FINANCIAL ASSISTANCE POLICY AND PROCEDURE

SOURCE: Financial Services

Purpose Statement

Consistent with its mission to provide high quality health and wellness services for the community, Lakewood Health System is committed to providing financial assistance to uninsured and underinsured individuals who are in need of emergency or medically necessary treatment and have a household income under 100% and up to 240% of the Federal Poverty Guidelines (FPG).

In accordance with the Affordable Care Act (ACA) any patient eligible for financial assistance under Lakewood Health System's financial assistance policy will not be charged more for emergency or medically necessary care than the amount generally billed (AGB) to insured patients.

Policy Statement

Financial assistance is provided only when care is deemed medically necessary and after patients have been found to meet all financial criteria. Lakewood Health System offers both free care and discounted care, depending on individuals' family size and income.

Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid or insurance through the public marketplace) as appropriate before eligibility under this policy as determined. Additionally, any uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so to help ensure healthcare accessibility and overall well-being.

Uninsured and underinsured patients who do not qualify for free care will receive a sliding scale discount off the gross charges for their medically necessary services based on their family income as a percent of the Federal Poverty Guidelines. 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.

Definitions

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

- Charity care: Medically necessary services rendered with the expectation of a discount to patients meeting the criteria established by the policy.
- Medically necessary: Lakewood Health System services or care rendered, both outpatient and inpatient, to a patient 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 of malfunction, and threaten to cause or aggravate a handicap, or result in overall illness or infirmity.

Procedure

1. **Eligibility**

   Lakewood Health System will not charge patients who are eligible for financial assistance more for emergency or medically necessary care than the amounts generally billed to insured patients.

   Services eligible for financial assistance include: emergency urgent care, services deemed medically necessary by Lakewood 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 are uninsured or underinsured and have a household income between 100% and 240% of Federal Poverty Guidelines may receive discounted care. Patients at 110% of Federal Poverty Guidelines or below may qualify for a 100% discount. See attached discount schedule.

Uninsured patients will have their charges discounted to reflect the lowest total amount the provider would be reimbursed for that service or treatment from a nongovernmental third-party payor.

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

NHSC sites do not discriminate in the provision of services to an individual (i) because the individual is unable to pay; (ii) because payment for those services would be made under Medicare, Medicaid or the Children's Health Insurance Program (CHIP); or (iii) based upon the individual's race, color, sex, national origin, disability, religion, sexual orientation, age or gender identity.

YOU MAY RECEIVE FINANCIAL ASSISTANCE IF YOU MEET ALL OF THE FOLLOWING REQUIREMENTS:

- Apply for or currently have Medical Assistance. If you refuse to apply, your application for Financial Assistance may be denied unless proof of income is greater than medical assistance qualification guidelines.
- If you are denied Medical Assistance or Minnesota Care but meet our guidelines, you may still be considered for approval under our program.
- Have income that is not more than the Income Guidelines established by Lakewood Health.
- Transfer any medical insurance benefits that apply to the services provided.
- Have extenuating circumstances which document that your situation is consistent with the intent of the Lakewood Health Financial Assistance Program.

Family Size and Income Guidelines

- Family size of one is denoted as a person 15 years of age or over who ***is not*** living with any relatives.
- Family units of size greater than one include only persons related by birth, marriage or adoption, who reside together.
- Students under age 26 regardless of residence who are supported by parents or others related by blood, marriage or adoption are considered to be residing with those who support them and therefore should be considered a family unit.
- Income is the total of all gross (before tax) cash receipts from all sources including wages, salaries, unemployment, social security, disability, alimony, child support, interest, dividends, rental income, public assistance, etc. It also includes net income (excluding non-cash expenses such as depreciation) from self-employment, farm or business activities.
- Lakewood Health has established the income guidelines to be 200% of the Federal Poverty Guidelines.
    - ***These guidelines are updated annually and can be found on the Health and Human Services web page*** hhs.gov***.***

2. Determining Discount Amount

Once eligibility for financial assistance has been established, Lakewood Health System will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or medically necessary care.

To calculate the AGB, Lakewood Health System uses the "look-back" method described in section 4(b)(2) of the IRS and Treasury's 501r final rule.

