

Lexington Health	Procedure Patient Financial Services	Page 1 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

PURPOSE: To provide guidelines for Financial Assistance for Covered Services under the Lexington Health (“**LH**”) Financial Assistance Program (“**FAP**”).

POLICY REFERENCED: Financial Assistance Program

PROCEDURE:

1. Definitions

- 1.1 **Amounts Generally Billed:** A method that LH uses to calculate the Amounts Generally Billed (“**AGB**”) for Covered Services to patients who have insurance covering such care. This calculation is based upon the Medicare and private insurance rates for services, as further described in Section 15 below.
- 1.2 **Covered Services:** All emergency and other Medically Necessary Services, including inpatient, outpatient and urgent care services, provided and billed by LH. Elective services provided by LH are NOT Covered Services. (i.e. bariatric procedures, sleep studies, cosmetic procedures, experimental or part of a clinical research program are not considered Medically Necessary Services for purposes of this policy.). Further, Motor Vehicle related services are not Covered Services.
- 1.3 **Medically Necessary Services:** “Medically Necessary” refers to inpatient or outpatient health care services provided for the purpose of evaluation, diagnosis and/or treatment of an injury, illness, disease or its symptoms which otherwise if left untreated would pose a threat to the patient’s ongoing health status; services must be clinically appropriate and within generally accepted medical practice standards.
- 1.4 **Earned Income:** Earned Income includes all income in cash earned by an individual through the receipt of wages, salary, commissions, or profit from activities in which he/she is engaged as a self-employed individual (*see* Self-Employment Income) or as an employee. This earned income may be derived from his/her own employment, such as a business enterprise or farming, or derived from wages or salary received as an employee
- 1.5 **Family:** A Family is defined in Section 4 below.
- 1.6 **Financial Assistance:** A discount or write-off, either partial or complete, of charges for Covered Services provided by LH to a patient after a determination of eligibility under this FAP.
- 1.7 **Gross Annual Income:** Gross Annual Income is defined as the sum of Earned Income, Unearned Income and Self-Employment Income.
- 1.8 **Self-Employment Income:** Self-Employment Income permits deductions for the cost of doing business. The applicant must provide a record of expenses incurred

Lexington Health	Procedure Patient Financial Services	Page 2 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

in the production of the income. Allowable costs for producing self-employment income are: (1) Identifiable costs of labor, such as salaries, employer share of social security, insurance, etc.; (2) Rent and costs of maintenance for the business building; (3) Business telephone costs; (4) Costs of operating a motor vehicle when required in connection with the operation of the business; (5) Insurance premiums and taxes paid on the business; (6) Costs of meals for children when day care is provided in the applicant's home; and (7) Interest paid to purchase income producing property.

- 1.9 Third Party Resources: Third Party Resources are any third party payer, including any individual, entity, or program that is or may be liable to pay all or part of the medical cost related to the Covered Services of an individual. Examples of such payment sources are Medicare, Medicaid, health insurance, employee benefits plans, and other state or federal programs which assist in providing health care services
- 1.10 Unearned Income: Unearned Income is any income that does not meet the definition of Earned Income. The following are considered Unearned Income (this list is not all inclusive): (1) Unemployment Compensation and Workmen's Compensation; (2) Assistance Payments Based on Need- AFDC, SSI, and other cash payments; (3) Pensions and Benefits - Annuities, pensions, retirement, veteran's or disability benefits, Social Security benefits, and other such pensions and benefits; (4) Support and Alimony - Support or alimony payments from non-household members; (5) Contributions - Any cash contribution made to any member of the Family by a non- Family member (gift or loan); (6) Trust Funds - When a Family member receives monies from trust funds, the monies are treated as Unearned Income; (7) Lump Sum Payments - Any lump sum payment is considered unearned income in the month received and becomes a resource if retained to the following month. Since that income will not be received again, it is not annualized, but added to other Gross Annual Income; (8) Educational Loans, Grants and Scholarships - Any portion of loans, grants and scholarships which may be used to meet the person's current living expenses (food, clothing or shelter) is counted as income. Any portion which is clearly designated for tuition is excluded from income; and (9) Capital Gains Income - Any gain from the sale of an asset is counted as income. EXCEPTION: Federal and state income tax refunds are excluded from income.

