ABRAHAM LINCOLN MEMORIAL HOSPITAL
Patient Accounts

Charity Care
Policy #:  101.057
Effective Date:  04/01/2004
Approved By:

| Bruce E. Allen, Director of Finance, ALMH & TMH |
| Dolan C. Dalpoas, FACHE, President/CEO |

MISSION:

The mission of Abraham Lincoln Memorial Hospital is to restore, maintain and improve the health of the people and communities we serve.

In order to better serve the community and further our mission, Abraham Lincoln Memorial Hospital will accept a wide variety of payment methods and will offer resources to assist the patient and responsible party in resolving any outstanding balance. We will treat all patients equitably, with dignity, respect and compassion, and wherever possible, help patients who cannot pay for all or part of their care.

Abraham Lincoln Memorial Hospital recognizes that there are unfortunate occasions when a patient is not financially able to pay for their medical care, and is not eligible for federal or state medical assistance programs. Since the provision of care is not dependent on the patient's ability to pay, Abraham Lincoln Memorial Hospital has established guidelines in which a patient may apply and qualify for charity care assistance. Abraham Lincoln Memorial Hospital strives to balance needed patient financial assistance with the broader fiscal hospital responsibilities to insure our mission is viable for all we serve in our community.

PURPOSE:

The purpose of this policy is to define the eligibility criteria for charity care assistance and provide administrative guidelines for the identification, evaluation, classification, and documentation of patient accounts as charity care. We will insure our policy is effectively communicated to those in need, that we assist patients in applying and qualifying for known programs of financial assistance, and that all policies are accurately and consistently applied. We will define the standard and scope of services to be used by our outside agencies that are collecting on our behalf, and will obtain this agreement in writing to insure that these policies are incorporated throughout the entire collection process. This policy is also intended by Abraham Lincoln Memorial Hospital to be compliant in all respects with the provisions of the Illinois Hospital Uninsured Patient Discount Act and the terms of Abraham Lincoln Memorial Hospital's Uninsured Discount Program are accordingly incorporated as a part of this Charity Policy. Abraham Lincoln Memorial Hospital has established its Uninsured Discount Program in conjunction with its Charity Policy. For those uninsured patients, the Uninsured Discount Program is only a first step as part of the Charity Policy. Some uninsured patients may qualify for fully discounted services. The Charity Policy and the Uninsured Discount Program are parts of an integrated system which provides free or discounted services to all those eligible whether through one or both policies. Qualification under either policy does not preclude qualification under the other at any time. The two policies are both in recognition of Abraham Lincoln Memorial Hospital’s actions to provide a gift of services to all persons as is appropriate, to reduce any governmental burden, and to use its facilities in furtherance of its Mission for the benefit of all persons regardless of ability to pay.
TYPES OF CHARITY CARE ASSISTANCE:

Abraham Lincoln Memorial Hospital identifies two types of charity care assistance: those patients who will qualify for fully discounted services and those who are eligible to receive partial discounts. This amount of assistance will be based on information provided by the patient as outlined below. Our income guidelines (attachment 101.057 AttA) will be based on the U.S. Department of Health and Human Services Poverty Guidelines, updated annually.

POLICY:

It is the policy of Abraham Lincoln Memorial Hospital to identify charity care that is provided to patients according to the guidelines described below.

Charity care is defined as medical care services provided at no charge or on a reduced basis to patients.

Partially discounted and full charity care will be based solely on ability to pay and will not be judged on the basis of any particular race, color, religion, national origin, ancestry, creed, handicap, sex, age, marital status, physical or mental handicap, sexual orientation or citizenship status.

Emergency admission, treatment, screening and/or stabilization services will not be delayed or denied due to coverage or payment ability.

Classification of medical services as charity care can occur at any time.

Charity is applicable to all “medically necessary” health care services. “Medically necessary” means any inpatient or outpatient hospital service, including pharmaceuticals or supplies provided by a hospital to a patient, covered under Title IV of the federal Social Security Act for beneficiaries with the same clinical presentation as the uninsured patient. A “medically necessary” service does not include any of the following:

1) Non-medical services such as social and vocational services.
2) Elective cosmetic surgery, but not plastic surgery designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.
3) Services which could have been safely performed in another facility free of charge, which were knowingly refused by the patient.
4) Services which could have been paid by Illinois Medicaid if the patient had not failed to provide the information requested to enroll in the publicly sponsored benefit.
5) Any procedure not covered by third-party insurance, despite being deemed to be medically necessary, due to the patient’s failure to follow insurance payer guidelines and procedures. Examples include dental procedures, services provided in a non-contracted hospital, the patient’s failure to receive precertification/authorization or a physician’s failure to submit proper documentation to obtain precertification/authorization.

