F4a

MEMORANDUM

TO: MAYOR, COUNCIL

FROM: MIKE NESSLAGE, FIRE CHIEF

SUBJECT: HARDSHIP AND UNCOLLECTIBLE WRITE OFF POLICIES

DATE: 6/30/2017

On the agenda is an item to approve the updated Financial Hardship Policy, and the updated Uncollectible Write Off Policy. These policies were originally established in 2008, and are based on the recommendations of industry experts. We have revised these policies to better fit Federal Government expectations. Both policies are attached.

Hardship situations occur when a patient is unable to pay a portion of, or their entire bill. This occurs typically when someone does not have insurance, or their insurance does not pay the entire bill, and they don't have the resources to pay the bill. The patient would contact the fire department and ask for a discount. We follow the attached procedure in determining how we discount those services.

Uncollectible situations result when a bill does not get paid, and attempts by the billing company are futile. This typically happens when the patient simply "disappears" or is just plain does not have the fiscal capacity to pay the bill. At times, hardship cases ultimately become uncollectible write offs.

This is updated documentation of procedures and polices we are already following. These policies are important because the Federal Government expects us to have a consistent and fair method of handling these situations. They are before you because they are "Fiscal" policies, rather than "operational" procedures. There is no change in the financial impact of these policies, and in practice, these policies don't create a significant fiscal impact as we would typically not collect these debts, regardless of policy.

Please feel free to ask any questions you have.

Policy 755
Financial Hardship Waivers
05/23/2017

Purpose:
The purpose of this policy is to objectively evaluate the financial ability of patients to make payments for their ambulance services, and make appropriate decisions as to when a hardship reduction or waiver may be appropriate.

Scope:
Per Policy 100, Code of Conduct.

This Policy is adopted by City Council Resolution on July 5, 2017. Modifications must be approved by the City Council. This policy supersedes the previous version approved by City Council on September 17, 2008.

Background:
Write-offs, waivers of payments, and other discounts will be made on a discretionary basis, taking such considerations as financial hardship and ability to pay into account.

Policy:

A. Patients will be billed promptly for any balance due including legally required cost sharing amounts.

B. Attempts to collect co-payments or deductible amounts or payment in full from the patient may be revised in the following circumstance:
   1. If the patient or patient representative advises us that the patient is suffering a financial hardship and is unable to make payments we will ensure that insurance benefits have been maximized and offer a payment installment plan.
   2. If a patient is unable to maintain even a minimal repayment plan and claims financial hardship, we will conduct a Financial Hardship Assessment by asking the patient to provide the following:
      a. Verification of current employment/unemployment status.
      b. A copy of tax returns (or W-2 forms, at least) for the previous two (2) years.
      c. Additional information as to why the patient feels a financial hardship waiver should apply.

C. If financial hardship does not apply, the patient must make routine installment payments on their account. If promised payments are not made, the patient will be referred to a collection agency.

D. If assessment yields evidence of financial hardship, but not of a magnitude sufficient to waive patient payment, provide 25% discount and payment plan (immediate payment is preferred).

E. Grant waiver of payment if assessment yields evidence of financial hardship sufficient to a grant waiver.

F. A patient is eligible to be declared a "Financial Hardship" case and may be eligible for discounted services if the patient's household income is at or below the income levels established by HHS in its annual guidelines. See: http://aspe.hhs.gov/POVERTY/index.cfm.

G. Only the Hiawatha Fire Department Hardship Committee may approve a financial hardship case. Under no circumstances may any personnel disclose hardship criteria to the patient. Personnel will gather as much information as possible from the patient and present this information to the Fire Chief or designee for processing. A patient's financial and insurance status is subject to change. The fact that a patient qualifies for financial hardship treatment at one time does not mean that the patient will qualify for financial hardship treatment in the future. Past showing of financial hardship will not preclude attempts to collect on future services provided if financial hardship ceases to exist or is at a level that warrants patient discounted payments.

H. Personnel will use the following Financial Hardship Request Form and, for Medicare beneficiaries, the following Financial Hardship Approval and Denial Response Letters.

