

Independence Health System (IHS)

Financial Assistance Policy

SCOPE:

As part of our commitment to the health care needs of our community, Independence Health System (IHS) and its related organizations have instituted this program designed to provide financial assistance to our patients who may not otherwise be able to pay for part or all of their care ("Financial Assistance Program"). IHS will treat all patients equitably, with dignity, respect, and compassion, and will not discriminate based on sex, age, color, race, religious creed, ancestry, national origin, disability, veteran's status or lifestyle.

POLICY:

IHS will extend financial assistance to patients who do not have the ability to meet their patient financial responsibility for medically necessary healthcare. The process for determining financial assistance eligibility will be consistent for all patients. Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with IHS's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay.

PURPOSE:

This policy establishes the process and requirements for applying for Charity Care and the procedure used to calculate the Courtesy Discount. IHS will offer financial aid to patients that may consist of: Charity Care, Presumptive Eligibility for Charity Care, Courtesy Discount and/or extended-payment arrangements. IHS will ensure that all patients who are eligible for financial assistance will not be billed more than the Amount Generally Billed (AGB) to patients who have insurance.

DEFINITIONS:

1. Charity Care - Healthcare services that have been or will be provided free or at a discount to individuals who meet the established criteria.
2. Family - A group of two or more people who reside together and who are related by birth, marriage, or adoption.
3. Family Income - Includes earnings, unemployment, worker's compensation, Social Security benefits, child support, etc.

4. Assets – includes any checking and savings accounts, certificates of deposit, and any other non-retirement liquid assets
5. Uninsured - The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
6. Underinsured - The patient has some level of insurance but still has out-of-pocket expenses that exceed his/her financial abilities.
7. Medically Necessary - As defined by Medicare - Services or items that are reasonable and necessary for the diagnosis or treatment of illness or injury.
8. Courtesy Discount - The adjustment given to the uninsured patient to decrease the patient's payment obligation from the charge amount.
9. Charity Care Discount - An adjustment to the patient's payment obligation granted based on the patient's income and financial need. The patient may be eligible for a 100% or 75% Charity Care Discount.
10. Presumptive Eligibility - A determination that a patient is presumed eligible for Charity Care when adequate information is provided by the patient or through other sources which allows IHS to determine that the patient qualifies for Charity Care.
11. Collection Agency Referral - IHS may use the services of an external collection agency for the collection of patient debt for nonpayment. This will typically occur 120 days after the initial billing.
12. Amount Generally Billed (AGB) - The amount billed to other individuals who have insurance covering their service.

ESSENTIAL INFORMATION:

- A. All patients selecting IHS as their health care provider may be eligible to receive financial assistance under this policy provided they do not have active insurance in another covered network of providers. This policy does not apply to any physicians providing emergency or other medically necessary care in the facility. IHS will bill all insurance coverage on behalf of the patient to obtain benefit payments. The patient has an obligation to provide all the required insurance information and assignment of benefits and other requested documentation. This policy does not relieve the patient from his/her obligation.
- B. Payment in advance may be required for services that are generally considered as non-covered (cosmetic surgery, reversals for sterilizations, dental procedures.) These non-covered services are excluded from the Financial Assistance Program.
- C. IHS will provide financial counseling services to all patients who owe a payment. The hospital representative and/or third party resource will assist the patient in applying for Medical Assistance. The financial assistance described in this policy will only be considered if other payment is not available.

- D. The method(s) for applying or inquiring about our Financial Assistance Policy for Independence Health System:
- a. To request an application:
 - i. For Butler Memorial Hospital, Clarion Hospital, or Butler Medical Providers, email BHSFinancialClearance@independence.health
 - ii. For Excelsa facilities, email excelsahealth@optum360.com
 - b. Visit our website at www.independence.health where the application is listed under "Patients & Visitors" – "Charity Care/Financial Assistance" or
 - c. The application is listed on the reverse side of your patient statement or
 - d. Contact our office:
 - i. For Butler Memorial Hospital, Clarion Hospital, or Butler Medical Providers, call 724-431-2947 Monday through Friday 8:00am to 4:00pm
 - ii. For Excelsa facilities, call 866-322-0961, option 4 to speak with a Financial Assistance specialist
- E. Any uninsured patient seeking financial assistance must comply with all medical assistance application requirements, including providing all requested documentation within (30) days of the receipt of application. To apply for Pennsylvania Medical Assistance visit www.compass.state.pa.us. IHS will treat such information confidentially and will only use the information for the purposes of determining the patient's eligibility for financial assistance.
- F. The Chief Financial Officer will provide the Board of Trustees with information or changes to the Financial Assistance Program on an annual basis. The Board of Trustees may request information about the Program at any time.

