



## Charity Care and Financial Assistance Policy

### Purpose

To assure that financial assistance options are available to all medically indigent patients and guarantors who are unable to pay for medically necessary services provided by Kansas City Orthopedic Institute (KCOI) while ensuring KCOI's compliance with State and Federal laws and regulatory guidance pertaining to charity care and financial assistance.

### Policy

Kansas City Orthopedic Institute provides financial assistance for medically indigent patients who meet eligibility criteria outlined in this policy.

### Definition(s)

**Amounts Generally Billed** – The Amounts Generally Billed (AGB) is the amount generally allowed by Medicare fee for service and private health insurers for emergency and other medically necessary care. KCOI uses the look back method to determine AGB.

**Federal Poverty Guidelines** - Federal Poverty Guidelines (FPL) means those guidelines issued by the Federal Government that describe poverty levels in the United States based on a person or family's household income. The Federal Poverty Guidelines are adjusted according to inflation and published in the Federal Register. For the purposes of this policy, the most current annual guidelines will be utilized.

**Look Back Method** – Look Back Method is a prior twelve (12) month period used when calculating Amounts Generally Billed.

**Medically Necessary Services** - Medically necessary services are services that are reasonable and medically necessary for the prevention, diagnosis or treatment of a physical or mental illness or injury; to achieve age appropriate growth and development; to minimize the progression of a disability; or to attain and/or maintain functional capacity; in accordance with accepted standards of practice in the medical community of the area in which the physical or mental health services rendered; and service(s) is (are) furnished in the most appropriate setting. Medically necessary services are not used primarily for convenience and are not considered experimental or excessive form of treatment.

**Medically Indigent** - A medically indigent patient is defined as a person who has demonstrated that he/she is too impoverished to meet his or her medical expenses. The medically indigent patient may or may not have an income and may or may not be covered by insurance. Each patient's financial position will be evaluated individually using the Federal Poverty Limit as a guideline.



## **Procedure**

### **Applying for Financial Assistance**

Medical indigence must be demonstrated through documentation or financial screening. This determination can be made while the patient is in the hospital, shortly after dismissal, during the normal internal collection efforts and after placement with an outside collection agency. Patients may apply for financial assistance before, during or after services are provided. Requests for financial assistance are accepted for up to one year from the date of service.

Patients apply for financial assistance by completing a Statement of Financial Position form and providing supporting documents as requested. Patients may obtain a Statement of Financial Position form by requesting in writing or by contacting the business office by phone or email. The Statement of Financial Position form is also available on the KCOI website ([www.kcoi.com](http://www.kcoi.com)). Supporting documentation may be required including items such as federal income tax return, IRS non filing letter, recent bank statements, recent pay check stubs, letter from Medicaid eligibility office denying Medicaid coverage and other documents that support the patient/household income, assets and financial position.

Under special circumstances, the requirement to complete the Statement of Financial Position and/or provide additional documents may be waived with supervisor or manager approval. Examples of special circumstances include but are not limited to Medicaid eligible patients receiving non covered medically necessary or emergent services, patients unable to provide documents and homeless patients.

Assistance with the application process is provided by billing and administrative staff. Assistance may be requested in person, by calling 913-319-7672 or visiting:

3401 College Blvd, Suite 242  
Leawood, KS 66211

Financial assistance applications are valid for six (6) months after approval date. Financial assistance may be extended for an additional six (6) months with affirmation of the household income or estimated income and household size. All patients must reapply after the initial twelve (12) month period is over.

### **Financial Assistance Determination**

A patient's eligibility for financial assistance is not determined until activities to identify and secure payment from Medicare, Medicaid, Crime Victims, other government programs or funded programs, medical insurance, auto insurance personal injury protection (PIP) or med pay, liability liens, estate claims or any other possible appropriate source for payment are exhausted. Reversal of financial assistance adjustments must be made if subsequent third party payments are received. Financial assistance is to be considered the adjustment of last resort.



Uninsured patients may receive an uninsured patient discount. If the patient qualifies for financial assistance, the uninsured discount is reversed and the financial assistance adjustment is posted.

A patient's eligibility for financial assistance is based on the household income at the time assistance is sought, expressed as a percentage of the Federal Poverty Guideline for family size.

Household income is defined as:

- Adults: If the patient is an adult, "yearly household income" means the sum of the total yearly gross income or estimated yearly income of the patient and the patient's spouse.
- Minors: If the patient is a minor, "yearly household income" means the sum of the total yearly gross income or estimated yearly income of the patient and patient's parent(s) living in the home.

Household size is defined as:

- Adults: In calculating the household size, include the patient, patient's spouse and any dependents (as defined by the Internal Revenue Code, or IRC).
- Minors: In calculating the household size, include the patient, patient's mother, patient's father, dependents of the patient's mother and dependents of the patient's father (as defined by IRC).

Financial resources such as checking accounts, savings accounts, IRAs, CDs, retirement savings and investments may be considered when determining a patient's ability to pay. In all cases the patient's and responsible party's overall financial position and household income are considered when determining financial assistance.

Patients with religious objections or American Indians with objections to insurance or government programs may owe greater amounts when approved for financial assistance but not exceeding AGB. The ability of the patient to pay along with ability of religious or tribal community to pay the bill is considered.

Financial assistance eligibility is based on the Federal Poverty Guideline and other financial resources. The Federal Poverty Guideline is used as a guideline and applied considering type of service and provider setting differences.