The intent of this policy is to meet the health care services needs in our community for those patients served by Abraham Lincoln Memorial Hospital who are uninsured. Nothing herein shall be interpreted in such a way as to conflict with Illinois Medicaid statues, regulations and administrative rules. Abraham Lincoln Memorial Hospital will act under its Facilitated Enrollment Policy and patients will be expected to participate in that Policy.

PROCEDURE:

ALMH RESPONSIBILITY OF COMMUNICATION:
Abraham Lincoln Memorial Hospital will have a means of communicating the availability of the charity care policy to all patients. Forms of communicating the charity care policy include, but are not limited to:

Placing signage, applications, brochures, etc. in prominent patient locations throughout the facility, including, but not limited to, Emergency Room, Patient Billing, Admissions and on www.almh.org.

Using a language that is appropriate for patients who make up 5% or more of those patients served by Abraham Lincoln Memorial Hospital.

Designating staff members or a department to explain the charity care policy to the patient.

Using statement strategies to provide patient with charity contact information, including application information, coverage issues, and other third party governmental programs.

Providing itemized bills within 7 days from date of patient request.

Making available to the public a copy of our charity policy, application and eligibility criteria upon request.

Allowing patients to (re) apply for financial assistance at any time in the billing process.

Abraham Lincoln Memorial Hospital staff in the patient financial services and registration departments will understand the charity care policy and will be able to direct questions regarding the policy to the proper hospital representative. The hospital staff that regularly interacts with patients will also be familiar with the charity care policy, and if necessary, will be able to direct questions regarding the policy to a knowledgeable hospital representative or department.

**PATIENT QUALIFICATION & ELIGIBILITY:**

A patient is eligible for charity care based upon an individual or family income and assets as defined on the current year’s U.S. Department of Health and Human Services Poverty Guidelines. An uninsured patient is eligible for 100% charity care with income up to 300% of federal poverty guidelines. An uninsured patient that has income from greater than 301% of federal poverty guidelines will be eligible for charity care as identified in the Schedule of Discounts.

**PATIENT QUALIFICATION & ELIGIBILITY FOR UNINSURED DISCOUNT:**

Abraham Lincoln Memorial Hospital will provide a discount from its charges to any uninsured patient who applies for a discount for all medically necessary health care services exceeding $300 in any one inpatient admission or outpatient encounter. “Family income” means the sum of a family’s annual earnings and cash benefits from all sources before taxes, less payments made for child support, and “federal poverty income guidelines” means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. For all health care services exceeding $300 in any one inpatient admission or outpatient encounter, Abraham Lincoln Memorial Hospital will not collect from an eligible uninsured patient more than its charges less the amount of the uninsured discount.

**SYSTEMATIC CHARITY DISCOUNT FOR THE UNINSURED:**

Abraham Lincoln Memorial Hospital will provide a systematic 70% charity discount from its charges to all uninsured patients regardless of income or cooperation for all medically necessary health care services. This discount will be considered an integral component and in addition to any income based discount in meeting the Hospital Uninsured patient Discount Act calculation of
the cost to charge ratio. Patient cooperation would be required to obtain additional income based discounts as defined below.

**DEFINITION OF INCOME:**

When providing income information, the patient is limited to providing the following information:

- Whether patient or patient's spouse, as defined by Illinois law, is currently employed
- If patient is a minor, whether patient's parents or guardians are currently employed
- If patient or patient's spouse, as defined by Illinois law, is employed, name, address, and telephone number of all employers
- If a minor patient's parents or guardians are employed, name, address, and telephone number of all employers
- If patient is divorced or separated or was a party to a dissolution proceeding, whether the former spouse, as defined by Illinois law, is financially responsible for patient's medical care per the divorce, separation, or dissolution agreement

The patient is limited to the following gross monthly family income information, including cases in which a spouse, as defined by Illinois law, is guarantor for the patient or in which a parent or guardian is guarantor for a minor, from sources such as:

- Wages
- Self-employment
- Unemployment compensation
- Social Security
- Social Security disability
- Veterans’ pension
- Veterans’ disability
- Private disability
- Workers’ Compensation
- Temporary Assistance for Needy Families (TANF)
- Retirement income
- Child support, alimony, or other spousal support
- Other income

