

# LEGACY HEALTH

## ADMINISTRATIVE

Policy #: 400.17  
Origination Date: 12/94  
Last Revision Date: 08/2025

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SECTION: FINANCE  
TITLE: FINANCIAL ASSISTANCE (CHARITY CARE)

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### FACILITY:

- ☒ Legacy Emanuel Hospital and Health Center  
(as applicable: ☐ LEMC only ☐ RCH only ☐ Unity only)
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|--|---|
| <input checked="" type="checkbox"/> Legacy Good Samaritan Medical Center   | <input checked="" type="checkbox"/> Legacy Meridian Park Medical Center         |
| <input checked="" type="checkbox"/> Legacy Mount Hood Medical Center       | <input checked="" type="checkbox"/> Legacy Salmon Creek Medical Center          |
| <input checked="" type="checkbox"/> Legacy Silverton Medical Center        | <input checked="" type="checkbox"/> Legacy Visiting Nurse Association (Hospice) |
| <input checked="" type="checkbox"/> Legacy Medical Group                   | <input checked="" type="checkbox"/> Legacy Research Institute                   |
| <input checked="" type="checkbox"/> Administrative/System Support Services | <input type="checkbox"/> Other:   |
| <input checked="" type="checkbox"/> Legacy Urgent Care                     |   |
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### PURPOSE

In keeping with Legacy Health's (Legacy) mission it is considered not only necessary but also appropriate to make adjustments to patient care charges under certain circumstances. It is not the intent of this policy to restrict this practice, but rather to establish clear guidelines by which to accomplish this task.

### OBJECTIVES

1. To establish the procedures through which the Financial Assistance Program will be facilitated, including how Financial Assistance decisions will be made, how adjustments will be reported, and who will be authorized to make decisions regarding exceptions.
2. The provision of medically necessary healthcare should never be delayed based on a patient's ability to pay.

### POLICY

#### 1) Definitions:

- a. Financial Assistance: Financial Assistance is defined as the forgiveness of charges on an account for Medically Necessary Services provided to patients who are unable to pay for care provided in a Legacy hospital. A list by individual providers who may not be covered under our policy is available at [www.legacyhealth.org](http://www.legacyhealth.org).
- b. Medically Necessary Services: "Medically Necessary" refers to, emergency, in-patient, or out-patient healthcare services provided by Legacy Health for the purpose of evaluation, diagnosis, or treatment of an injury or illness, if left untreated, would pose a threat to the patient's health status. Services must be clinically appropriate and within generally accepted medical practice standards. The services provided must represent the most appropriate and cost-effective supply, device, or service that can be safely provided and readily available at a Legacy facility. Excluded from Medically Necessary Services are health care services that are cosmetic, experimental, or part of a clinical research program; private and/or non-Legacy medical or physician professional fees; services and/or treatments not provided at a Legacy hospital.
- c. Household Income: All pre-tax income, of a group of two or more persons related by birth, marriage, civil union, or adoption who live together, including the following: earnings, unemployment compensation, worker's compensation, social security, supplemental security income, public assistance, veteran's payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, alimony and child support. Legacy Health does not consider assets to reduce the charity care discount.

- d. Amount Generally Billed: The amount generally paid by insurance payers for services provided. Legacy calculates Amount Generally Billed by using the “look-back method,” which uses claims sent to Medicare and commercial insurers over the past year to determine the percentage of total charges that is typically allowed by these insurers.

2) **Process**:

a. Communication:

Legacy will make sure information regarding Financial Assistance information is given to our patients at the time care is given and before billing begins. Multiple methods of communication used are listed below:

- Signage in main admitting areas of each hospital (in multiple languages).
- Brochures explaining Financial Assistance shall be made available in all patient care areas (in multiple languages).
- One-page Financial Assistance quick sheet (health literate version).
- Billing statements will include information regarding the availability of Financial Assistance.
- Legacy’s website will contain information regarding the availability of Financial Assistance.
- Legacy will offer Financial Assistance customer service Monday through Friday with voice mail.
- Financial Counselors will be available at each Legacy hospital to assist patients in understanding and applying for available resources, including medical assistance programs under chapter 74.09 RCW or the Washington health benefit exchange and the Legacy Financial Assistance Program.
- Annual education will be provided to all Legacy financial counseling, customer service, self-pay billing and patient access staff. All Legacy employees will be kept informed of Financial Assistance policies and options through newsletters and other publications.
- Legacy will make copies of this policy available in main admitting areas of each Legacy hospital.
- Legacy will require every collection agency that accounts are sent to, to provide a telephone number a patient can call to request Financial Assistance.

