

Mayo Clinic Health System – Red Cedar

Charity Care Policy - Administration of Financial Assistance

Policy

Mayo Clinic's mission is to provide the best care to every patient every day through integrated clinical practice, education and research. Mayo Clinic strives to benefit humanity through work in these three areas, while supporting the communities in which we live and work. As part of that commitment, Mayo Clinic appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services. Above all, Mayo Clinic's guiding philosophy is that the needs of the patient come first. Charity care is only one component of Mayo Clinic's charitable mission. Educating the next generation of health care professionals and supporting biomedical research to decrease the burden of human disease are vital to Mayo Clinic's charitable purpose.

Purpose

This policy serves to establish and ensure a fair and consistent method for the review and completion of requests for charitable medical care to our patients in need.

Scope

This policy is to be used by All Mayo Clinic tax-exempt sites including Mayo Clinic Health System tax-exempt sites. Throughout the remainder of the document, use of the term "Mayo Clinic" refers to all Mayo Clinic affiliated tax-exempt hospitals and locations.

Policy Statements

It is the policy of Mayo Clinic to offer financial assistance to patients who are unable to pay their hospital and/or clinic bills due to difficult financial situations. A Mayo Clinic Financial Representative, designated business office representative, or committee with authority to offer financial assistance will review individual cases and make a determination of financial assistance.

Mayo Clinic determines the need for charity care by reviewing the particular services requested or received, insurance coverage or other sources of payment, a person's historical financial profile and current financial situation. This method allows for a fair and accurate way to assist patients who are experiencing financial hardship. Partial and/or full charity care will be granted based on the individual's ability to pay the bill.

Eligible individuals include patients who do not have insurance and patients who have insurance but are underinsured. Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance.

Other factors affecting eligibility are as follows:

- Income – Assuming that other financial resources are not identified as viable funding sources, the Federal Poverty Income Guidelines will be used in determining the amount of write-off. The Poverty Guidelines are updated annually each January.
 - The minimum criteria for full (100 percent) charity write-off will be 200 percent of the most recent Federal Poverty Income Guidelines.
 - Minimum criteria for partial write-offs will be to grant patients earning between 201 and 300 percent of the Federal Poverty Income Guidelines some level of discount depending on the circumstances.

- Individual Mayo Clinic site policy may allow write-offs to patients with income levels over 400 percent of the Federal Poverty Guidelines, depending on the market served and other charity care options available within the community.
- Evaluation of the patient's savings, checking, investment assets, and overall financial position.
- Assessment of the patient's real property assets.
- Evaluation of the patient's monthly expenses, including living expenses, medical expenses, and other expenses.
- Nature of the medical condition or care required – consideration of services unique to Mayo Clinic vs. potential of local facilities providing care.
 - Any special circumstances that the patient would like Mayo Clinic to consider.
 - Eligibility is contingent upon patient cooperation with the application process, including Medicaid or Medical Assistance application completion where applicable, and submission of all information that Mayo Clinic deems necessary in order to determine the level of any financial assistance that may be considered.
 - Priority is given to requests for care of local and regional patients, and to care that is unique to Mayo Clinic.

Measures to Publicize Mayo Clinic's Financial Assistance Policy

Mayo Clinic is committed to offering financial assistance to eligible patients who do not have the ability to pay for their medical services in whole or in part. In order to accomplish this charitable goal, Mayo Clinic and Mayo Clinic Health System sites will widely publicize this Policy in the communities that the individual Mayo Clinic affiliated sites serve.

Mayo Clinic affiliated sites will make a copy of this Policy available by posting it on their webpage including the ability to download a copy of the Policy free of charge. Individuals in the community served will be able to obtain a copy of the Policy in locations throughout each Mayo Clinic affiliated site or upon request.

Definitions

Financial Assistance is the cost of providing free or discounted care to persons who cannot afford to pay, and for which Mayo Clinic ultimately does not expect payment. Mayo clinic may determine inability to pay before or after care is given. Also referred to as Charity Care.

Bad debt is the cost of providing care to persons who are able but unwilling to pay some portion of the medical bills for which they are responsible.

Limitations:

- Transportation and Lodging: The patient is responsible for transportation to and from Mayo Clinic.
- Food: Social Services may have vouchers to help cover costs of food during the Mayo Clinic visit.
- Durable Medical Equipment: Social Services may have limited vouchers available to help cover costs associated with durable medical equipment.
- Pharmacy Supplies: The Mayo Store has a charity program to provide supplies at reduced costs for patients requiring financial assistance. Contact the Mayo Store Supervisor for additional information.
- Prescriptions filled at a non-Mayo pharmacy.

- Smoking Cessation (Rochester only): The Nicotine Dependence Center (NDC) Fund at Mayo Clinic Rochester provides financial assistance for those interested in smoking cessation.
- Mayo Clinic Social Services can provide limited funds in certain situations. The funds are generally less than \$50, offered once, and for short-term situations.

Identification of Patients Who May Be Eligible

There are a number of ways a patient can be identified and evaluated for charity care assistance:

- Patients or their representatives may request financial assistance.
- Mayo Clinic employees may refer patients to a Financial Representative or business office representative.
- Collection agencies may refer patients back to Mayo Clinic.
- The Business Services/Patient Financial Services Department may refer patients to a Financial Representative.
- The Business Services/Patient Account Services area may identify financial need through conversations with patients regarding billing and payment options.
- Referring physicians may refer patients.
- Mayo physicians may refer patients.
- Local government agencies may refer patients.

