

## Financial Assistance Policy

**Applies to:**  Hospital  All Sites  
 Long Term Care Facility  Department Specific \_\_\_\_\_  
 Clinic Service   
 Administration

**Printed copies are for reference only. Please refer to the electronic copy for the latest version.**

**Replaces:** 2005, 2009, 8-18-10, 9-30-13, 07-31-14,  
Charity Care Policy/Sliding Fee Scale Policy 11-30-15, 4-30-16, 01-28-21

**Purpose:** Consistent with its mission to provide high quality health and wellness services for the community, Mackinac Straits Health System is committed to providing free or discounted care to individuals who are in need of emergency or medically necessary treatment and have a household income below 300% of the Federal Poverty Level (FPL) Guidelines.

In accordance with the federal Patient Protection and Affordable Care Act (PPACA) and section 501(r) of the Internal Revenue Service code, all other uninsured patients will not be charged more than the amount generally billed to insured patients for emergency or medically necessary care.

**Policy:** Free care is provided only when care is deemed medically necessary and after uninsured (or underinsured) financial assistance, eligible patients have been found to meet all qualifying criteria.

Uninsured patients who do not qualify for Mackinac Straits Health System's financial assistance program (e.g., due to their household income) will receive a discount of 30% on gross charges for medically necessary services to ensure they do not pay more for care than insured individuals. These patients are expected to pay their remaining balance for care, and may work with financial counselors to set up a payment plan based on their financial situation.

Uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to ensure healthcare accessibility and overall well-being. Mackinac Straits Health System is equipped with financial counselors to assist in this process.

### Definitions

The following terms are meant to be interpreted as follows within this policy:

- 1. Financial assistance:** Healthcare services provided which are not expected to result in cash inflows; medically necessary services rendered without expected payment to individuals meeting established criteria.
- 2. Medically Necessary:** Hospital services or care rendered to a patient, both inpatient and outpatient, in order to diagnose, alleviate, correct, cure, or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
- 3. Emergency Care:** Immediate care which is necessary to prevent serious jeopardy to a patient's health; serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.
- 4. Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.

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5. **Underinsured:** Patients who have limited healthcare coverage, or coverage that leaves the patient with an out of pocket liability, and therefore may still require financial assistance.
6. **Catastrophic Charity:** Financial assistance given to patients whose medical expenses exceed one-fourth of their total household income.

### Procedure:

Uninsured patients will receive a discount of 30% on gross charges for medically necessary and emergency care that they receive.

#### (A) Eligibility for Financial Assistance

Mackinac Straits Health System patients who are deemed financial assistance eligible will not be charged more than amounts generally billed to insured patients for emergency or medically necessary care.

Services eligible for financial assistance include: emergent or urgent care, services deemed medically necessary by Mackinac Straits Health System, and in general, care that is non-elective and needed in order to prevent death or adverse effects to the patient's health.

Patients who have a household income below 100% of the Federal Poverty Level (shown in the table below) may receive free care. Patients who have a household income from 100% to 300% of the Federal Poverty Level may qualify for a reduction of 30% to 80% of total balance due.

At or Below Poverty Level	100%
150% of Poverty Level	80%
200% of Poverty Level	70%
250% of Poverty Level	50%
300% of Poverty level	30%

Federal poverty level guidelines for most current year. <https://aspe.hhs.gov/poverty-guidelines>

#### Example #1: An uninsured patient who qualifies for 100% financial assistance

Total Charges	\$100.00
Uninsured Adjustment (30%)	-\$ 30.00
Balance Due	\$ 70.00
Financial Assistance Adjustment (100%)	-\$ 70.00
Total balance due	\$ 0.00

#### Example #2: An uninsured patient who qualifies for 50% financial assistance

Total Charges	\$100.00
Uninsured Adjustment (30%)	-\$ 30.00
Balance Due	\$ 70.00
Financial Assistance Adjustment (50%)	-\$ 35.00
Total balance due	\$ 35.00

#### Example #3: A uninsured patient who qualifies for 30% financial assistance

Total Charges	\$100.00
Uninsured Adjustment (30%)	-\$ 30.00
Balance Due	\$ 70.00
Financial Assistance Adjustment (30%)	-\$ 21.00
Total balance due	\$ 49.00

Determinations for eligibility for free care will require patients to submit a complete financial assistance application (including all documentation required by the application) and may require appointments or discussion with hospital financial counselors.

Account balances that are eligible for a discount are applied up to 240 days prior to when the application is received and up to 180 days after the application is received.

When determining patient eligibility, Mackinac Straits Health System does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant status, or age of the patient's account.

Additionally, Mackinac Straits Health System may refer to or rely on external sources and/or other program enrollment resources if uninsured patients lacks documentation that supports eligibility.

**(B) Basis for calculating amounts charged to patients qualifying for financial assistance**

Individuals eligible for financial assistance under this policy shall not be charged more than the amounts generally billed (AGB) to individuals who have insurance. This value shall be calculated using the 12 month "look-back" method based on actual paid claims from Medicare fee-for-service and private health insurers. Currently this amount calculated to be 58% of gross charges. Any questions relating to this calculation please call (906) 643-1185.

**(C) List of Providers**

Other than the hospital itself, the following provider groups providing emergency or medically necessary care within the facility also qualify for financial assistance.

1. All Mackinac Straits Health System Physician Group Physicians
2. All Schumacher Clinical Partners Physician Group Physicians

**(D) Catastrophic Charity Eligibility**

Individuals whose household income exceeds 300% of the federal poverty guidelines, and have a catastrophic illness resulting in expenses that are greater than one-fourth of their annual income, may receive a one-time catastrophic charity adjustment of 100% discount.