**DEFINITION OF ASSETS:**

Assets include, and are limited to,

- Checking
- Savings
- Stocks
- Certificate of deposit
- Mutual funds
- Automobiles or other vehicles
- Health savings/flexible spending accounts

Real property ("Real property" refers to all land, buildings, anything affixed to the land or growing on the land, and whatever is beneath the land, such as minerals, gas, or oil; it generally does not include equipment that can be removed from the land)

Exemption to Assets:
Abraham Lincoln Memorial Hospital will examine available assets as an indicator of income for comparison to poverty guidelines, but will exclude from consideration the following assets:

A minimum of $2,000 liquid assets for single household/applicants.

A minimum of $3,000 liquid assets for married household/applicants.

Plus $500 for each additional dependent in household.

Homestead or primary place of residence.

All personal property including, but not limited to, household goods, wedding/engagement rings and medical equipment.

All automobiles or other vehicles of less than $30,000 in value.

Assets held in pension plans.

Available business equity below $50,000.

Other assets at our discretion that should be exempt.

**VERIFICATION OF INCOME AND ASSETS:**

For determining eligibility, patient responsibility to provide information for eligibility verification may include, and is limited to, any of the following information:

A Completed federal income tax return for the previous calendar year(s) if required to file.

A copy of the patient’s most recent W-2’s and 1099 forms

Paycheck stubs, preferably with income listed for the month prior to the month the application is received plus statements of all other income received as defined in the “Definition of Income” section of this policy. An income statement is recommended for all self-employed persons or patients paying in cash.

Benefit Statements

Award Letters

Court Orders

Other Documentation that can be provided by the patient

Failure to meet the above criteria provides grounds for denial of charity care. Charity care levels of income may be verified for either the previous twelve (12) months or annualization of partial year information. Qualification is valid under either method of calculation. In addition to historical information, future earning capacity along with the ability to meet those obligations within a reasonable time may be considered. Providing false information or excluding requested information may result in denial of application and eligibility. This financial information is considered confidential and is protected to ensure that such information will only be used to assist in enrollment or evaluating eligibility for financial assistance.

**GENERAL APPLICATION GUIDELINES:**
The patient has at least 60 days from the date of discharge or receipt of outpatient care to complete and return the financial assistance application.

An application, whenever possible, should be submitted and approved before the service is provided.

No application or financial consideration will be required for Emergency Medical Treatment or services that are provided without advance notification from a physician or other referral area. The application should be completed as soon as possible keeping the patient's medical needs as the primary focus. Application to cover the emergency treatment will be made after the service is provided.

It is crucial that Charity Care applicants cooperate with Abraham Lincoln Memorial Hospital’s need for accurate and detailed information within a reasonable time frame. If necessary, information is not legible, or is incomplete, applications may be considered denied or returned to applicant until such time that all crucial information can be obtained. Applications should contain applicant's signature and where that is not possible, reasonable documentation demonstrating applicant's intent to apply for charity.

The absence of any requested application data would subject that application to management discretion and possible denial.

Upon approval for charity care, the documentation may be used for re-evaluation for future services along with other updated pertinent, supplemental information for up to six months. Exceptions may be granted during this six month period based on management discretion, in consideration of changing circumstances from the initial qualifying period.

The documentation may be used for evaluation for services along with other updated pertinent, supplemental information for up to 6 months. Exceptions may be granted during this 6 month period based on management discretion, in consideration of changing circumstances from the initial qualifying period.

Documentation showing assistance from State or Federal Programs (i.e. Link Card, Township Assistance Program, Section 8 Housing or any other program) would be considered a complete application without documentation required.

Once charity care status is determined, it will be applied to all open accounts and will be valid for a period of 6 months from date of determination and retroactively.

**PRESUMPTIVE CHARITY ELIGIBILITY:**

In the absence of a completed charity application, charity may be considered when supported by other collaborating information. There are cases where a patient may be eligible for charity care, but has failed to cooperate by completing a charity application or providing adequate supporting documentation. When there is adequate third party collaborating information obtained through alternative sources, this information could provide sufficient evidence to provide the patient up to 100% charity care assistance.

The Illinois Fair Patient Billing Act defines “presumptive eligibility” as eligibility for hospital financial assistance determined by reference to criteria demonstrating financial need on the part of a patient, and “presumptive eligibility criteria” as the categories identified as demonstrating financial need on the part of a patient used by the hospital in the implementation of presumptive eligibility.

