



TITLE Financial Assistance Policy		
ORIGINAL CREATION DATE 05/04/2006	DOCUMENT OWNER Finance	DATE APPROVED 04/24/2018

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DEFINITIONS:

**Financial Assistance or Charity Service** - services provided to patients when payment is not anticipated because of an inability to pay. Financial Assistance or Charity Care is available through Yavapai Regional Medical Center’s (YRMC’s) “Financial Assistance Policy” (FAP) program. The FAP is separate and distinct from Bad Debts, which are accounts in which credit has been extended and payment is anticipated, but not received. YRMC Employed Physician’s services may also be eligible under the FAP within the scope of hospital services provided.

**Medically Necessary** - refers to inpatient or outpatient healthcare services provided for the purpose of evaluation, diagnosis and/ or treatment of an injury, illness, disease or its symptoms, which otherwise 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, represent the most appropriate and cost effective supply, device or service that can be safely provided and readily available at a YRMC location with a primary purpose other than patient or provider’s convenience. Expressly excluded from medically necessary services are: healthcare services that are cosmetic, experimental, part of a clinical research program, private and/or non - YRMC medical or physician professional fees, or services and/or treatments not provided at a YRMC location.

PURPOSE:

To further the YRMC mission to the communities it serves, YRMC will provide financial assistance for medically necessary healthcare in a fair, consistent, respectful, and objective manner to low income patients who do not have insurance coverage or are under-insured.

POLICY:

Consistent with its Mission statement, Yavapai Regional Medical Center (YRMC) will provide available and necessary healthcare services, including emergency medical conditions, to citizens and legal residents of the United States of America regardless of their disability, sexual orientation, age, sex, race, religion, creed, national origin, or ability to pay.

YRMC assists eligible persons without insurance coverage or who are under-insured by waiving all or part of the charges for services provided by YRMC.

PROCEDURE:

- I. **Application Process, Financial Assistance Determinations and Payment**
  - a. Completion of a FAP application – Patients wishing to apply for financial assistance must complete a FAP application within 30 days of discharge. Otherwise, a patient will continue to



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- b.** be billed and could have a final court judgment which makes the FAP not available. A copy of the FAP application may be obtained on the hospital’s website at [www.yrmc.org/patient-financial-services/financial-assistance](http://www.yrmc.org/patient-financial-services/financial-assistance) or by calling the business office anytime at (928) 771-5151. Completion includes filling out and submitting a FAP application, along with all requested documentation of income and assets, to P.O. Box 10070 Prescott, AZ 86304 or by Fax (928) 771-5744. Documentation provided with the completed FAP application must include, as applicable: copies of social security cards, proof of residency, bank or credit union statements for the last three months, investment statements for the last three months, W-2s or other wage or income information such as three months of payroll stubs, social security checks, or unemployment checks, self-employment business records, income award letters/grant of education benefits, or other documents showing income and assets, a copy of the current IRS tax return, mortgage statements and annual property tax statements, and documents evidencing the relationships of household members, including birth or baptismal certificates, adoption papers, marriage license, divorce decree or legal separation documents. YRMC may request additional documentation during its application review process.
- c.** Incomplete applications - Incomplete financial assistance applications may be denied until or unless they are completed. YRMC will retain the incomplete application and send a letter to the patient outlining the information needed and how to submit the necessary paperwork.
- d.** Confidentiality - YRMC keeps all FAP applications and supporting documentation confidential.
- e.** Eligibility Determinations – The YRMC Business Office will review the patient applications and inform patients via mail of the results within 30 days of receiving a completed application and all requested documentation. Final determination for financial assistance is provided to the patient in a written notice of determination (NOD). Assignment to a collection agency for follow-up will not occur during the assistance determination process.
- f.** Payment arrangements after financial assistance determination YRMC will continue to work with patients to resolve the remainder of their balance after a financial assistance determination has been made. Patients are responsible to make mutually acceptable payment plan arrangements with YRMC within 30 days of their NOD (See payment plans).
- g.** Patient notification of transfer to a collection agency after payment plan arrangements - YRMC will send a minimum of two monthly statements to patients who have failed to make payment arrangements after NOD or who do not comply with mutually agreed payment plans. The notice will alert the patient of their balance, and if their financial situation has changed, they may have the opportunity for a new payment plan. The notice will also alert the patient that the matter may be sent to a collection agency if it is not resolved. This communication will take place prior to transfer to a collection agency.
- h.** Stay of collection activities – Patients who have completed an application and are under review will have a stay of collection activity and any interest that may have accrued to their bills.
- i.** Late completion of an application – Patients may apply for financial assistance at any time up until legal judgment has been entered by a court of competent jurisdiction.
- j.** Interest – YRMC will not charge interest to patients participating in the FAP for accounts where the patient is fulfilling the terms of predetermined payment arrangements. Collection