I. Financial Hardship Committee consists of the following: Fire Chief or designee, City Administrator, City Finance Director.

Financial Hardship Request Form

Patient Name:_____ _____
Address:_____
City/State/Zip:_____

Responsible Party (if different than patient):_____
Address:_____
City/State/Zip:_____

I am applying for a Hardship Determination in order that you will consider waiving my co-pay/co-insurance/deductible (or total charges if uninsured) for service and care provided to me. (Circle one.)

I am supplying the following information so that you can make an accurate determination of my financial situation. The monthly dollar amount provided is from all sources including Social Security benefits, pensions, annuities, dividends, etc. Attached you will find verification of my employment/unemployment status and copies of my federal tax returns or W-2 forms for the previous 2 years as well as other information I feel should be considered in determining my ability to pay.

My insurance is

_____

Monthly Income	Self		Spouse		
Wage/salary	$_____		$_____		
Social security	$_____		$_____		
Pension	$_____		$_____		
Interest income	$_____		$_____		
Other	$_____		$_____		
Totals	$_____	+	$_____	=	$_____

Total size of household: _____

Patient Signature: _____ Date: _____

Financial Hardship Approval Response Letter Form

The law requires that emergency medical service providers must attempt to collect any unpaid portion of the annual Medicare Part B insurance deductible and the applicable co-insurance amount from the beneficiary. However, under certain circumstances the emergency medical service provider is permitted to waive or reduce collection of these amounts. One of the circumstances is that financial hardship of the beneficiary is such that it would be inequitable and contrary to good conscience to require the beneficiary to make such payment amounts.

Based upon discussions with you and the documents and information you have provided, Hiawatha Fire Department has determined that, due to your current financial situation, you are unable to pay all or part of your deductible and/or the co-insurance amount. Due to these circumstances, Hiawatha Fire Department waives your obligation for payment of the following charges for the following service(s):

Service:_____ Charge:_____ Date:_____

Amount waived:_____

Service: _____ Charge:_____
Date:_____

Amount waived:_____

However, if future discussions, documentation and information regarding your financial situation reveal that your situation has improved enough to enable you to pay for some or all of the amount you owe for an ambulance service, Hiawatha Fire Department will require payment of that amount for that ambulance service.

Statement of Agreement: I understand that Hiawatha Fire Department is waiving collection of all or part of the Medicare deductible/co-insurance amounts in my case due to financial hardship. I also understand that Hiawatha Fire Department can and will begin to attempt to collect charges should it determine that my financial situation has improved to the extent that I can afford to pay all or part of my Medicare deductible/co-insurance amounts.

_____ _____
Signature of Beneficiary Date

_____ _____
Signature of our representative Date

Financial Hardship Denial Response Letter Form

The law requires that emergency medical service providers must attempt to collect any unpaid portion of the annual Medicare Part B insurance deductible and the applicable co-payment amount from the beneficiary. However, under certain circumstances the emergency medical service provider is permitted to waive collection of these amounts. One of the circumstances is that financial hardship of the beneficiary is such that it would be inequitable and contrary to good conscience to require the beneficiary to make such payment amounts.

Based upon discussions with you and the documents and information you have provided, Hiawatha Fire Department has determined that, based upon your current financial situation, you are able to pay the unpaid portion of your deductible and/or the co-payment amount. Due to these circumstances, Hiawatha Fire Department denies waiving your obligation for payment of the charges for the following service(s).

Service:_____ Charge:_____ Date:_____

Amount owing:_____

Service:_____ Charge:_____ Date:_____

Amount owing:_____

DRAFT

RESOLUTION NO. 17-
City Council

RESOLUTION AMENDING HIAWATHA AMBULANCE SERVICE FINANCIAL HARDSHIP WAIVERS POLICY

WHEREAS, the Fire Chief has determined it necessary to amend the Hiawatha Ambulance Service Financial Hardship Waivers Policy to update the process for handling requests for discounted services as outlined in Exhibit "A".

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hiawatha, Iowa, that said Hiawatha Ambulance Service Financial Hardship Waivers Policy is hereby amended, approved, and adopted.

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 5th day of July, 2017.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kelly Kornegor, City Clerk