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(E) Applying for Financial Assistance

To apply for financial assistance, patients must submit a complete application (including supporting documents) to Mackinac Straits Health System, Patient Financial Services, 1140 North State Street, St. Ignace, MI 49781 either in person or by mail. Applications can be accessed:

At the facility at all registration and access points on the main hospital campus, at all Mackinac Straits Health System physician offices. as well as at the Patient Financial Services office.

By mail, if individuals make a request by phone (call (906) 643-1185) or by mail (send request to 1140 North State Street, St. Ignace, MI 49781)

Online at [www.MackinacStraitsHealth.org](http://www.MackinacStraitsHealth.org)

To be considered eligible for financial assistance, patients must cooperate with the hospital to explore alternative means of assistance. Patients will be required to provide necessary information and documentation when applying for hospital financial assistance or other private or public payment programs. In addition to completing an application, individuals should be prepared to supply the following documentation:

- Charity Care Sliding-Fee Scale Application
- A copy of identification
- A copy of most recent income tax return
- Proof of income for household, such as recent pay stubs (3 months' worth)
- Bank statements

Medical services billed by an outside agency will not be covered under the Charity Care Sliding-Fee Scale program.

Financial counselors are available to assist in the application process in person at 1140 North State Street, St. Ignace, MI 49781 from 8:00am-4:30pm, Monday through Friday, or by phone at (906) 643-1185.

\*Note: Mackinac Straits Health System has access to translators who can assist patients who are unable to speak English.

(F) Actions in the Event of Non-Payment

The collection actions Mackinac Straits Health System may take if a financial assistance application and/or payment is/are not received are described in a separate billing and collections policy.

In brief, Mackinac Straits Health System will make certain efforts to provide uninsured patients with information about our financial assistance policy, such as including a summary of it with billing statements, before we or our collection vendors take certain actions to collect your bill (these actions may include charging of interest, some civil actions, or reporting of outstanding debt to credit bureaus).

For more information on the steps Mackinac Straits Health System will take to inform uninsured patients of our financial assistance policy and the collection activities we may pursue, please see Mackinac Straits Health System billing and collections policy.

You can request a free copy of this policy at the Patient Financial Services at Mackinac Straits Health System located at 1140 North State Street, St. Ignace, MI 49781 or request a free copy by mail by calling ((906) 643-1185 or mailing a request to Mackinac Straits Health System Patient Financial Services, 1140 North State Street, St. Ignace, MI 49781 or access it free of charge online at [www.MackinacStraitsHealth.org](http://www.MackinacStraitsHealth.org)

#### (G) Communication of Financial Assistance

Mackinac Straits Health System's financial assistance policy, financial assistance application, and summary of the financial assistance policy are available to patients.

These documents are available free of charge at our facility, by mail, and online.

To access any of these documents at the facility, please visit the Patient Financial Services Office at 1140 North State Street, St. Ignace, MI 49781. To have a hard copy of any of these documents mailed to you, please call (906) 643-1185 or mail a request to Mackinac Straits Health System Patient Financial Services, 1140 North State Street, St. Ignace, MI 49781

To access the Financial Assistance Policy, the summary of the Financial Assistance Policy, or the Financial Assistance Application, please use the following web address: [www.MackinacStraitsHealth.org](http://www.MackinacStraitsHealth.org)

Mackinac Straits Health System communicates the availability of financial assistance through means which include:

- Providing brochures in waiting rooms and registration areas.

- Posting information about financial assistance (including summary, application, and policy) on Mackinac Straits Health System website.

- Providing information about the policy and how to apply during verbal communication about the patient's bill (e.g., phone calls)

- Ensuring designated staff are knowledgeable of the financial assistance policy and can answer patients' questions or refer patients to the program.

#### (H) Ensuring Compliance

On an annual basis, the Revenue Cycle Manager or designee and/or the Finance Department or designee, will perform an audit to include:

- a visit to each physician office and registration point within the hospital to ensure each point of entry has access to the updated financial assistance policy, as well as updated financial assistance applications and staff are informed on how to inform patients of each, an audit of the website to ensure the application and policy are still easily accessible, and a look-back to ensure the then reimbursement rates of the payers being used to calculate an average of "amounts generally billed" does not fall below that of what a patient who qualifies for financial assistance is being billed.

#### (I) Summary



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Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should be directed to the Patient Financial Services Department at (906) 643-1185.

In accordance of the 501 (r) charity requirements, below is considered the "Plan Language Summary" of the Mackinac Straits Health System which will accompany all billing statements and be presented to patients during all financial discussions.

Consistent with its mission to provide high quality health and wellness services for the community, Mackinac Straits Health System is committed to providing free or discounted care to individuals who are in need of emergency or medically necessary treatment and have a household income below 300% of the Federal Poverty Level (FPL) Guidelines. Individuals who qualify for financial assistance will not be charged more than the average amounts generally billed to insured patients, for emergency or medically necessary care. See Appendix A.

Financial counselors are available Monday through Friday, from 8:00am until 4:30pm to discuss the application process at (906)643-1185.

Mackinac Straits Health System will not pursue extraordinary collections actions against an individual without first using reasonable efforts to determine if such individual is eligible for financial assistance.

For a free copy of the entire Financial Assistance Policy and/or an Application for Financial Assistance, patients can:

Visit the website: [www.MackinacStraitsHealth.org](http://www.MackinacStraitsHealth.org)

Visit the Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781  
Send a request by mail to Mackinac Straits Health System Business Office, 1140 North State Street, St. Ignace, MI 49781  
Call the Business Office at (906) 643-1185.

Author: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

P&P Committee: \_\_\_\_\_ Date: \_\_\_\_\_

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**Mackinac Straits Health System reserves the right to alter, amend, modify or eliminate this policy/procedure program at any time without prior notice.**