2. Applicability

- 2.1 LH provides Financial Assistance for Covered Services provided at LH in accordance with this FAP. If a patient is eligible for Financial Assistance, all outstanding balances system wide will be adjusted according to Section 9.
- 2.2 All Third-Party Resources for the accounts in question must be exhausted before a patient is eligible for Financial Assistance under this FAP.

Lexington Health	Procedure Patient Financial Services	Page 3 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

- 2.3 There are providers that may deliver emergency or other Medically Necessary Care in LH facilities whose care will be covered under this FAP. Please see Attachment A for a list of those participating providers.
- 2.4 LH will provide care for emergency medical conditions as required by the Emergency Medical Treatment and Active Labor Act (“EMTALA”) regardless of ability to pay or whether the individual is eligible for Financial Assistance under this FAP Policy. LH prohibits any actions that discourage individuals from seeking such emergency medical care from LH, including demanding payment from emergency department patients prior to receiving treatment for emergency medical conditions or permitting debt collection activities that interfere with the provision of emergency medical care without discrimination.

3. FAP Application

- 3.1 An individual may apply for Financial Assistance by completing and submitting LH’s Financial Assistance Application form (“FAP Application”) and all associated documentation.
- 3.2 LH will offer a paper copy of the FAP Plain Language Summary to patients during the intake or discharge process. Additionally, individuals may obtain free copies of this FAP, FAP Plain Language Summary and FAP Application from the LH Emergency Room, LH admissions areas or LH’s website.
- 3.3 All information requested of the applicant to support the eligibility determination, as detailed on the FAP Application, must be provided within 90 days from the original submission date of the FAP Application.

4. Family Determination & Computation of Income

- 4.1 Family Determination
 - 4.1.1 In making a determination of eligibility for Financial Assistance under this FAP, the first step in determining the amount of income and resources available to the applicant is to establish the Family composition. The income and resources of the applicant’s Family must be considered and measured against the appropriate standards. Spouses are responsible for their spouse, if legally married. Parents are responsible for their minor children.
 - 4.1.2 If the applicant is legally or financially dependent upon someone else in the household, the Family is composed of the applicant and all persons that are considered a legal tax dependent or spouse (exceptions may apply based on tax filing status).

Lexington Health	Procedure Patient Financial Services	Page 4 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

4.1.3 For the purposes of the LH FAP, an applicant that is a minor child or a student that is still financially dependent upon their parent(s) is considered a member of their parent’s household. If their parent(s) do not live in the same home, the minor is considered a Family member in the home of the parent that holds legal custody.

4.1.4 To determine the Family composition for an applicant who is a minor or a student absent from their parent(s) home, circumstantial consideration may apply.

4.2 Computation of Gross Annual Income

4.2.1 The Gross Annual Income of the applicant and Family is measured against the annual poverty guidelines for the appropriate size Family. Gross Annual Income should be representative of the Family’s average earnings. For this reason, the method of calculating Gross Annual Income will vary dependent upon the employment status of the Family members.

4.2.2 The Gross Annual Income of an applicant includes applicant and Family Earned Income, Unearned Income and Income from Self-Employment.

4.2.3 The following methods may be used to compute Gross Annual Income based on the manner in which the income is received:

4.2.4 Fixed Monthly Income

This refers to persons that receive a set monthly benefit or a set income for work performed. For example; someone may receive set Social Security benefits, or a salaried teacher. In this situation, determine Gross Annual Income based on income received in the month prior to the effective date of application, multiplied by twelve (12).