Method of Applying for Financial Assistance

Patients who want to apply for charity care or who have been identified as a potential charity care recipient will be informed of the application process either before receiving services or after the billing and collection process has begun. The application process may be waived or suspended due to medical necessity, including timing and urgency of care. Patients or their representative can obtain a charity care application at no charge by contacting Patient Financial Services at 715-233-7662.

All patient/guarantors who receive a Financial Statement application must complete and return the application within ten (10) working days (unless the patient calls with a legitimate reason to extend the deadline), along with the following documents that serve as the minimum information necessary to process an application for charity care:

- Proof of completion of Medical Assistance application process, if the patient is uninsured
- Proof of income (pay stubs for the past ninety days)
- A copy of 3 most recent bank statements
- A copy of the 2 most recent tax returns, including all schedules
- Full disclosure of income from personal injury and/or accident related claims

A Financial Representative will review all returned Financial Statements to determine if they are complete. Individual Mayo sites may require additional information or identify a minimum charity request amount before requiring a Financial Statement application. The Financial Representative or business office representative will consult the Financial Assistance authorization guidelines and present the Financial Statement to the appropriate person/committee for consideration. Once a decision has been made for post-service charity

care, a letter is sent to each applicant advising them of the decision. Notification for pre-service charity requests will be sent if time permits.

Mayo Clinic and the Mayo Clinic Health System locations may share patient Financial Assistance information across our locations for the benefit and ease of administering Financial Assistance to patients seen at multiple locations. No information will be shared outside of Mayo Clinic.

Committee

Many Mayo Clinic sites have a Financial Assistance Committee that reviews requests for charity that exceed a specific threshold. Balances below that threshold may be evaluated by the Business Services/Patient Financial Services Department.

Basis for Calculating the Amounts Charged to Patients

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

Amounts charged for emergency and medically necessary medical services to patients eligible for Financial Assistance will not be more than the amount generally billed to individuals with insurance.

Eligibility Criteria Considered for Financial Assistance

The appropriate business office will review all circumstances surrounding the request. The Mayo entity will notify the patient about the decision within a reasonable time after submitting a completed charity care request. A patient's request will be deemed complete after Mayo receives a completed statement and receipt of all other pertinent documentation, including a credit report, pay stubs, income tax statements, and banking statements, if applicable.

Mayo Clinic and Mayo Clinic Health System will consider requests for charity medical care with priority given local and regional patients, and care that is unique to Mayo. Local and regional patients do not require physician referral before applying for charity care. Patients from beyond the site's service area (generally the state where services are rendered) will require referral by a physician for unique Mayo services or an approved application from a recognized charitable organization known to Mayo.

Delivery of charity care does not obligate Mayo Clinic to provide continuing care unless the services and support are unique to our organization. Patients may be required to re-apply for charity care at least every 180 days.

Mayo Clinic requires compliance with the application process of appropriate service organizations that may provide coverage for care, such as Medicaid or Medical Assistance.

Mayo Clinic makes every reasonable attempt to collect from insurance companies and other third-party payers. Financial hardship and charity care adjustments may be considered for those patients whose income and assets will not allow full payment within a reasonable time. Factors that are considered include the patient's residency (local, region, national, international) and the availability of care outside the Mayo

system. Assistance may consist of:

- Full write-off
- Partial write-off
- Offer the patient other payment options

Emergency Services

Mayo Clinic and Mayo Clinic Health System's policy is to provide emergency care to stabilize patients, regardless of their ability to pay. Following medical evaluation, non-emergent patients requiring charity care consideration should be reviewed and approved before additional services are provided.

Factors Not Considered

The following factors will not impact nor be considered when an application is reviewed for financial assistance: Bad debt, contractual allowances, perceived underpayments for operations, public programs, cases paid through a charitable contribution, professional courtesy discounts, community service or outreach programs, or employment status.

Equal Opportunity

Mayo Clinic is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

Amounts charged for emergency and other medically necessary care provided to patients who are eligible for financial assistance is limited to not more than the amounts generally billed to patients who have insurance covering such care.

Reasons for Denial

- Sufficient income
- Sufficient asset level
- Patient is uncooperative or unresponsive despite reasonable efforts to work with the patient
- Incomplete Charity Care Application despite reasonable efforts to work with the patient
- Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by Mayo Clinic, and personal injury and/or accident related claims

Indigent Care

Emergency room patients who cannot pay their bills may be classified as "charity" if they do not have a job, mailing address, residence, or insurance. Consideration must also be given to classifying emergency room only patients as charity if they do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care.

Governmental Assistance

In determining whether an individual qualifies for charity care, other county or governmental assistance programs will be considered. Many applicants are not aware that they may be eligible for public health insurance programs.

Mayo Clinic staff will help the individual determine eligibility for governmental or other assistance, as appropriate.

Persons who are eligible for programs (such as State-sponsored Medicaid) but who were not covered at the time that medical services were granted may be granted charity care, provided that the patient now applies for government assistance. This may be prudent, especially if the patient requires ongoing services.

Collection Activity

Mayo Clinic will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy. Collection activity will proceed based on a separate Collection Policy.

If a collection agency identifies a patient as meeting Mayo Clinic's charity care eligibility criteria, the patient's account may be considered for charity care. Collection activity will be suspended on these accounts and Mayo Clinic will review the financial assistance application. If the entire account balance is written off as charity care, the account will be returned to Mayo Clinic. If only a partial write off occurs, the patient fails to cooperate with the charity care process, or if the patient is not eligible for financial assistance, collection activity will resume unless the patient agrees to a reasonable payment plan.

Confidentiality

Mayo staff will uphold the confidentiality and individual dignity of each patient. Mayo Clinic and Mayo Clinic Health System will meet all HIPAA requirements for handling personal health information.

This policy will be reviewed annually by the Board of Trustees.

Last Update: 12/29/11