Patients shall be deemed presumptively eligible for hospital financial assistance if the patient demonstrates one or more of the following:
Homelessness
Deceased with no estate
Mental incapacitation with no one to act on patient's behalf
Medicaid eligibility, but not on date of service or for non-covered service
Recent personal bankruptcy
Incarceration in a penal institution
Affiliation with a religious order and vow of poverty
Enrollment in Temporary Assistance for Needy Families (TANF)
Enrollment in IHDA's Rental Housing Support Program

Enrollment in the following assistance programs for low-income individuals having eligibility criteria at or below 200% of the federal poverty income guidelines:

A) Women, Infants and Children Nutrition Program (WIC)
B) Supplemental Nutrition Assistance Program (SNAP)
C) Illinois Free Lunch and Breakfast Program
D) Low Income Home Energy Assistance Program (LIHEAP)
E) Enrollment in an organized community-based program providing access to medical care that assesses and documents limited low income financial status as a criterion for membership
F) Receipt of grant assistance for medical services

The Presumptive Eligibility Policy shall be applied to an uninsured patient as soon as possible after receipt of health care services from Abraham Lincoln Memorial Hospital by the patient and prior to the issuance of any bill for those health care services by Abraham Lincoln Memorial Hospital.

**COMMITMENT TO THE 100% FINANCIALLY QUALIFIED CHARITY CARE PATIENT:**

Abraham Lincoln Memorial Hospital will seek no payment through administrative, third party or court proceedings from those patients that qualify for a 100% discount.

Abraham Lincoln Memorial Hospital will not place a lien, force the sale or foreclosure of a financially qualified charity care patient's primary residence to pay for an outstanding medical bill or include the primary residence in the asset calculation, unless the value of the property clearly indicates an ability to assume the financial obligation the patient has had the opportunity to assess the accuracy of the bill, apply for financial assistance, or avail him or herself of a reasonable payment plan (or has failed to make payments in accordance with a reasonable payment plan); and senior leadership’s prior approval has been obtained.

Abraham Lincoln Memorial Hospital will not pursue collection action against a financially qualified charity care patient who has clearly demonstrated that he or she does not have sufficient income or assets to meet any part of their financial obligation to the hospital.

Abraham Lincoln Memorial Hospital will not use forced court appearance to require the financially qualified charity care patient or responsible party to appear in court.

Abraham Lincoln Memorial Hospital will not garnish wages for the financially qualified charity care patient.

Once charity care status is determined, it will be applied retroactively to all qualifying accounts.

For at least 70 days after an uninsured patient's discharge, Abraham Lincoln Memorial Hospital will not file a lawsuit to collect payment on patient's bill.
If an uninsured patient as requested charity assistance and/or applied for other coverage and is cooperating with the hospital, the hospital will not pursue collection action until a decision has been made that there is no longer a reasonable basis to believe patient may qualify for coverage.

**ADDITIONAL RESPONSIBILITIES FOR PATIENTS WHO HAVE RECEIVED PARTIALLY DISCOUNTED CHARITY CARE:**

When the patient has been approved under the charity care policy for a partial discount, Abraham Lincoln Memorial Hospital will work with the patient or the responsible party to establish a reasonable payment option.

If an uninsured patient complies with a payment plan that has been agreed upon by the hospital, Abraham Lincoln Memorial Hospital will not pursue collection action.

If Abraham Lincoln Memorial Hospital has sufficient reason to believe that the patient has income or assets to meet his or her partial obligation but continues with non-payment, collection action including the garnishment of wages may be taken by Abraham Lincoln Memorial Hospital to enforce the terms of the payment plan. Once charity care status is determined, it will be applied retroactively to all open accounts.

**APPLICATION PROCESS:**

Verification of income and medical expenses may be requested to accompany the application. Upon receipt of completed application and/or documentation, the patient service provider will complete the Financial Assistance Worksheet and submit for appropriate approval(s). The Financial Assistance Worksheet determines the percentage of charity care for which the guarantor is eligible. The ALMH schedule of discounts is used as a tool to aid in determining the percentage of charity care applicable and can be extrapolated when partial discounts are awarded. The Patient Financial Service Representative is responsible to verify that all figures used to calculate eligibility are correct, and if needed, they have the authority to seek additional verification before submitting for approval. The Manager or Senior Officer will evaluate the recommendations, verify calculations and documentation and, either approve, deny, or forward to the appropriate person(s) as necessary.