4.2.5 Hourly/Salaried with Bonuses, Commissions, and Overtime

This refers to persons that receive a wage based on the number of hours worked or a salary which is subject to additional earnings due to overtime, commissions, or bonuses. In this situation, determine gross annual income by adding income received in the eight (8) weeks prior to the effective date of application Divide the total by the number of times paid to get the average income per pay date. Multiply by 52 if paid weekly; multiply by 26 if paid bi-weekly (every 2 weeks); multiply by 24 if paid semi-monthly (twice a month); multiply by 12 if paid monthly.

4.2.6 Irregular Income

Lexington Health	Procedure Patient Financial Services	Page 5 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

This refers to persons whose income varies from week to week or month to month. For example, people who work odd jobs or are seasonal employees. In this situation, determine Gross Annual Income based on income received in the eight (8) weeks prior to the effective date of the application. Divide the total by the number of weeks to get an average weekly income, and multiply by 52. “Odd Job form” must be completed.

4.2.7 Self-Employment Income

This refers to persons whose income is derived from Self-Employment. For example, farmers, beauticians, mechanics, loggers, etc. If the person does not report income on a weekly, bi-weekly, or monthly basis, determine Gross Annual Income based on the most recently filed income tax return. Deductions are allowed for Self-Employed Income for the cost of doing business. After the Self-Employment Income is given, the cost of doing business deduction is added to any other Earned Income

4.2.8 Inability to Work

When a physician certifies (written or verbal) that an individual is unable to work for a specified period of time, prospective budgeting procedures might be used to arrive at a more accurate determination of income. Subtract the number of weeks the individual will be unable to work from 52. Multiply the average weekly amount by this figure. Also budget the income of a spouse who is needed in the home/hospital to care for the incapacitated individual prospectively.

- 4.3 Persons claiming to have no income must sign an attestation document stating this. Persons claiming no income must have 2 unrelated persons sign the “No income form” attesting to the best of their knowledge that the patient has had no income for the past 2 months. The patient should be carefully interviewed to determine how they obtain food, clothing, and shelter given such circumstances. A Food and Shelter form, and a Financial Support form may be required. This information should be included in the patient’s chart. If there is reason to question the accuracy of the applicant’s statement, you may request that the applicant go to the Employment Security Commission to obtain the most recent quarterly wage information.

5. Resource Standards

In order to receive Financial Assistance under this FAP, countable resources must be within the limits described below, except as provided in Section 12 (Catastrophic Financial Assistance):

Lexington Health	Procedure Patient Financial Services	Page 6 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

5.1 Liquid assets. The applicant and/or the applicant's eligible household member's total liquid assets may not exceed \$5,000. Examples of liquid assets are:

5.1.1 Cash on hand;

5.1.2 Checking or savings accounts in banks or other savings institutions, including credit unions;

5.1.3 Savings certificates;

5.1.4 The market value of stocks or bonds;

5.1.5 Trust accounts exception when inaccessible; and

5.1.6 Jointly owned liquid resources.

When accounts are jointly owned and the applicant and/or their Family have access to the entire amount in the account, the entire amount is counted toward the resource limit. To determine whether the person has access to the entire amount, the worker will need to determine if both signatures are needed for access to the resource or if only one signature is needed. One signature means the entire amount is accessible. When both signatures are needed, only a prorated share of the account is applied to the resource limit

5.2 Trusts.

5.2.1 If an applicant and/or a member of their Family are the beneficiary of a trust and has unrestricted access to the principal of the trust, the value of the principal is applied to the resource limit. The value of the trust principal is measured against the liquid asset resource limitation.

5.2.2 If the beneficiary of the trust does not have access to, or the trustee does not have the authority or refuses to make the trust principal available to the beneficiary, the trust principal is not applied to the resource limit. If the applicant or Family member does not have access to the trust principal, only the income and/or other benefits from the trust are counted.

5.3 Non-Liquid Resources - If the person jointly owns property with one or more other person(s), only half the market value of the applicant's and/or his eligible household member's interest in the property is considered a resource and measured against the appropriate standard.

