms

- A. Financial Assistance Application (4 pages)
(F://finance/policies & procedures/billing/financial assistance/financial assistance application)
- B. Financial Assistance Policy (general policy for posting in client treatment areas)
(F://finance/policies & procedures/billing/financial assistance/waiting room summary)
- C. Sample Letter to Client – 100% assistance)

- (F://finance/policies & procedures/billing/financial assistance/FA-100% letter)
- D. Sample Letter to Client – partial assistance letter
(F://finance/policies & procedures/billing/financial assistance/FA-partial assistance letter)
- E. Sample Letter to Client – denial
(F://finance/policies & procedures/billing/financial assistance/FA-denial letter)

IV. Revision History: 5/4/07 (poverty guidelines)

V. Review History: