

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 1 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

POLICY:

It is the policy of Cavalier County Memorial Hospital (CCMH) dba Langdon Prairie Health (LPH) to provide helpful payment options for those patients/guarantors who cannot immediately afford to pay their healthcare bill.

Procedures:

LPH’s objective is to provide excellent healthcare and improve the health of our patients and the region we serve. In that commitment, LPH strives to reduce barriers and improve access to care for all. LPH provides care to all patients without regard to race, age, ethnicity, sexual orientation, gender, gender identity, religion, disability, national origin, or ability to pay. This policy outlines payment options for patients/guarantors and the procedural and documentation requirements for each option.

Definitions:

Amount Generally Billed (AGB): AGB is defined as the average amount billed to insurance organizations from LPH, to include the contractual discount. The AGB limit is the average amount billed after discount across all payers for LPH.

Bad Debt: Amounts that are expected, at the time of service, to be reimbursed but remain unpaid even after reasonable collection efforts have been made.

Emergency Medical Condition: As defined in Section 1867 of the Social Security Act (42 U.S. C.1395dd) is a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in:

1. Placing the health of the individual in serious jeopardy
2. Serious impairment to bodily functions
3. Serious dysfunction of any bodily organ or part

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 2 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
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Emergency Medical Treatment and Labor Act (EMTALA): Guidelines enacted by the federal government to ensure that hospitals equally treat all patients who present in the emergency departments regardless of the patient’s ability to pay.

Financial Assistance: Financial Assistance is defined as inpatient and outpatient medical treatment and diagnostic services for uninsured or underinsured patients who cannot afford to pay for the care according to established hospital guidelines. Financial Assistance does not include bad debt or contractual shortfalls from government programs, but may include insurance co-payments, co-insurance, recipient liability, deductibles, or a combination of the former.

Family/Household: Family is defined as a group of two or more people related by birth, marriage, adoption and residing together. All such people (including related subfamily members) are considered as a household.

Gross Charges: The total charges at the organization’s full established rates for the provision of patient care services before deductions from revenue are applied.

Guarantor: The person financially responsible for payment of a patient’s bill.

Gross Income: Income received on a regular basis before payments for personal income taxes, social security, union dues, Medicare, or insurance deductions, etc. It includes income received from wages, salary, commissions, bonuses, and tips; self-employment income, interest, dividends, net rental income, income from estates and trusts; Social Security or Railroad Retirement income; Supplement Security Income (SSI); any cash public assistance or welfare payments from state or local welfare offices; retirement, survivor, or disability benefits; and any other sources of income received regularly such as Veterans’ (VA) payments, unemployment and/or worker’s compensation, child support, and alimony.

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 3 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

Hospital Payment Plans: Langdon Prairie Health will extend short term (up to six months or less) interest free monthly payments plan for all hospital and clinic balances. To set up a Hospital Payment Plan, patients should contact the Business Office at 701-256-6100.

Medical Necessary: As defined by Medicare are services or items reasonable and necessary for the diagnosis or treatment of illness or injury.

Payroll Deductions: All hospital employees are eligible to pay outstanding hospital and clinic balances through payroll deduction. Payments will be deducted from paychecks on a bi-monthly basis until the balance is paid in full. If the employee separates from LPH prior to the balance being paid in full, the regular payroll deduction will be taken from the last paycheck. The employee will be responsible for setting up arrangements through a hospital payment plan or immediately paying in full. If no arrangements are made, the account(s) will flow through the normal LPH collection process. (See Langdon Prairie Health Collections Policy).

Underinsured: Patients who have some level of insurance or third-party liability assistance but still have out-of-pocket expenses that exceed their financial ability.

Uninsured: Patients who have no insurance or third-party assistance to pay for medical services provided.

Components:

- 1. Non-discrimination:** Langdon Prairie Health shall render services to all members of the community in need of medical care regardless of the patient’s ability to pay for such services in accordance with the Emergency Medical Treatment and Active Labor Act (EMTALA). All patients are eligible for the hospital payment plan. The determination of full or partial Financial Assistance will be based on the patient’s ability to pay without

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 4 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

regard to race, age, ethnicity, sexual orientation, gender, gender identity, religion, disability, or national origin.

2. **Discounts:** Langdon Prairie health will not use discounts to induce referrals for items or services reimbursable by any federal health care program, will not offer discounts to influence a federal health care program beneficiary’s choice of provider, and will not provide routine or automatic discounts on co-payments and deductibles. LPH will not disclose or advertise discounts in promotional materials but may communicate the availability of discounts to qualified patients/guarantors during the ordinary course of dealing with patients/guarantors (e.g., through collection efforts, including personal contact and billing statements and/or on fees or billing brochures). All Financial Assistance discounts are applied after insurance.
3. **Staff Information:** All hospital and clinic employees in patient accounting, billing, and registration will be fully versed in the hospital’s Financial Policy, have access to all application forms, and be able to direct questions to the appropriate hospital representatives.