5.3.1 Real Property - Rebuttal must be accomplished through an appeal to the assessor's office in the county where the property is located. A copy of the assessor's determination of value must be furnished to the designee. The

Lexington Health	Procedure Patient Financial Services	Page 7 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

value established by the assessor must be used. The tax-assessed value is the current market value established by the county tax assessor.

- 5.3.2 An applicant and / or eligible household members, who have transferred, sold or given away resources with or without receiving compensation within 3 months prior to date of application may not be eligible.

6. Verification

- 6.1 All income and resources must be verified. The method, amount and date of verification must be documented.

7. Determination of Eligibility

- 7.1 Upon receipt of a completed FAP Application and all appropriate documentation, Patient Financial Services will review the materials and make a determination of Financial Assistance eligibility in accordance with this FAP.
- 7.2 If a patient is determined to be eligible for Financial Assistance under this policy, LH shall not charge that patient more than the ABG calculation, as described in Section 15, for Covered Services.
- 7.3 Applicants providing incomplete FAP Applications and who do not complete submission of appropriate documentation required for review under this FAP will be determined not eligible for Financial Assistance. No further reviews or approvals will be issued based on the denied FAP Application.
- 7.4 A current determination of eligibility is good for subsequent admissions for 90 days after the date of application; however, a full completed FAP Application is required each calendar year.
- 7.5 During that calendar year, approval can be reviewed if there have not been any changes to a patient's status. A "No Change Form" is required. A signature on the "No Change Form" is needed on the 91st day post the initial date of FAP Application.

8. Presumptive Financial Assistance Eligibility

- 8.1 Patients who qualify and are receiving benefits from the following programs or who are in the following categories may be presumed eligible for 100% Financial Assistance:
- 8.1.1 State Medicaid Programs offering full benefits. Medicaid eligibility must be verified and entered into the system for record keeping and claim submission in order to be eligible for this presumptive eligibility.

Lexington Health	Procedure Patient Financial Services	Page 8 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

8.1.2 Food Stamps - The U.S. Department of Agriculture Food and Nutrition Service Food Stamp Program (SNAP).

8.1.3 County and state relief programs - Financial assistance with housing, utilities, food and WIC nutrition assistance.

8.1.4 Homeless Patients.

8.1.5 Deceased Patients - Unpaid balances of patients who are deceased with no confirmed estate after 1 year.

8.2 LH Patient Financial Services may require applicable documentation to confirm presumptive eligibility in this Section.

9. Eligibility Determinations

9.1 Qualifying Gross Annual Income for Financial Assistance

Financial Assistance shall be provided to patients who fall within the Federal Poverty Level (“**FPL**”) Guidelines (the chart published annually by the Department of Health and Human Services). If ineligible for Financial Assistance due to assets (as described above), please see below for Catastrophic Eligibility. The amount of Financial Assistance provided to patients who are eligible under these FPL Guidelines will be as follows (provided, however, that no patient eligible to receive Financial Assistance under this FAP will be billed more than the AGB):

Income – Federal Poverty Guidelines	Adjustment Amount to Gross Charges
Up to 200% FPL	100% discount
201% - 300%	80% discount
301% - 400%	Billed no more than AGB (see Section 15)
Uninsured Discount (only for patients who are not eligible under this FAP)	50% discount

Lexington Health	Procedure Patient Financial Services	Page 9 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

2021 U.S. Federal Poverty Guidelines (updated annually)			
Household Size	200% FPL	201% - 300% FPL	301% - 400% FPL
1	\$0 - \$25,760	\$25,761 - \$38,640	\$38,641 - \$51,520
2	\$0 - \$34,840	\$34,841 - \$52,260	\$52,261 - \$69,680
3	\$0 - \$43,920	\$43,921 - \$65,880	\$65,881 - \$87,840
4	\$0 - \$53,000	\$53,001 - \$79,500	\$79,501 - \$106,000
5	\$0 - \$62,080	\$62,081 - \$93,120	\$93,121 - \$124,160
6	\$0 - \$71,160	\$71,161 - \$106,740	\$106,741 - \$142,320
7	\$0 - \$80,240	\$80,241 - \$120,360	\$120,361 - \$160,480
8	\$0 - \$89,200	\$89,201 - \$133,800	\$133,801 - \$178,400

9.2 Outstanding Account Balances

FAP eligibility covers all outstanding account balances retrospectively regardless of the age. Accounts are covered proactively for 90 days from the date of service. An approved FAP Application covers accounts for all Family members that are part of the same household. (i.e. spouse, dependent children, etc.).

10. Discretionary Approval Guidelines

- 10.1 Management has the discretion to determine Financial Assistance eligibility based on certain criteria when the patient does not complete the FAP Application process or is uncooperative. The following information must be gathered to make a discretionary determination for Financial Assistance eligibility. The documentation should be attached to the Discretionary Eligibility Form and filed.

Lexington Health	Procedure Patient Financial Services	Page 10 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

10.1.1 Discretionary Eligibility Form must be completed and signed by LH representative. Approval given at the appropriate management level. (See Section 10.3).

10.1.2 Management will use a current copy of guarantor's credit report as a general guide in supporting a finding of eligibility for Financial Assistance. The approving authority will determine if a patient is truly indigent using their best judgment.

10.1.3 Copy of LH transaction history, generated internally by LH systems, showing that statements or telephone calls have been made to the patient.

10.2 Patients with the following status will be granted automatic approval for 100% discretionary Financial Assistance. A Discretionary Eligibility Form must still be completed and signed by LH employee:

10.2.1 Homeless patient or guarantor.

10.2.2 Patient or Guarantor currently residing in a shelter (i.e., Oliver Gospel Mission, Salvation Army, His House Ministries, Sistercare, Transitions etc.).

10.3 Discretionary approval may be granted at management's discretion based on the account balances as follows:

Balances	Approving Authority (Requires Signatures)
< \$4,999	Financial Counselor
\$5,000 - \$9,999	Supervisor / Manager
\$10,000 - \$24,999	Manager
\$25,000 - \$74,999	Director
\$75,000 - \$199,999	Vice President
\$200,000 +	Chief Financial Officer

12. Catastrophic Financial Assistance

If charges for Covered Services provided by LH physicians at LH not paid by Third Party Resources exceed three times the income of the total annual Family income, 80% of those charges will be discounted.

13. Notification of Eligibility Determination

LH Patient Financial Services shall ensure applicants are given a prompt written decision regarding a determination for Financial Assistance under this FAP Policy upon receipt of a completed application including all required information. Applicants may contact LH

Lexington Health	Procedure Patient Financial Services	Page 11 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

Patient Financial Services with questions regarding this FAP Policy. Further contact information is available on the FAP Application.

14. Billing and Collections

- 14.1 LH will make reasonable efforts to determine if an individual is eligible for Financial Assistance under this FAP Policy before engaging in any extraordinary collections actions.
- 14.2 Any actions LH may take in the event of nonpayment, including any extraordinary collections actions, are described in the LH Bad Debt Policy. A copy of this policy is available free of cost on the LH website and at LH Patient Financial Services.

15. Amounts Generally Billed

Any individual eligible for Financial Assistance under this FAP Policy will not be billed more than the AGB for Covered Services received at LH. LH calculates the AGB by multiplying LH’s gross charges for Covered Services rendered to the eligible patient by the AGB Percentage. The “AGB Percentage” is determined by using the “look back method,” and is calculated by dividing (1) the sum of the amounts of all of LH’s claims for emergency or other Medically Necessary care which have been allowed by Medicare fee-for-service and all private insurers during a specific prior 12-month period by (2) the sum of the associated gross charges for those claims. The AGB Percentage shall include the total of both the amount that would be reimbursed by Medicare fee-for-service, and all private insurers and the amount the individual would be personally responsible for paying in the form of co-payments, co-insurance, and deductibles. Specific information regarding LH’s AGB Percentage and the associated calculation is available in writing and can be obtained at no cost by calling our Patient Financial Services office at (803) 791-2490 or toll free at (877) 835-0975 or by submitting a request to: Patient Financial Services, Lexington Health, Inc., 2720 Sunset Boulevard, West Columbia, SC 29169.