- b. Eligibility: Eligibility for financial assistance requires cooperation of the applicant during the application process, and services need to be Medically Necessary on the date provided.

- 1) To establish eligibility for Financial Assistance, a patient must complete Legacy’s Financial Assistance Application. They must also provide all required documentation that shows the patient’s Household Income is equal to or below 400% of the Federal Poverty Level (FPL).
  - Legacy maintains a copy of the Annual Federal Poverty Guidelines published by the Department of Health and Human Services. A copy can be found on the Legacy Health website, or patients may request FPL information by calling customer service.
  - Household Income is determined as of the date Medically Necessary Services are given. Legacy will re-evaluate Financial Assistance eligibility determination in cases where a patient experiences a significant change to their Household Income.
  - Please note: The application requirement does not apply to presumptive eligibility awarded through the presumptive prescreening process set forth below.
- 2) Legacy may consider other situations when determining Financial Assistance eligibility, including the following:
  - If a patient’s combined medical bills are greater than the patient’s annual Household Income, the patient may be eligible for additional Financial Assistance, depending on the situation and consistent with Legacy’s mission; or
  - If the patient receives a catastrophic event/diagnosis, the patient may be eligible for additional Financial Assistance, depending on the situation and consistent with Legacy’s mission.
- 3) Legacy may determine a patient’s eligibility for Financial Assistance without a Financial Assistance Application and/or Proof of Income, at Legacy’s discretion, in cases where:
  - A third-party FPL assessment indicates a patient will be unable to pay their medical bills.
  - A patient indicates they are homeless and preliminary screening or clinical documentation confirms eligibility.
  - A patient is or becomes eligible for Medicaid or as a Qualified Medicare Beneficiary within 60 days of receiving Medically Necessary Service.

c. Determining Discounts:

- 1) Legacy will not charge patients who are eligible for Financial Assistance more for Medically Necessary Services than the Amounts Generally Billed to patients who have insurance coverage.
- 2) All discounts and adjustments are applied to Legacy's gross charges.
- 3) Financial Assistance is secondary to all other financial resources available to the patient including insurance, government programs, health savings accounts (HSA/HRA/FSA), community or faith-based collaboratives, and third-party liability.
- 4) Legacy will provide uninsured hospital patients who receive Medically Necessary Services with a 35% discount from Legacy's gross charges as long as the patient has no coverage at the time of service. Application of the uninsured discount does not prevent a patient from applying and qualifying for additional Financial Assistance. The adjustment to the patient's balance will automatically post upon documentation of patient's eligibility for the Uninsured Discount.
- 5) Full Financial Assistance will be provided to a patient/guarantor with household income < 300% of Federal Poverty Guidelines. A patient/guarantor will be given partial Financial Assistance based on their income level up to 400% of Federal Poverty Guidelines based on the sliding scale schedule below:

<b><u>Financial Assistance Sliding Scale</u></b>	
<b>Income as a Percentage of Federal Poverty Level</b>	<b>Financial Assistance Adjustment Percent</b>
<u>0-300%</u>	<u>100%</u>
<u>301-400 %</u>	<u>75%</u>

d. Presumptive Prescreening Process (Oregon hospital-based services)

- 1) Prior to the presumptive prescreening process, Legacy will determine if during the previous nine (9) month period the patient has applied for and been awarded Financial Assistance. If yes, the patient will receive any applicable adjustments prior to sending the patient billing statement.
- 2) Patients who have received qualifying Medically Necessary Services that are hospital based (i.e. Medically Necessary Services received in a hospital or a hospital outpatient department) will be screened for presumptive eligibility. For purposes of the presumptive prescreening process, "qualifying" Medically Necessary Services means hospital based Medically Necessary Services received by patients (a) are uninsured, (b) enrolled in a state medical assistance program; or (c) will owe Legacy \$500 or more after all adjustments from insurance or third-party payors, if applicable, have been made.
- 3) The presumptive prescreening process evaluates the patient's estimated household income and size in comparison to the Federal Poverty Level (FPL). This process can include, but is not limited to, the use of a 3<sup>rd</sup> party solution provided by Experian.
- 4) Patient visits that qualify for a presumptive Financial Assistance award will have any applicable adjustments made prior to sending the patient billing statement.
- 5) Patient visits that qualify for 100% presumptive Financial Assistance will receive an award letter in place of a patient billing statement.
- 6) Should the patient visit not qualify for 100% presumptive Financial Assistance, the patient will be

notified of the results of the presumptive prescreening outcome, as well as information on how to submit a Financial Assistance application.