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- k. agency interest requirements are not covered by this policy with the exception of the stay of interest for accounts under financial assistance review.

**II. Collection Practices for Financial Assistance Patients**

- a. If a patient does not make payment and fails to initiate the financial assistance process, YRMC will continue to bill the patient for at least 120 days and may elect to begin collection activity including possible transfer to a collection agency. Prior to transfer to a collection agency, however, YRMC will send a minimum of three statements every 30 days or make two phone calls on accounts with returned mail in an attempt to contact the patient at the address and phone numbers provided by the patient and to ensure the account has reached at least 120 days in delinquency. The Patient Financial Services Department will review accounts to ensure reasonable efforts have been made to determine if accounts are eligible for Financial Assistance prior to sending accounts to a collection agency. Statements and communications will inform the patient of the amount due, of the opportunity to complete a FAP application, and that the completion of the application may qualify the patient for free or reduced cost care.
- b. Accounts older than 120 days from discharge and that have been referred to a collection agency may be reported to a credit bureau agency and/or have other legal action taken to resolve the debt.
- c. Agencies contracted with YRMC will provide patients the YRMC 24-hour phone number that patients may call to request financial assistance if financial assistance is requested by the patient while in collections.
- d. Patients whose accounts have been transferred to a collection agency may request YRMC financial assistance, submit a FAP application with requested documentation and be considered for reduction of their bill. These patients will be subject to a stay of collection activities described in the preceding paragraph.
- e. In cases where a voluntary trust deed has secured an YRMC debt, YRMC does not execute a lien that forces the sale, vacancy or foreclosure of a patient’s primary residence to pay for outstanding medical bills.

**IV Eligibility Criteria for Patient Financial Assistance under the FAP**

- a. The FAP employs a sliding scale discount that takes into consideration a patient’s household income and assets.
- b. Eligible patients are uninsured or underinsured persons who receive inpatient or outpatient medically necessary services from a YRMC location and who, subject to the limitation on Qualified Assets described in section V.e and V.f. below:
  - i. Are not eligible for coverage that would otherwise pay for these services (whether through employer-based coverage, commercial insurance, government-sponsored coverage, or third-party liability coverage.)
  - ii. Have Household Incomes (as defined below) below 350% of the Federal Poverty Level (See FPL Grid) for the 12 months preceding the date of services; and
  - iii. Reside within the communities served by YRMC. A community resident is someone who resides within the primary service area of an YRMC location. To be considered a



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community resident, a patient must have resided within the primary service area for at least six months preceding the date when services are rendered. The requirement of six months' residence shall not apply to individuals who reside outside the primary service area of an YRMC location but who require emergency treatment while traveling or visiting within the primary service area.

- c. Financial assistance determinations will be consistent among patients regardless of their age, sex, race, religion, creed, disability, sexual orientation, national origin, or immigration status.
- d. Financial assistance is generally secondary to all other financial resources available to the patient, including insurance, government programs, third-party liability, and Qualified Assets.
- e. Individuals with access to health insurance, third party reimbursement for health services, or governmental assistance who refuse to enroll, fail to take advantage of, or fail to maintain eligibility for such coverage may be excluded from receiving financial assistance.
- f. Hospital FAP information may be used for a period of six months for qualification. After six months, a new application may be required to qualify new services for charity.
- g. FAP applications will be reviewed and approved within the limits stated as follows:

i. Financial Counselor	\$0 - \$5,000
ii. Financial Counseling Lead/Supervisor	\$5,001 – 10,000
iii. Patient Financial Services Manager	\$10,001 – 50,000
iv. Director of Revenue Cycle Services	\$50,001 – 100,000
v. Chief Financial Officer	\$100,001 – Over

