



**Title:** Financial Assistance Policy

**Effective Date:** 07/01/2016

**Review Date:** 02/10/2023

**Revised Date:** 02/10/2023

**MHC Business Unit:** Revenue Cycle

**Section:** Patient Access

**Oversight:** Corporate Revenue Cycle Directors

**Administrative Responsibility:** Regional Directors, Patient Access

### 1. Purpose

- 1.1 In keeping with the values of McLaren Health Care (MHC) to improve the health and well-being of our patients and to fulfill the responsible stewardship of our public trust, we will provide Financial Assistance for patients who qualify.

In implementing this policy, McLaren Health Care intends to, and shall, comply with Internal Revenue Code section 501(r), Public Act 107, and all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

### 2. Scope

- 2.1 MHC, its subsidiaries, and majority-controlled business ventures. This policy refers to all persons seeking services at an MHC facility or owned professional services entities only. Services provided by independent providers are not included in the provisions of this policy. Please see Addendum 4.2 Non-covered Entities for a list of all providers not covered by this policy.

### 3. Policy

- 3.1 MHC will offer patients with no insurance and patients who indicate an inability to pay their out of pocket costs after insurance, the opportunity to apply for financial assistance up to 240 days from their first post discharge statement. Financial assistance will be considered for emergency, catastrophic, and medically necessary services only.
- 3.1.1 To fully comply with EMTALA (Federal Emergency Medical Treatment and Active Labor Act), MHC Patients seeking emergency room services will receive treatment without discrimination and regardless of their ability to pay. MHC staff will not attempt to collect any payment from patients seeking emergency services prior to receiving care. MHC staff will not attempt to collect any past due balances before an emergency room visit.
- 3.1.2 Medically necessary services are defined as health care services or supplies defined by your physician that are needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.
- 3.1.3 Services which are considered cosmetic or elective will not be covered under this policy.

3.1.4 Any Free Clinic' that is associated with a McLaren hospital, if the charity screening process for that clinic is equal to or more strict than McLaren's Charity policy, then those services may be written off to charity.

3.2 Financial assistance guidelines are based on 400% of the Federal Poverty Guidelines (FPL) published annually in the Federal Register. Designated personnel will access the Federal Register and update the financial assistance guidelines annually. The discount is based on family size and annual income.

Family Size	Up to 400% of the FPL		
	Min Income	Max Income	Discount
1	\$0	\$58,320	100%
2	\$0	\$78,880	100%
3	\$0	\$99,440	100%
4	\$0	\$120,000	100%
5	\$0	\$140,560	100%
6	\$0	\$161,120	100%
7	\$0	\$181,680	100%
8	\$0	\$202,240	100%

For families/households with more than 8 persons, add \$5,140 for each additional person.  
**Note:** Eligibility for premium tax credits in coverage year 2022 is based on poverty guidelines for 2021.  
*FPL = Federal Poverty Line*  
 Source (plus Hawai'i and Alaska guidelines): <https://aspe.hhs.gov/poverty-guidelines>

3.3 Patients and/or patient representatives may request financial assistance for services already received, or services scheduled to be received, by contacting the MHC Revenue Cycle Department in person or in writing. Please contact our Financial Counselors located at a McLaren hospital or call 586-710-8300 or 1-844-321-1557. Paper copies of the financial assistance policy, application, and plain language summary are available for free at all locations, on the MHC website, as well as requesting a copy by mail from the address below. Translated copies are also available on the MHC website.

McLaren Corporate Business Services  
 Attn: Revenue Cycle Operations – Customer Service  
 50820 Schoenherr Rd.  
 Shelby Township, MI 48315

OR [FinancialAssistance@mclaren.org](mailto:FinancialAssistance@mclaren.org)

3.3.1 Patients and/or patient representatives will be asked to complete the Request for Financial Assistance Form (Addendum 4.1) and provide documentation to support the information on the form.

3.3.1.1 Information requested may include patient demographic information, pay stubs, bank statements, assets, monthly household expenses, other outstanding medical bills, and credit card debt.

- 3.3.1.2 If an incomplete application is received the patient will be sent a written notice containing McLaren's contact information and how to complete the application.
- 3.4 Designated employees will screen individuals for financial assistance, based on the guidelines established within this policy and the information provided on the Request for Financial Assistance Form, to make a determination of eligibility and notify the patient/family of the determination.
- 3.5 Applicable Financial Assistance discounts will be applied to the patient balance upon this determination.
  - 3.5.1 Patients who are approved for Financial Assistance, regardless of whether they are insured or not, will have charges evaluated so that the maximum patient responsibility will be the MHC 'Amount Generally Billed (AGB),' which is an average contractually allowed amount that Medicare, Commercial, and Managed Care patients receive through their insurance. This is known as the "Lookback Method" as defined by the Affordable Care Act guidelines. MHC will calculate and update the AGB annually. For more information regarding the AGB of the MHC location where the patient's services were provided call 586-710-8300 or 1-844-321-1557.
  - 3.5.2 Patients are responsible for any balance owed not covered by this discount. Normal collections processes will be followed to resolve any remaining debt. In the event of non-payment, only after 120 days following the first patient statement, and no earlier, MHC may take action against delinquent balances, including, but not limited to, extraordinary collection activities (ECAs). This may include follow-up by a collection agency or attorney, which may be reported to the Credit Bureau. If MHC intends to engage in these actions, they will provide written notice as well as attempt to orally notify patients that Financial Assistance is available. Please refer to the 'Billing and Collections Policy'.
    - 3.5.2.1 In the event that McLaren receives a completed application for Financial Assistance when a patient is engaged in ECAs these activities will be suspended until eligibility is determined.
    - 3.5.2.2 If an incomplete application is received ECAs will be suspended for a minimum of 30 days following the receipt of an incomplete application, and the patient will be sent a written notice containing McLaren's contact information and how to complete the application. After 30 days, ECAs may resume.
- 3.6 Presumptive financial assistance may be applied based on third party information or a prior financial assistance determination.
- 3.7 If a patient applies for financial assistance and receives a discount greater than 50% then any prior self-pay charity adjustments will be reversed and the FAP charity care will be applied.

#### **4. Addendum**

4.1 Financial Assistance Application Form

4.2 Non-covered Entities

4.3 Billing and Collections Policy

#### **Approval:**

*Signature on File* \_\_\_\_\_

David Wurcel

Vice President, Revenue Cycle

*02/13/2023* \_\_\_\_\_

Date