



Corporate Policy

Policy Number: 001-004

Author: Niki Griffith, Controller

Date: 02/17/2025

200 Commodore St. | Pratt, KS 67124 | 620.672.7451 | prmc.org

POLICY	FINANCIAL ASSISTANCE (CHARITY CARE)
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Purpose:

In keeping with Pratt Regional Medical Center’s mission, adjustments to patient care charges under certain circumstances are considered necessary and appropriate. This policy does not intend to restrict this practice but rather establish clear guidelines for accomplishing this task.

Objectives

1. To establish the procedure 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. Medically necessary healthcare should never be delayed based on a patient’s ability to pay.

Scope:

Hospital Clinic

Definitions:

- **Financial Assistance:** Financial Assistance is defined as the forgiveness of charges within a defined time period, on an account for Medically Necessary Services provided to patients who are unable to pay for care provided by Pratt Regional Medical Center.
- **Medically Necessary Services:** “Medically Necessary” refers to emergency, inpatient, or outpatient healthcare services provided by Pratt Regional Medical Center for the purpose of evaluating, diagnosing, or treating an injury or illness that, 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 must represent the most appropriate and cost-effective supply, device, or service that can be safely provided and readily available at a PRMC facility. Medically Necessary Services exclude health care services that are cosmetic, experimental, or part of a clinical research program; private and/or non-PRMC



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medical or physician professional fees; services and/or treatments not provided at a PRMC hospital.

- **Family Income:** All pre-tax income of a group of two or more persons related by birth, marriage, civil union, or adoptions who live together, which is intended to be inclusive for all family structures, not to lower the charity care eligibility, including the following: earnings, unemployment compensation, worker's compensation, social security, supplemental security income, interest, dividends, rents, royalties, income from estates, trusts, alimony, and child support. PRMC does not consider assets to reduce the charity care discount.
- **Amount Generally Billed:** The amount paid by insurance payers for services provided. PRMC calculates Amount Generally Billed 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 typically allowed by the insurers.

Process:

Communication:

PRMC 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:

- Brochures explaining Financial Assistance shall be made available in all patient care areas
- One-page Financial Assistance quick sheet (Plain Language Summary)
- Billing statements will include information regarding the availability of Financial Assistance
- PRMC's website will contain information regarding the availability of Financial Assistance
- PRMC will offer Financial Assistance customer service Monday through Friday with voicemail
- Financial Counselors will be available to assist patients in understanding and applying for available resources, including medical assistance programs and the PRMC Financial Assistance Program
- Education will be provided to all PRMC billing staff and registration staff. All PRMC employees will be kept informed of Financial Assistance policies and options through newsletters and other handouts



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- PRMC will make copies of this policy available in the main admitting areas of PRMC and affiliated PRMC clinics
- Copies of all Financial Assistance materials will be available in English and Spanish. However, a translation company can accommodate other languages if necessary.

Eligibility:

Eligibility for financial assistance requires cooperation from the applicant during the application process, and services must be Medically Necessary on the date provided.

1. To establish eligibility for Financial Assistance, a patient must complete PRMC's Financial Assistance Application and provide all required documentation showing that the patient's Family Income is equal to or below 300% of the Federal Poverty Level (FPL).
 - a. PRMC 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 PRMC website, or patients may request FPL information by calling the billing department [(620) 302-1380 – Hospital or (620) 450-1146 – Clinic].
2. Family income is determined as of the date Medically Necessary Services are given.

Determining Discounts:

1. PRMC will not charge patients eligible for Financial Assistance more for Medically Necessary Services than the Amounts Generally Billed to patients with insurance coverage.
2. All discounts and adjustments are applied to PRMC's gross charges.
3. Financial Assistance is secondary to all other financial resources available to the patient, including insurance, government programs, health savings accounts (HAS/HRA/FSA), community or faith-based collaboratives, and third-party liability.
4. PRMC will provide uninsured hospital patients who receive Medically Necessary Services with a 30% discount from PRMC's gross charges if the patient has no coverage at the time of service.



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5. Full Financial Assistance will be provided to a patient/guarantor with a household income \leq 200% of Federal Poverty Guidelines. A patient/guarantor will be given partial Financial Assistance based on his/her income level up to 300% of Federal Poverty Guidelines based on the sliding scale schedule below:

Financial Assistance Sliding Scale	
Income as a Percentage of Federal Poverty Level (FPL)	Financial Assistance Adjustment Percent
0-200%	100%
201-300%	75%

Financial Assistance Application Process:

1. All patients who receive Medically Necessary Services may apply for Financial Assistance.
2. Patients may apply for Financial Assistance during service or at any time in the billing process.
3. Patients may access the Financial Assistance Application and all required documentation at the following locations:
 - a. Main Admitting areas of the Hospital
 - b. Hospital Emergency Department
 - c. Hospital Financial Counselor – on-site office
 - d. Customer Service (620) 302-1380 - Hospital
 - e. Customer Service (620) 450-1146 – Clinic
 - f. PRMC website (www.prmc.org)
4. The Financial Service Representative reviews the application and completes the determination screening.
5. An approval matrix will be utilized based on the total adjustment amount.

Approval Matrix	
Up to \$25,000	Controller Approval Required
\$25,001 - \$50,000	CFO or CNO Approval Required
Over \$50,000	CEO Approval Required

6. PRMC will notify the patient of a final eligibility decision within fourteen (14) business days of receiving the necessary documentation.



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7. A patient may appeal a decision of ineligibility for Financial Assistance by providing relevant additional documentation to PRMC within fourteen (14) days of receiving the notice of ineligibility. The executive team will review all appeals, and if the determination on appeal affirms ineligibility, written notification will be sent to the patient.
8. The Financial Assistance Determination will be applied to any Medically Necessary Services within a 6-month window prior to the determination date.

Actions in the Event of Non-Payment:

1. PRMC does not conduct nor permit collection agencies to conduct extraordinary collection actions against individuals on its behalf before reasonable efforts have been made to determine whether the patient is eligible for Financial Assistance.
2. PRMC will send at least two (2) statements and two (2) letters informing the patient of the amount due and how to complete a Financial Assistance Application.
3. If a balance remains after the Financial Assistance eligibility determination and the patient does not comply with the agreed-upon payment arrangement, PRMC will make two attempts to provide the patient with notice by mail and/or telephone. If the patient's financial situation changes, the patient will be allowed to work out new payment arrangements.
4. If the patient does not make payment arrangements or fails to comply with any arrangements made, PRMC may refer the outstanding account balance to a collection agency.
5. Following reasonable collection efforts and at least 120 days have elapsed following the initial billing statement, and upon approval by PRMC's Billing department, PRMC and/or its collection agencies may engage in routine collection practices including but not limited to reporting to credit bureaus, filing voluntary liens, garnishing wages, and taking legal action to collect balances owed.
6. PRMC will suspend all collection actions if a Financial Assistance Application is received at any point before a final judgment in a lawsuit is received.

SOP Reference: *Financial Assistance Determination Process SOP 065-007*