In this method, Lakewood Health System uses data based on claims sent to governmental and private commercial insurers for emergency and medically necessary care over the past calendar year to determine the percentage of gross charges that is typically allowed by these insurers.

The AGB percentage is then multiplied by gross charges for emergency and medically necessary care to determine the AGB. Lakewood Health System re-calculates the percentage each calendar year.

3. Applying for Financial Assistance

To apply for financial assistance, patients must submit a completed application (including supporting documents) on the hospital website or to 49725 County 83, Staples, MN 56479, either in person or by mail.

Applications can be accessed:

- At the facility, at all registration desks, financial counselors.
- By calling the financial counseling department at 218-894-8457, or by mailing a request to 49725 County 83 Staples, MN 56479, attention Patient Financial Services.
- Online at www.lakewoodhealthsystem.com

To be considered eligible for financial assistance, patients must cooperate with Lakewood to explore alternative means of assistance if necessary, including Medicare and Medicaid. 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 information:

- Bank statements
- Proof of income for applicant (and spouse if applicable), such as recent pay stubs, unemployment insurance payment stubs, or sufficient information on how patients are currently financially supporting themselves.
- Copy of most recent federal tax return
- Also note if your account qualifies for 50% or greater discount, you may be required to apply for Medical Assistance.
- In some cases, information on available assets or other financial resources, external, public sources like credit scores may also be used to verify eligibility.
- Individuals who do not have any of the documentation listed above; have questions about Lakewood Health System's financial assistance application; or would like assistance application may contact our financial counselors either in person at 49725 County 83, Staples, MN 56479.

Patient Financial Services can be reached by calling 218-894-8457.
Patient Financial Services office hours are Monday through Friday, 8 a.m. to 4:30 p.m.

4. Actions in the Event of Non-Payment

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

In brief, Lakewood Health System will make certain efforts to provide patients with information about our financial assistance policy before we or our agency representatives take certain actions to collect your bill.

For more information on the steps Lakewood Health System will take to inform uninsured patients of our financial assistance policy and the collection activities we may pursue, please see Lakewood Health System's Billing and Collections Policy.

You can request a free copy of this full policy in person at Lakewood Health System, at our address, 49725 County 83 Staples, MN 56479, by mail by calling us at 218-894-8457, or by mailing a request to 49725 County 83 Staples, MN 56479, or online here: www.lakewoodhealthsytem.com

5. Presumptive Eligibility

If patients fail to supply sufficient information to support financial assistance eligibility, Lakewood Health System may refer to or rely on external sources and/or other program enrollment resources to determine eligibility when:

- Patient is homeless
- Patient is eligible for other unfunded state or local assistance programs
- Patient is eligible for food stamps or subsidized school lunch program
- Patient is eligible for state-funded prescription medication program
- Patient's valid address is considered low-income or subsidized housing
- Patient receives free care from a community clinic and is referred to hospital for further treatment

Lakewood Health System may also use previous financial assistance eligibility determinations as a basis for determining eligibility in the event that the patient does not provide sufficient documentation to support an eligibility determination. Financial assistance applications on file at Lakewood Health System may be used for a time period of up to 12 months after the date of submission.

All patients presumptively determined to be eligible for less than the most generous amount of assistance available under this policy (free care) will be informed about how the discount amount was calculated and given a reasonable amount of time to submit an application for further financial assistance.

Additional Notes & Considerations

- Financial Assistance adjustments are only applied to patient self-pay balances. Lakewood Health will still attempt to collect payment from applicable third-party payers who insure/cover a patient.
- Lakewood Health limits the amounts charged to Financial Assistance eligible patients to the amounts generally billed to individuals who have Medicare.
    - Lakewood Health determines amounts generally billed using the prospective method by calculating the expected amount that would be paid by Medicare Parts A & B.
    - An individual who qualifies for financial assistance under this policy can receive services without charge or at a discount, excluding non-medically necessary/elective services.