**V. Financial Assistance Determination Process**

- a. The qualifying level of assistance for patients eligible for the FAP will be based on charges after an uninsured discount of 30% of YRMC's billed charges has been applied. Patients that qualify under the FAP will not be charged more than the amounts generally billed (AGB) for services rendered. AGB is calculated annually by determining the average percentage paid for services rendered to Medicare and private insurance payers. A copy of this calculation is available upon request by calling the business office at (928) 771-5151. Thereafter, financial assistance will be determined using a sliding-fee scale based upon Household Income as compared to the Federal Poverty Level (FPL) and subject to a reduction based on Qualifying Assets.
- b. In order to obtain financial assistance, the patient must establish (through completion of a FAP application and submission of required documentation) that the patient's Household Income is below 350% Federal Poverty Level (FPL).
- c. Allowances may be made for extenuating circumstances based on each person's unique life situation and mitigating factors. The amount of assistance provided by YRMC may be more than outlined in the YRMC FPL Grid for the current year but not less.
- d. Documents used for income and assets verification for the household include but are not limited to: Copies of the most recent 90 days of payroll stubs, Social Security checks, or unemployment checks; copy of the current IRS tax return filed; current bank, trust fund statements, mortgage statements and annual property tax statements. In the absence of income,



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a letter of support from individuals providing for the patient’s basic living needs may be provided. Upon request YRMC may require additional verification of income and assets.

- e. YRMC may request a credit history report to confirm the financial assistance information as needed.
- f. "Household Income" includes all pre-tax income however derived of all persons 18 years old and over who reside in a household.
- g. "Household Assets" will be considered in the final determination of eligibility for financial discounts. Household Assets that will be considered include all cash or non-cash assets owned by a member of a household including:
  - i. Cash held in savings accounts, checking accounts, safe deposit boxes, or homes;
  - ii. Value of trusts (including living trusts) the patient or guarantor has interest or ownership of equity in real estate;
  - iii. Cash value of stocks, bonds, treasury bills, certificates of deposit and money market accounts;
  - iv. Cash value of life insurance policies;
  - v. Personal property held as an investment, such as jewelry or coin collections;
  - vi. Vehicles other than an automobile of reasonable value used as the primary source of transportation, real property, and lump-sum or one-time receipts of funds, such as inheritances, lottery winnings, or insurance settlements.
- h. “Qualified Assets” are determined by calculating one-quarter of the amount that remains after \$75,000.00 is deducted from the total value of a patient’s Household Assets. For example, Qualified Assets = (Household Assets - \$75,000.00) X .25%.
- i. Amount of Financial Assistance after Application of Qualified Assets – A patient who is eligible for financial assistance based on Household Income will have the amount of the financial assistance reduced (or eliminated) by the balance (if any) of the patient’s "Qualified Assets."
- j. YRMC reserves the right to offer financial assistance for incomplete applications or in the absence of an application when information on-hand demonstrates the likelihood that a patient may be eligible for assistance, but may not be capable of completing an application. For example, Medicaid patients are eligible for financial assistance, but may not be eligible for retro-Medicaid and financial assistance could be granted in absence of an application. Homeless individuals are eligible for assistance, but may not be able to complete an application for assistance. Patients with serious medical conditions and without any family support maybe eligible for assistance. In cases where it is clear that a patient is eligible without an application or completed application, full financial assistance may be provided. In cases where it is not clear, financial assistance may be provided except for \$100 on outpatient accounts and \$1000 on inpatient accounts. These balances may be applied to financial assistance upon completion of an application or new information is obtained proving the patient would be fully eligible but incapable of completing an application.

