

## **Charity Care Policy -Administration of Financial Assistance**

### **Policy**

Mayo Clinic's mission is to provide the best care to every patient every day through integrated clinical practice, education and research. Mayo Clinic strives to benefit humanity through work in these three areas, while supporting the communities in which we live and work. As part of that commitment, Mayo Clinic appropriately serves patients in difficult financial circumstances and offers financial assistance to those who have an established need to receive medically necessary medical services. Above all, Mayo Clinic's guiding philosophy is that the needs of the patient come first.

Charity care is only one component of Mayo Clinic's charitable mission. Educating the next generation of health care professionals and supporting biomedical research to decrease the burden of human disease are vital to Mayo Clinic's charitable purpose.

### **Purpose**

This policy serves to establish and ensure a fair and consistent method for the review and completion of requests for charitable medical care to our patients in need.

### **Scope**

This policy is to be used by All Mayo Clinic tax-exempt sites including Mayo Clinic Health System tax-exempt sites. Throughout the remainder of the document, use of the term "Mayo Clinic" refers to all Mayo Clinic affiliated tax-exempt hospitals and locations

### **Policy statements**

Revenue Cycle staff are responsible for the following actions:

It is the policy of Mayo Clinic to offer financial assistance to patients who are unable to pay their hospital and/or clinic bills due to difficult financial situations. A Mayo Clinic Financial Counselor, designated business office representative, or committee with authority to offer financial assistance will review individual cases and make a determination of financial assistance that may be offered.

Mayo Clinic determines the need for financial assistance by reviewing the particular services requested or received insurance coverage or other sources of payment, a person's historical financial profile and current financial situation. This method allows for a fair and accurate way to assist patients who are experiencing financial hardship. Partial and/or full charity care will be granted based on the individual's ability to pay the bill.

Eligible individuals include patients who do not have insurance and patients who have insurance but are underinsured. Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance. Other factors affecting eligibility are as follows:

- **Income** – Assuming that other financial resources are not identified as viable funding sources, the Federal Poverty Income Guidelines will be used in determining the amount of write-off. The Poverty Guidelines are updated annually each January.
  - The minimum criteria for full (100 percent) charity write-off will be 200 percent of the most recent Federal Poverty Income Guidelines.
  - Minimum criteria for partial write-offs will be to grant patients earning between 201 and 400 percent of the Federal Poverty Income Guidelines some level of discount depending on the circumstances in each case, but averaging a 50 percent discount for all patients in this income level.
  - Individual Mayo Clinic site policy may allow write-offs to patients with income levels over 400 percent of the Federal Poverty Guidelines, depending on the market served and other charity care options available within the community.
- **Evaluation of Assets** – the patient’s household savings, checking, investment assets, real property assets, and overall financial position will be considered.
- **Evaluation of the Patient’s Monthly Expenses** – review of living expenses includes medical expenses, and other basic needs.
- **Nature of the Medical Condition or Care Required** – consideration of services unique to Mayo Clinic versus potential of local facilities providing care.
- **Considerations**
  - Any special circumstances that the patient would like Mayo Clinic to consider.
  - Eligibility is contingent upon patient cooperation with the application process, including Medicaid or Medical Assistance application completion where applicable, and submission of all information that Mayo Clinic deems necessary in order to determine the level of any financial assistance that may be considered, including written permission for Mayo Clinic to check consumer credit information.
  - Priority is given to requests for care of local and regional patients, and to care that is unique to Mayo Clinic.

## **Measures to Publicize Mayo Clinic’s Financial Assistance Policy**

Mayo Clinic is committed to offering financial assistance to eligible patients who do not have the ability to pay for their medical services in whole or in part. In order to accomplish this charitable goal, Mayo Clinic and Mayo Clinic Health System sites will widely publicize this Policy in the communities that the individual Mayo Clinic affiliated sites serve.

Mayo Clinic affiliated sites will make a copy of this Policy available by posting it on their webpage including the ability to download a copy of the Policy free of charge. Individuals in the community served will be able to obtain a copy of the Policy in locations throughout each Mayo Clinic affiliated site or upon request.

## **Definitions**

**Financial Assistance** is the cost of providing free or discounted care to individuals who cannot afford to pay, and for which Mayo Clinic ultimately does not expect payment. Mayo clinic may determine inability to pay before or after medically necessary services are provided. This is also referred to as **Charity Care**.

**Bad debt** is the cost of providing care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.

## **Limitations**

Mayo Clinic financial assistance does not include all costs that may be associated with medical services. The following is a non-exhaustive list of items or services that are not included in our financial assistance program:

- **Transportation and Lodging:** The patient is responsible for transportation to and from Mayo Clinic.
- **Food:** Social Services may have vouchers to help cover costs of food during the Mayo Clinic visit.
- **Durable Medical Equipment:** Social Services may have limited vouchers available to help cover costs associated with durable medical equipment.
- **Pharmacy Supplies:** The Mayo Store has a charity program to provide supplies at reduced costs for patients requiring financial assistance. Contact the Mayo Store Supervisor for additional information.
- **Prescriptions filled at a non-Mayo pharmacy.**
- **Home Health Care or services provided at a non-Mayo entity** are not covered under this policy. Follow up care may be coordinated through Social Services, but approval for financial assistance is limited to services provided on-site and billed by a Mayo Clinic entity.

- Smoking Cessation (Rochester only): The Nicotine Dependence Center (NDC) Fund at Mayo Clinic Rochester provides financial assistance for those interested in smoking cessation with financial need.
- Note: Mayo Clinic Social Services can provide limited funds in certain situations. The funds are generally less than \$50, offered once, and for short-term situations.

## **Hospice Care (Rochester only)**

Coverage for Mayo Rochester Hospice Program end of life services may be approved in special situations when provided in the patient's home or a facility where Mayo Hospice has an established contact (e.g. selected area nursing homes and/or Charter House).

- Patient meets hospice eligibility criteria – patient's doctor and the Hospice Program medical Director agree that the patient's condition is terminal and the goal of treatment is comfort rather than cure.
- Hospice care will avoid hospitalization in a Mayo Clinic Rochester hospital or will facilitate discharge from one of the Mayo Clinic Rochester hospitals.
- Medical evaluation suggests difficulty moving the patient to home and/or care is not available in the patient's home.
- Patient resides in the Mayo Hospice program service area or is unable to return home for end of life care.

## **Home Health and Post Service Care**

Mayo Clinic may provide Home Health, Pharmaceutical, or other services related to discharge planning on a limited basis depending on the medical needs of the patient and services provided and billed by each location for such care. Should it be determined that follow up or out-patient care would better serve or hasten the recovery of the patient and reduce overall cost to provide patient care, Mayo Clinic will review out-patient care options. Services may include, but are not limited to, home health nursing care, wound care, physical therapy, and other palliative care services. Mayo Clinic reserves the right to limit the extent and duration of home health services. Services may be limited to only those provided by the site providing initial care or provided by an approved contracted home health provider.

## **Procedure for Financial Assistance**

### **Identification of Patients Who May Be Eligible**

Prior to receiving services, there are a number of ways a patient can be identified and evaluated for financial assistance prior to, during, or following care. Following is a non-exhaustive list of examples for identification prior to receiving services:

- Patients or their representatives may request financial assistance.
- Mayo Clinic employees may refer patients to a Financial Counselor or business office representative.
- The Business Services/Patient Financial Services Department may refer patients to a Business Office Representative.
- Referring physicians may refer patients.
- Mayo consulting physicians may refer patients. Associate Consultants (ACs) and Senior Associate Consultants (SACs) must have the approval of their Division Chair.
- Local government agencies may refer patients

Following services, patients can be referred for financial assistance in a number of ways. Following is a non-exhaustive list of examples:

- Patients or their representatives may request financial assistance.
- Mayo Clinic employees may refer patients to a Financial Counselor or business office representative.
- Collection agencies or attorneys may refer patients back to Mayo Clinic.
- The Business Services/Patient Financial Services Department may refer patients to a Business Office Representative.
- The Business Services/Patient Account Services area may identify financial need through conversations with patients regarding billing and payment options.
- Referring physicians may refer patients.
- Mayo consulting physicians may refer patients.
- Local government agencies may refer patients.

## **Method of Applying for Financial Assistance**

Patients who want to apply for financial assistance or who have been identified as a potentially eligible for financial assistance will be informed of the application process either before

receiving services if the facts suggest potential eligibility or after the billing and collection process has begun. The application process may be waived or suspended due to medical necessity, including timing and urgency of care. Patients or their representative can obtain a financial assistance application by mail by contacting Patient Account Services at 507-266-5670, or downloading and printing the [financial application](#) at no charge from our website.

All patients/guarantors who receive a Financial Statement application must complete and return the application within ten (10) working days (unless the patient calls with a legitimate reason to extend the deadline), along with the following documents that serve as the minimum information necessary to process an application for financial assistance. Mayo Clinic reserves the right to request additional documentation before finalizing a request for assistance:

- Proof of completion of Medical Assistance application process, as applicable
- Proof of household income (pay stubs for the past ninety days)
- A copy of 3 most recent bank statements from all banking or credit union institutions of the household
- A copy of the 2 most recent tax returns, including all schedules of patient, spouse, or any person who claims the patient as a tax dependent
- Full disclosure of claims and/or income from personal injury and/or accident related claims

A Business Office Representative will review all returned Financial Statements for completeness. Individual Mayo Clinic sites may require additional information or identify a minimum financial assistance request amount before requiring a Financial Statement application. The Financial Counselor or business office representative will consult the Financial Assistance authorization guidelines and present the Financial Statement to the appropriate person/committee for consideration. Once a decision has been made for financial assistance, a letter is sent to each applicant advising them of the decision. Notification for pre-service financial assistance requests will be sent if time permits.

Mayo Clinic and the Mayo Clinic Health System locations may share patient Financial Assistance information across our locations for the benefit and ease of administering Financial Assistance to patients seen at multiple locations. No information will be shared outside of Mayo Clinic unless authorized or required by law.

## **Basis for Calculating the Amounts Charged to Patients**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

Amounts charged for emergency and medically necessary medical services to patients eligible for Financial Assistance will not be more than the amount generally billed to individuals with insurance covering such care.

## **Eligibility Criteria Considered for Financial Assistance**

The appropriate business office will review all circumstances surrounding the request. The Mayo entity will notify the patient about the decision within a reasonable time after submitting a completed financial assistance request. A patient's request will be deemed complete after Mayo receives a complete financial assistance application, and all required documentation, including current pay stubs, income tax statements, and bank statements, if applicable.

Mayo Clinic will consider requests for charity medical care with priority given to local and regional patients, and care that is unique to Mayo. Local and regional patients do not require physician referral before applying for financial assistance. Patients from beyond the site's service area (generally the state where services are provided) will require referral by a physician for unique Mayo services or an approved application from a recognized charitable organization known to Mayo Clinic. Appropriate physician and/or administrative medical staff may be consulted to determine uniqueness of care to Mayo Clinic. Senior Associate Consultant (SAC's) decisions may be reviewed by the Division Chair. The charity care request must be supported by the Mayo treating physician.

Delivery of charity care does not obligate Mayo Clinic to provide continuing care unless the services and support are unique to our organization. Patients may be required to re-apply for charity care at least every 180 days. Each local Mayo Clinic site reserves the right to require a patient to re-apply at any time.

Mayo Clinic requires compliance with the application process of appropriate service organizations that may provide coverage for care, such as Medicaid or Medical Assistance.

Mayo Clinic makes every reasonable attempt to collect from insurance companies and other third-party payers. Financial hardship and charity care adjustments may be considered for those patients whose income and assets will not allow full payment within a reasonable time. Mayo Clinic may also consider paying COBRA premiums for a limited period of time if a patient is approved to receive financial assistance. Factors that are considered include the patient's residency (local, region, national, international) and the availability of care outside the Mayo system. Assistance may consist of:

- Full adjustment of the self pay balance
- Partial adjustment of the self pay balance
- Alternate of extended payment options

Mayo Clinic and Mayo Clinic Health System locations reserve the right to reverse financial assistance adjustments and pursue appropriate reimbursement or collections. This may occur as a result of a variety of reasons, such as newly discovered information such as insurance coverage or pursuit of a personal injury claim related to the services in question.

## **Reasons for Denial**

Mayo Clinic may deny a request for financial assistance for a variety of reasons including, but not limited to:

- Sufficient income
- Sufficient asset level
- Patient is uncooperative or unresponsive to reasonable efforts to work with the patient
- Requests for care when there is no identifiable means of obtaining long-term support (e.g. medication or implantable devices) needed to sustain the initial successful outcomes of care
- Incomplete Financial Assistance application despite reasonable efforts to work with the patient
- Pending insurance or liability claim
- Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by Mayo Clinic, and personal injury and/or accident related claims

## **Emergency Services**

Mayo Clinic and Mayo Clinic Health System's policy is to provide emergency care to stabilize patients, regardless of their ability to pay. Following medical evaluation, non-emergent patients requiring charity care consideration should be reviewed and approved before additional services are provided.

## **Equal Opportunity**

Mayo Clinic is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

Mayo Clinic will not consider: Bad debt, contractual allowances, perceived underpayments for operations, public programs, cases paid through a charitable contribution, professional courtesy discounts, community service or outreach programs, or employment status as a means to determine financial assistance.

## **Indigent Care**

Emergency room patients who cannot pay their bills may be classified as "charity" if they do not have a job, mailing address, residence, or insurance. Consideration is also given to classifying emergency room only patients as charity if they do not provide adequate information as to their



financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care.

## **Government Assistance**

In determining whether an individual qualifies for charity care, other county or governmental assistance programs will be considered. Many applicants are not aware that they may be eligible for public health insurance programs or have not pursued application.

Mayo Clinic staff will help the individual determine eligibility for governmental or other assistance, as appropriate. Persons who are eligible for programs (such as State-sponsored Medicaid) but who were not covered at the time that medical services were provided may be granted financial assistance, provided that the patient completes an application for government assistance. This may be prudent, especially if the patient requires ongoing services.

## **Collection Activity**

Mayo Clinic will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy.

Collection activity will proceed based on a separate Collection Policy.

If a collection agency identifies a patient as meeting Mayo Clinic's financial assistance eligibility criteria, the patient's account may be considered for financial assistance. Collection activity will be suspended on these accounts and Mayo Clinic will review the financial assistance application. If the entire account balance is adjusted, the account will be returned to Mayo Clinic. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

## **Confidentiality**

Mayo staff will uphold the confidentiality and individual dignity of each patient. Mayo Clinic and Mayo Clinic Health System will meet all HIPAA requirements for handling personal health information.

This policy will be reviewed annually by the Board of Trustees. Last Update: 06/2012