***Lakewood Health will always accept Financial Assistance applications for balances related to dates of service no older than 240 days from the first statement date. Lakewood Health may accept applications for balances older than 240 days, but forgiveness for those balances will only be applied to unpaid balances.**

- Approval for Financial Assistance is effective for 12 months from the date of application approval. After that time, individuals will be required to complete another application.
- An individual who belongs to the Amish community/faith who otherwise qualifies for financial assistance under this policy may not be required to apply for Medicaid if it is deemed that they are not allowed to under the guidelines of their community and will be given a financial assistance discount similar to the discount that would be provided under the Medicaid program. Lakewood Health may require evidence of a person's membership in the Amish community/religion, such as a signed letter from the elder of their community. These patients will otherwise be required to follow all other guidelines under this program.
- Financial Assistance adjustments apply to all emergency and other medically necessary care provided by Lakewood Health. Non-medically necessary/elective services do not qualify for Financial Assistance. Examples of such services are cosmetic procedures, respite care and fertility/infertility treatments.
- Financial Assistance applicants are brought to the Financial Assistance Committee for review and approval.
- Lakewood Health's Financial Assistance committee may take up to 60 days to review applications from the date a fully completed application is received.
    - Lakewood Health may expedite the review of applications based on individual circumstances.
    - Patients will be notified in writing of approval/denial of Financial Assistance.
- Lakewood Health reserves the right to approve alternative or conditional adjustments/discounts based on individual patient circumstances as part of the Financial Assistance application review and approval process.
- Lakewood Health's Board of Directors has the authority to approve Lakewood Health's Financial Assistance Policy and subsequent revisions. However, the Board of Directors has delegated that responsibility to the CFO for the following:
    - List of covered and uncovered providers (Exhibits 2 & 3).
    - List of ways patients are made aware of Lakewood Health's Financial Assistance program (Exhibit 4). Updated Annually.
    - Once a patient receives a financial assistance application to be filled out, Lakewood will put all accounts in the lookback period on hold from all collection activity. If an application is not completed and returned within 30-days, Lakewood will mark the patient's status as "financial assistance refused" and collection action will be resumed. If an application is returned after this time, the accounts will be put on hold again until a determination has been made on the application.

6. Eligible Providers

In addition to care delivered by Lakewood Health System, emergency and medically necessary care delivered by the providers listed below is also covered under this financial assistance policy:

Lakewood Clinic – Staples
Lakewood Hospital – Staples
Lakewood Clinic – Eagle Bend
Lakewood Dermatology – Sartell
Lakewood Clinic – Pillager
Lakewood Clinic – Motley
Lakewood Clinic – Browerville

This discount does not apply to:

- Lakewood Care Center, Lakewood Care Van, Lakewood Manor and Lakewood Pines, and Lakewood Home Care and Hospice services
- Medical Marketplace durable medical equipment
- Fees from outside entities such as visiting doctors, specialists, reference labs or radiologists
- Infertility services
- Chiropractic services
- Athletic physicals
- DOT physicals

Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should contact the Patient Financial Services department at 218-894-8457.

Customer Assistance Program Discounts: 2026

	Family Size							
Federal poverty level (FPL)	1	2	3	4	5	6	7	8
	$15,960	$21,640	$27,320	$33,000	$38,680	$44,360	$50,040	$55,720
	*For families/households with more than 8 persons, add $5,680 for each additional person.							

		Actual Household Income Limits							
% of FPL	Discount	1	2	3	4	5	6	7	8
up to 110%	100%	$0 - 17,556	$0 - 23,804	$0 - 30,052	$0 - 36,300	$0 -42,548	$0 - 48,796	$0 -55,044	$0 - 61,292
111 - 150%	75%	$17,557 - 23,940	$23,805 - 32,460	$30,053 - 40,980	$36,301 - 49,500	$42,549 - 58,020	$48,797- 66,540	$55,045 - 75,060	$61,293 - 83,580
151 - 190%	50%	$23,941 - 30,324	$32,461 - 41,116	$40,981 - 51,908	$49,501 - 62,700	$58,021 -73,492	$66,541 -84,284	$75,061 -95,076	$83,581 - 105,868
191 - 240%	25%	$30,325 - 38,304	$41,117 - 51,936	$51,909 - 65,568	$62,701 - 79,200	$73,493 - 92,832	$84,285 - 106,464	$95,077 - 120,096	$105,869 - 133,728