**VI. Payment Plans for Financial Assistance Patients**



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- a. Guidelines for payment plan amounts – YRMC will limit amounts collected from uninsured patients to no more than 20% of the patient’s Household Income per year, unless the patient’s household has Qualified Assets.
- b. General lengths of terms for payment plans are outlined below. Plans will be modified so as not to exceed 20% of annual Household Income.

Amount Owed	Months to Pay
\$75-250	3
\$251-500	5
\$501-1,000	7
\$1,001-2,000	13
\$2,001-3,000	18
\$3,001-4,000	22
\$4,001-5,000+	24
If a payment plan needs further extension, additional no-interest payment plans are available through Commerce Bank for balances over \$5,000.	

Additional Options through Commerce Bank	
Amount Owed	Months to Pay
\$5,000-\$9,999	36
\$10,000-\$50,000	60

- c. FAP patients meeting an agreed upon monthly payment plan will not be assigned to a collection agency and will not be charged interest on the remaining balance.
- d. Patients are responsible for communicating to the business office anytime an agreed upon payment plan may be broken. Lack of communication from the patient may result in further account collection action after appropriate patient notification.
- e. Payment plans extending beyond the allowed time frames may be accepted with director approval, but will require a financial assistance application to be completed.
- f. Patients are encouraged to make a Contribution to Care if they fall below the 150% FPL.

**VII. Appeals of Assistance Determinations**

- a. Patients or their representatives may appeal a financial assistance determination by providing additional information demonstrating eligibility, such as income verification or an explanation of extenuating circumstances, to the business office within 30 days of receiving the NOD. The Patient Financial Services Collections Manager and the Director or Assistant Director of Patient Financial Services will review all appeals. The responsible party will be notified of the outcome.

**VIII. Accounting for Charity Care**

- a. A separate file will be maintained for accounts written off as Charity Care and retained in the Business Office for a minimum of five years.





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- b. Staff will use the “Approval of Application for Charity Care” form when the receivable is approved for write-off.
- c. A copy of the approval letter will be referred to YRMC Physician Services for account review and appropriate adjustments (if applicable). The form will be placed with the application in the financial file.

**IX. Communication to Patients.** YRMC is committed to making the people in the communities it serves aware of the availability of financial assistance through the FAP. YRMC will provide financial counseling to patients upon request and assist those who are eligible through the FAP application process.

- a. YRMC communicates the availability of financial assistance in appropriate acute care settings such as Emergency Departments, registration areas, and on the hospital website.
- b. All billing statements and statements of services will inform patients that financial assistance is available.
- c. Signs are posted in hospital registration areas informing patients that financial assistance is available for qualifying patients who complete an assistance application. These signs inform patients that free or reduced cost care may be available to qualifying patients who complete an application.
- d. Materials describing the FAP, including cards and brochures, are available in English and Spanish on the hospital website, in admitting, and at the business office.
- e. Financial counseling and business office personnel are available at the hospital or at the business office to assist patients in understanding and applying for local, state, and federal health care programs and the YRMC FAP.
- f. Reasonable efforts are made to ensure that all YRMC employees are informed about how to refer patients to apply for the YRMC FAP. Annual staff education programs are provided to all business office and admitting staff.
- g. Patients can request financial assistance information or a copy of this policy or the FAP application by calling the Business Office phone line on a 24 hour basis at (928) 771-5151. Voicemail is available and calls will be followed up within two working days.
- h. Patients are provided information regarding the availability of financial assistance upon registration or admission to YRMC’s acute facility areas.
- i. This policy and the FAP application for assistance in the form of the YRMC FAP are available on the YRMC website at [www.yrmc.org/patient-financial-services/financial-assistance](http://www.yrmc.org/patient-financial-services/financial-assistance), in acute care in-patient registration areas, or via mail from the Business Office. The FAP application documents include instructions on how to complete the application form and the kinds of supporting documentation that are necessary to complete the application process. Instructions for return of the form are also provided.
- j. Individuals other than the patient, such as the patient’s physician, family members, community or religious groups, social services, or hospital personnel, may make requests for financial assistance on a patient’s behalf.



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[Link to the Participating Practitioners](#)