- 7) Patients may not opt-out of the presumptive prescreening process, however, should the patient be awarded a presumptive Financial Assistance award and choose to decline the award, the patient may contact Legacy and request a reversal of the award.

e. Financial Assistance Application Process:

- 1) All patients who receive Medically Necessary Services may apply for Financial Assistance.
- 2) Patients may apply for Financial Assistance at the time of service, at any time in the billing process, or up to 12 months after paying for services that the hospital provided.
- 3) Patients may access the Financial Assistance Application and all required documentation at the following locations:
  - Legacy Health website
  - Main Admitting areas of each Hospital
  - Hospital Emergency Department
  - Hospital Financial Counselor-on site office
  - Customer Service (503) 413-4048 – Hospital
  - Customer Service (503) 413-3900 – Clinic
  - Patient's MyHealth account
- 4) A person seeking Financial Assistance will be given a preliminary screening. As part of the preliminary screening Legacy will review whether the patient has exhausted or is eligible for any third-party payment sources.
- 5) Regardless of the results of the preliminary screening, patients may complete a Financial Assistance Application, and Legacy will process the application.
- 6) Legacy will notify the patient of the eligibility determination within 10 business days from receipt of a completed application. If the application is found to be incomplete, or if the patient is determined to be ineligible for Financial Assistance, the patient will be notified of their ability to take corrective action or appeal the determination. Legacy will allow 240 days from the date of the first billing statement to correct application deficiencies or request an appeal.
- 7) If a patient is determined to qualify for financial assistance and has paid on balances in the preceding 12-month period to their approval date, the hospital shall refund any payments made during that time period.
  - If the hospital previously determined, incorrectly, that the patient did not qualify for financial assistance for the services based on information provided by the patient at the time of the incorrect determination, the hospital shall also pay the patient interest on the amount of financial assistance at the rate set by the Federal Reserve and any other associated reasonable costs, such as legal expenses and fees, incurred by the patient in securing financial assistance.
- 8) Qualifying financial assistance awards will cover Medically Necessary Services for a period of 9 months.

f. Financial Assistance Appeals Process:

- 1) A patient may only appeal determinations based on completed applications received for Financial Assistance.
- 2) A patient may appeal a financial assistance determination by submitting a request in writing. An appeal is a request for re-calculation of the original application's supporting documentation. If changes to the original submission are to be considered, Legacy may process the changes as a new application.

- 3) Collection activities will be suspended during the appeals process until final determination is made.
- 4) Legacy will allow a patient the remaining duration of the 240-day application period after the date of the first post-discharge billing statement for the care provided, as specified in 26 CFR 1.501(r)-1(b)(3), or 45-days from the date the patient was notified of the financial assistance determination to correct deficiencies in the application or request an appeal, whichever is greater.
- 5) Appeals will be reviewed by the Chief Financial Officer's designee who has been delegated the decision-making authority over the appeal.
- 6) Final determination will be provided by written notification within 30 days and will be sent to the Washington State Department of Health for patients receiving services in Washington state.

g. Actions in the Event of Non-Payment:

- 1) Legacy does not conduct, nor permit collection agencies to conduct on its behalf, extraordinary collection actions against individuals.
- 2) Legacy will send at least four (4) statements to the patient, which informs the patient of the amount due, and how to complete a Financial Assistance Application. Legacy will make an attempt to contact the patient by telephone at the number provided by the patient (if any) to inform the patient of the amount due, and how to complete a Financial Assistance Application.
- 3) A patient who is making timely payments on all agreed-upon installment arrangements for payment of health care services will not be charged interest on outstanding balances.
- 4) If there is a balance owing after Financial Assistance eligibility determination and the patient does not comply with agreed-upon payment arrangements, Legacy will make two attempts to provide the patient with notice by mail and/or telephone. If the patient's financial situation has changed, the patient will be given an opportunity to work out new payment arrangements.
- 5) If the patient does not make payment arrangements, or if the patient fails to comply with any payment arrangements made, Legacy may refer the outstanding account balance to a collection agency.
- 6) Legacy will limit annual collection of the amount owing after the Financial Assistance is calculated to 20% of the patient's annualized Household Income.
- 7) For balances remaining after any applicable financial assistance has been awarded and following reasonable internal collection efforts for a minimum of 120 days after the initial billing statement, Legacy's Billing department will review the outstanding balance and determine if it should be referred to an outside collection agency.
- 8) Legacy may choose to apply additional Financial Assistance to past due accounts when independent and/or additional sources indicate an inability to pay.
- 9) In the event a patient or responsible party pays a portion or all of a patient's balance later found to qualify for Financial Assistance, Legacy will attempt to refund those amounts within 30 days from the date it is determined a refund is owed.

Approvals:      Operations Team  
                    Board Finance Committee  
                    Legacy Health Governing Board of Directors

Originator:      VP – Revenue Cycle