**MAXIMUM OUT-OF-POCKET:**

As outlined in our charity guidelines, a maximum out-of-pocket payment will be applied to all patients whose income falls within our guidelines. The amounts shown in the Schedule of Discounts shall be the maximum total account balance for any patient at any one time. Accruing charges for services in excess of such maximums shall be discounted 100% as qualified charity care.

The maximum amount that may be collected in a 12 month period for health care services provided by Abraham Lincoln Memorial Hospital from a patient is 25% of the patient’s family income, and is subject to the patient’s continued eligibility under this Policy.

The 12 month period to which the maximum amount applies shall begin on the first date, after the effective date of this policy, a Charity Policy or an uninsured patient receives health care services that are determined to be eligible for the Charity Policy or uninsured discount.

To be eligible to have this maximum amount applied to subsequent charges, the Charity Policy or uninsured patient shall inform Abraham Lincoln Memorial Hospital in subsequent inpatient admissions or outpatient encounters that the patient has previously received health care services from Abraham Lincoln Memorial Hospital and was determined to be entitled to the Charity Policy or uninsured discount.
ACCOUNTS FOR FURTHER CHARITY CARE ASSISTANCE:

In the event of an illness which results in an account balance which is catastrophic and where proper documentation has been submitted, but the patient still has a responsible balance resulting from Abraham Lincoln Memorial Hospital bills that causes an undue hardship upon the household, the Patient Financial Services Director along with Senior Leadership may review and determine if an additional charitable discount is merited. The definition of “catastrophic” and the amount of charity care assistance will be determined on a case by case basis considering all financial, family, and health circumstances of the patient.

APPROVAL PROCESS:

Charity care assistance must be approved as follows:

<table>
<thead>
<tr>
<th>Abraham Lincoln Memorial Hospital:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $10,000</td>
</tr>
<tr>
<td>$10,000 to $25,000</td>
</tr>
<tr>
<td>$25,000 to $75,000</td>
</tr>
<tr>
<td>$75,000 to $100,000</td>
</tr>
<tr>
<td>$100,000 and greater</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Service Provider Representatives</td>
</tr>
<tr>
<td>or above</td>
</tr>
<tr>
<td>Patient Financial Services Manager</td>
</tr>
<tr>
<td>or above</td>
</tr>
<tr>
<td>Director of Patient Financial</td>
</tr>
<tr>
<td>Services, Controller or above</td>
</tr>
<tr>
<td>CFO</td>
</tr>
<tr>
<td>CEO</td>
</tr>
</tbody>
</table>

These thresholds can be adjusted for price changes.

The above approval limits will be considered for all open accounts on an account-by-account basis as opposed to aggregate, where a patient has multiple qualifying accounts.

All applicants will be notified of their approval or denial.

CHARITY CARE FILINGS:

The charity application and supporting documentation will be maintained on paper or digital image with appropriate indexing and cross-referenced to allow for subsequent retrieval and review.

The CEO may utilize his discretion to make exceptions to the above procedures based on specific extraordinary circumstances.

REFERENCES:

Illinois Hospital Uninsured Patient Discount Act
Fair Patient Billing Act

CCH-EXP, MED-GUIDE 5267, Comment -Hill-Burton Free Care Costs
HHS Poverty Guidelines
<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/8/04</td>
<td>Created</td>
<td>Pam Allen, Patient Accounts Manager – on file</td>
</tr>
<tr>
<td>4/1/04</td>
<td>Revised-C</td>
<td>Pam Allen, Patient Accounts Manager – on file</td>
</tr>
<tr>
<td>7/12/04</td>
<td>Revised-N</td>
<td>Pam Allen, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>7/29/05</td>
<td>Revised-C-N</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>7/27/06</td>
<td>Revised-C-N</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>7/12/07</td>
<td>Reviewed</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>2/1/08</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>3/18/08</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>3/17/09</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>3/25/09</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>8/6/09</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager (Signature on file)</td>
</tr>
<tr>
<td>5/21/10</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
<tr>
<td>5/4/11</td>
<td>Reviewed</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
<tr>
<td>4/12/12</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
<tr>
<td>9/12/12</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
<tr>
<td>4/30/13</td>
<td>Revised-N</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
<tr>
<td>1/9/14</td>
<td>Revised-C</td>
<td>Marla Shanle, Patient Accounts Manager</td>
</tr>
</tbody>
</table>