### **Basis for Calculating Amounts Generally Billed**

After the patient's account is reduced by the financial assistance adjustment based on this policy and guidelines, the patient is responsible for no more than the amount generally billed to individuals with Medicare fee for service or private health insurers in need of emergency and other medically necessary care. The Look Back Method is used to determine AGB. Patients or members of the public may obtain the percentage used by the hospital and description of the calculation in writing at no charge by contacting the hospital billing office. Hospital billing office contact information is provided in the Request a Copy section of this policy.



### **FPL% Guidelines apply as follows:**

#### Hospital Services

- **Unscheduled patients:**
  - 133% or less FPL
  - 100% Charity
  - 0% Patient responsibility
- **Scheduled patients:**
  - 133% or less FPL
  - 75% Charity
  - 25% Patient Responsibility

Financial assistance may be approved by a business office director, billing office manager, director of finance or KCOI's Chief Financial Officer (CFO).

Requests for financial assistance from KCOI employees for amounts they personally owe require the approval of the business office director, billing office manager, or director of finance and CFO.

### **Patient Refunds**

The hospital will refund any amount the individual has paid for care that exceeds the amount he or she is determined to be personally responsible for paying as a financially eligible individual—unless the amount is less than \$5 (or such other amount set by notice or other guidance published by the Internal Revenue Bulletin).

### **Financial Assistance Policy Availability to Patients**

Information about the availability of financial assistance appears on patient statements and is posted on signs in hospital registration areas. Patients may request a copy of this policy available at no charge by contacting KCOI's billing office. Billing office contact information is provided under Request a Copy section of this policy.

### **Patient Billing and Collection**

Statements are sent to patients to advise them of balances due. Balances are considered delinquent when the patient fails to make either acceptable payment or acceptable payment arrangements before the next statement. Patients are notified of delinquent balances by messages on the statements, phone calls, final notices or collection letters. Delinquent accounts may be placed for collection if the patient fails to respond.



The CFO has the final authority or responsibility for ensuring the hospital makes a reasonable effort to determine whether an individual is FAP eligible and therefore engage in ECAs against the individual.

The policies and practices of the collection agency follow the Fair Debt Collection Practices Act. The agency demonstrates a patient relations approach in all its practices. The agency utilizes a variety of collection methods including letters and phone calls.

### **Collection Suit**

KCOI and the collection agency work with patients to avoid filing a suit for collections whenever possible. When settlement or payment arrangements are not agreed to and/or met, KCOI may file suit in an attempt to collect on delinquent accounts. When a patient applies for or is screened for financial assistance and is not approved, KCOI may file suit in an attempt to collect on delinquent accounts. All requests for suit are approved by CFO.

If a patient is in contact with the collection agency prior to garnishment, an attempt is made to settle the account or negotiate a payment arrangement that is reasonable under the circumstances. As long as the patient makes timely payments as agreed under a negotiated arrangement, no garnishment will be requested. Garnishments are filed after judgment is received unless a court ordered stay is in place or a payment arrangement has been negotiated and has not been broken. If the law firm believes that the debtor's employment has been terminated, garnishment may be held until a place of employment is located.

Patients approved for partial financial assistance may owe a balance on the account. The patient receives a financial assistance partial approval letter that explains the amount approved for financial assistance and the amount the patient owes. The patient receives statements requesting payment. If payment is not made, the account becomes delinquent and a final notice is sent. If the patient does not pay the balance, make payment arrangements or request additional financial assistance, the account may be placed with an agency for collection. After placement with an agency, the delinquent account may be approved for collection suit. If judgment is obtained, the hospital or entity may garnish wages to recover payment to the extent allowed in regulations.

### **Request a Copy**

To obtain a free copy of the Financial Assistance for Medically Indigent Patients policy, Financial Assistance Application, Plain Language Summary or Amounts Generally Billed document, please contact the KCOI billing office at:

3401 College Blvd, Suite 242  
Leawood, KS 66211  
913-253-8932



### **Measures to Publicize the Financial Assistance Policy**

The measures used to widely publicize this policy to the community and patients include, but are not limited to, the following:

- Posting the policy, Financial Assistance Application and plain language summary on the KCOI's website at [www.kcoi.com](http://www.kcoi.com)
- Copies of the policy, Financial Assistance Application and plain language summary may be downloaded and printed from [www.kcoi.com](http://www.kcoi.com)
- Paper copies of the policy, application and plain language summary are available to patients upon request and without charge
- Patients may request a copy of the information by calling or visiting the business office or admitting department
- Notice posted in the admitting areas
- Message on patient statements to notify and inform patients of the availability of financial assistance and where to call for information and application.
- KCOI's staff discusses when appropriate, in person or during billing and customer service phone contacts with patients.

### **KCOI Entities Covered by this Policy**

This policy applies to all service provided by Kansas City Orthopaedic Institute.

### **Providers Not Covered by this Policy**

Physicians or medical professionals provide care to patients or assist with patient treatment by reading lab work, interpreting medical tests, performing medical tests and individual patient physician services. The physicians and medical professionals not employed by KCOI or its subsidiaries are not covered by this policy.

The physicians of following groups are not covered by this policy:

- Alliance Radiology
- Anesthesia Associates of Kansas City
- Dickson-Diveley Midwest Orthopaedic Clinics
- Orthopaedic and Sports Medicine Clinics of Kansas City
- Orthopaedic and Sports Medicine Consultants
- Ward Parkway Health Services

If you have questions about whether a specific provider is covered or not covered by this policy, please call 913-253-8932.