Financial Assistance:

1. **Financial Assistance Services:** All available emergency or medically necessary health care services, including both inpatient and outpatient services, shall be available to all individuals under this policy.
2. **Confidentiality:** The need for Financial Assistance may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek Financial Assistance services. Orientation of staff and the selection of personnel who will implement this policy should be guided by these values.

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 5 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
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REVIEWED:	REVISED: 03/17/2022, 12/19/2022

- 3. Amounts Generally Billed (AGB):** LPH will calculate the AGB limit based upon annual audited financial data and will update this quarterly with the discount data calculated internally. Patients qualifying for Financial Assistance discount will not pay more for services than the AGB discount limit.
- 4. Criteria:** The facility criteria for Financial Assistance will follow the Federal Poverty Income Guidelines. Those individuals whose income falls at or below the minimum criteria would be eligible for 100% Financial Assistance allowance. All other discount criteria based on income and family size is outlined in the Financial Assistance Discount Schedule which is updated annually to align with the Federal Poverty Guidelines. Financial Assistance discounts will be evaluated on remaining patient responsibility (after insurance payments are applied). Financial Assistance discounts will look back eight months from the application date and six months going forward.
- 5. Family/Household Income:** Income will be calculated on a weighted scale utilizing the last three (3) months’ income, the last three (3) months bank statements from both checking and savings accounts, and the previous years’ tax return. No assets or liabilities will be utilized in the calculation for Financial Assistance, only income and family size.
- 6. Application Process:** Patients who wish to apply for Financial Assistance should complete the following process:

 - A. Complete the LPH Financial Assistance Application. Patients may request applications at hospital or clinic registration areas, by calling the LPH Business Office at 701-256-6100, or downloading the application from the LPH website. To download the application from the website, the patient would access the “Patients & Visitors” tab, scroll down to the “Insurance & Assistance” tab, and click on the link for the “Financial Assistance Application”.

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 6 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

B. The completed application must be submitted to the LPH Business Office with the following information:

- a. Medical Assistance Determination (proof of Medicaid denial required)

And at least two of the three items listed below

- b. Previous year’s tax return
- c. Last three months’ paystubs or income verification
- d. Last three months’ bank statements from all banking accounts

If the above items are not received, then the application cannot be processed. A notification will be sent out to the applicant requesting this information. Patients who are unable to provide written verification must provide a notarized statement of income, and why they are unable to provide written verification.

- 7. **Approval Notification:** Financial Assistance applications may be submitted to the approved facility representative(s). At that time, if all supporting documentation has been received, the application will be processed within ten (10) working days and the patient will be notified of the application decision. Approval for Financial Assistance will be reviewed and approved by the Business Office Manager and/or the Chief Financial Officer. Financial Assistance approvals will look back for a period of eight (8) months and go forward for a period of six (6) months.
- 8. **Denial:** If the Financial Assistance Application is denied, the patient will be notified within ten (10) working days.
- 9. **Continuing Eligibility:** After the initial approval period, if the patient’s financial circumstances have not changed the patient will be deemed eligible for an additional

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 7 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

twelve (12) month period. The patient will be required to submit documentation to support ongoing eligibility in the form of paystubs, tax returns, and bank statements.

10. Expired Patients: Patients who are deceased and have no estate are deemed to have no income for the purpose of determining Financial Assistance.

11. Payment Plans: All patient balances, after the Financial Assistance adjustment, must have an approved payment plan by the Business Office. LPH offers six (6) months interest free payment plans.

12. Collections: If a patient who has received Financial Assistance defaults on the approved payment agreement, the account will be considered a bad debt account and will be sent to outside collections.

13. Initial Recordkeeping: All Financial Assistance applications will be logged into the Financial Assistance spreadsheet. The completed applications will be kept on file for five (5) years. A copy of the Financial Assistance application and all accompanying documentation and correspondence will be maintained in the patient's Financial Assistance file.

14. Accounting: Financial Assistance shall be recorded using the direct write-off method and shall comply with all accounting regulations by the American Institute for Certified Public Accounting.

15. Eligible/Participating Providers: Services rendered, referred, or ordered at a LPH facility and billed on a LPH statement are eligible for LPH Financial Assistance.

16. Outreach Providers: LPH has many outreach providers that provide services within our facility. These providers bill separately and are not included in the LPH Financial Assistance Policy.

LANGDON PRAIRIE HEALTH	
SUBJECT: FINANCIAL ASSISTANCE POLICY	PAGE: 8 OF: 8
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE: 03.01/2020
APPROVED BY:	CREATED BY:
REVIEWED:	REVISED: 03/17/2022, 12/19/2022

Public Access:

1. LPH shall make this policy available to the public upon request, listed on the organization’s website and posted at the entrance of the facility.

2. If you, or someone you know, would like a Financial Assistance application, or to set up a hospital payment plan, please contact the Business Office at 701-265-6100. Any questions on Financial Assistance can be directed to our Business Office Manager at 701-256-6279.