Approved by resolution of LHI Board 1/28/2021

Lexington Health	Procedure Patient Financial Services	Page 12 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

PROVIDER LIST:

Practice Name	Follows Financial Assistance Policy
Batesburg-Leesville Family Medicine	Yes
Carolina Pulmonary	Yes
Carolina Shoulder and Knee Specialists	Yes
Carolina Women's Physicians	Yes
Chapin Family Practice	Yes
Chapin Women's Care	Yes
Harbison Medical Associates	Yes
Internal Medicine Associates	Yes
Lexington Brain and Spine Institute	Yes
Lexington Cardiology	Yes
Lexington Cardiovascular Surgery	Yes
Lexington Critical Care	Yes
Lexington Endocrinology	Yes
Lexington ENT & Allergy	Yes
Lexington Family Medicine	Yes
Lexington Family Practice Ballentine	Yes
Lexington Family Practice Gilbert	Yes
Lexington Medical Center Irmo	Yes
Lexington Family Practice Lake Murray	Yes
Lexington Family Practice Lexington	Yes
Lexington Family Practice Northeast	Yes
Lexington Medical Park Otarre Pointe	Yes
Lexington Family Practice Summit	Yes
Lexington Family Practice West Columbia	Yes
Lexington Family Practice White Knoll	Yes
Lexington Hospitalists	Yes
Lexington Internists Irmo	Yes
Lexington Internists Laurel	Yes
Lexington Internists Lexington	Yes
Lexington Internists Northeast	Yes
Lexington Maternal Fetal Medicine	Yes
Lexington Medical Anesthesiology	Yes
Lexington Medical Associates	Yes
Lexington Medical Specialists	Yes
Lexington Oncology	Yes
Lexington Orthopaedics	Yes
Lexington Pediatric Practice	Yes
Lexington Plastic Surgery	Yes
Lexington Podiatry	Yes
Lexington Radiation Oncology	Yes

Lexington Health	Procedure Patient Financial Services	Page 13 of 13
Subject: Financial Assistance Program	Applicable Department Names: Patient Financial Services	Original: 02/2021

Lexington Radiology Associates	Yes
Lexington Rheumatology	Yes
Lexington Sleep Solutions	Yes
Lexington Surgery	Yes
Lexington Surgical Associates	Yes
Lexington Urology	Yes
Lexington Women's Care Chapin	Yes
Lexington Women's Care Irmo	Yes
Lexington Women's Care Lexington	Yes
Lexington Women's Care Sandhills	Yes
Lexington Women's Care West Columbia	Yes
LH Batesburg-Leesville	Yes
LH Emergency Medicine	Yes
LH Swansea	Yes
LH Urgent Care	Yes
Mid Carolina Internal Medicine	Yes
Occupational Health	Yes
Palmetto Family Medicine	Yes
Riverside Surgical Group	Yes
Sandhills Family Medicine	Yes
South Carolina OB/GYN Associates	Yes
South Carolina Obesity Surgery Center	Yes
Southeastern Neurology and Memory Clinic	Yes
Southeastern Orthopaedic & Sports Medicine	Yes
Southern Surgical Group	Yes
Spring Valley Family Practice	Yes
The Columbia Medical Group	Yes
Vista Clinical Research	Yes
Vista Women's Healthcare	Yes
Associates in Oral and Maxillofacial Surgery	Yes
Capital Plastic Surgery	Yes
Carlin Plastic Surgery	Yes
Carolina Urology Partners	Yes
Columbia Nephrology Associates, PA	Yes
Consultants in Gastroenterology	Yes
Lexington Facial and Oral Surgery	Yes
McCain Orthopaedic Center	Yes
Midlands Gastroenterology	Yes
Pathology Associates of Lexington	Yes
South Carolina Oncology Associates	Yes
The Brain Tumor Program	Yes
The South Carolina Neurological Clinic, PA	Yes