DISCOUNTS OFFERED:

- a. Charity Care Discount will be determined based on income, assets and size of the family. IHS will follow the federal poverty guidelines when determining the patient eligibility. Patients will receive charity care in a range of 100% with income less than 250% of the Federal Poverty Guidelines, or 75% with income greater than 250% but less than 350% of the Federal Poverty Guidelines (see Appendix A for grid). To be considered for a Charity Care Discount, the patient or their representative must complete the Financial Assistance Application. Following a determination of financial assistance eligibility a patient will not be charged more than the AGB for emergency or other medically necessary care.
- b. The Courtesy Discount will be offered to patients with no insurance coverage, who do not qualify or choose not to apply for a Charity Care Discount. Patients who are responsible for the entire balance will have their charges reduced. The percentage will be calculated at the beginning of each fiscal year (July 1) based on the Amounts Generally Billed (AGB) to patients who have insurance coverage. The calculation will be based on the look back method where paid claims from the previous year will be

examined to determine the AGB discount and can be different for each facility. The discount is based on inpatient and outpatient discounts applied to gross charges for Medicare payments and the average discount negotiated with the commercial insurance plans. This discount is based on the Internal Revenue Service (IRS) Section 501(r) Final Regulations under the guidelines and methodologies for Limitation of Charges.

- c. Presumptive Eligibility for Charity Care will be considered in instances when a patient may appear eligible for Charity Care Discounts. In the event there is no specific evidence to support a patient's eligibility for charity care, IHS may base their determination on the below criteria.
 - a. Homeless or received care from a homeless clinic
 - b. Food Stamp eligibility
 - c. Patient is deceased with no known estate
 - d. Family or friends of a patient that can provide information establishing the patient's inability to pay if the patient is unable to complete the charity care application
 - e. Patients who qualify for Section 8 housing
 - f. Patients returned as uncollectable from bad debt collection that have a presumptive charity score matching the established score criteria. A presumptive charity score may be used as an indicator to pursue and encourage the completion of a full application for financial assistance.

Upon completion of the presumptive Charity Care process, approvals will be on a case by case basis. Presumptive Charity Care application approvals will be determined by a Patient Financial Representative, Business Office Manager, or at the discretion of the Director, Revenue Cycle.

PROCEDURES:

Financial need will be determined in accordance with procedures that involve an individual assessment of financial need determined by this Policy and include the following:

1. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation to make a determination of financial need and eligibility for alternative sources of coverage from public assistance programs.
2. The following documents are required to verify income and assets:
 - a. Most recently filed 1040 Tax return
 - b. Social Security Benefits for the current year
 - c. Unemployment Benefits
 - d. Child Support Payments
 - e. Paystub(s) last 30 days

- f. Pension (copy of bank statement if directly deposited)
 - g. Disability/Workers compensation
 - h. Alimony
 - i. Rental income
 - j. Proof of any other sources of income
 - k. Most recent checking and/or savings account statement
 - l. Proof of any Certificate of Deposits (CD)
 - m. Medical Assistance determination letter
 - n. Number of dependents claimed for tax purposes
3. If it is determined by a Financial Clearance Representative that an applicant may be eligible, alternative sources of payment and coverage from public and private payment programs will be explored and assistance provided to patients to apply for such programs.
 4. A Financial Clearance Representative will review the patient's outstanding accounts for prior services. Once the application has been approved it will be in effect for six months before and twelve months after the approval date, absent a significant change in the patient's financial circumstances.

COMMUNICATION:

1. Notification of the Financial Assistance Program is available from IHS as follows:
 - a. A contact telephone number will be provided to all patients at the time of Registration.
 - b. Posting on all patient bills
 - c. Posting in all Patient Registration Areas and Physician Offices
 - d. Posting on the Independence Health System website
 - e. Posting in the Emergency Room areas
 - f. Posting in all outreach locations
 - g. Posting in the hospital's patient handbook
2. Patients who have applied for Financial Assistance will be notified by telephone or in writing within (30) days of their application as to whether they have been approved or denied.
3. IHS maintains a separate Collections of Patient Balances policy. A copy of that policy may be obtained by contacting our office at 724-284-4460, Monday to Friday 8:00 am to 4:00 pm.

COLLECTION AGENCY REFERRAL:

IHS may use the services of an external collection agency for the collection of patient debt. This will typically occur (120) days after the initial billing. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, IHS will not send unpaid bills to outside collection agencies. IHS will not refer to a collection agency or take additional collection actions before

it makes a reasonable effort to determine whether or not a patient is eligible for financial assistance under this policy.

REGULATORY REQUIREMENTS:

In implementing this policy, IHS management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

Attachments:

[Appendix A](#)

[Appendix B](#)

Approval Signatures

Approver	Date
Thomas Albanesi, Chief Financial Officer	07/2025
Karen Cambell, Executive Director, Revenue Cycle	06/2025

APPENDIX A

Independence Health System

Charity Care Guidelines

Dependents	100% Charity	75% Charity
	Annual Income Less Than 250% of Federal Poverty Guidelines	Annual Income Less Than 350% of Federal Poverty Guidelines
1	\$39,900	\$55,860
2	\$54,100	\$75,740
3	\$68,300	\$95,620
4	\$82,500	\$115,500
5	\$96,700	\$135,380
6	\$110,900	\$155,260
7	\$125,100	\$175,140
8	\$139,300	\$195,020

2026 Published Federal Poverty Guidelines

For families/households with more than 8 people, add **\$5,680** for each additional person.

Persons in Family	Poverty Guideline
1	\$15,960
2	\$21,640
3	\$27,320
4	\$33,000
5	\$38,680
6	\$44,360
7	\$50,040
8	\$55,720

APPENDIX B

Financial assistance is applicable to services that are billed under the tax ID numbers associated with the facilities included in Financial Assistance Policy.