

## LIFECARE MEDICAL CENTER – POLICY & PROCEDURE

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DEPARTMENT: Administration

SUBJECT: Financial Assistance / Charity Care

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### OBJECTIVE:

Consistent with its mission to provide high quality health and wellness services for the community, LifeCare Medical Center is committed to providing financial assistance to uninsured and underinsured individuals, who are in need of emergency or medically necessary treatment and have a household income between 200% and 250% of the Federal Poverty Guidelines (FPG).

In accordance with the Affordable Care Act (ACA), any patient eligible for financial assistance under LifeCare Medical Center's financial assistance policy will not be charged more for emergency or medically necessary care than the amount generally billed (AGB) to insured patients.

### POLICY:

Financial assistance is provided only when care is deemed medically necessary and after patients have been found to meet all financial criteria. LifeCare Medical Center offers both free care and discounted care, depending on individuals' family size and income.

Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid or insurance through the public marketplace) as appropriate *before* eligibility under this policy is determined. Additionally, any uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so to help ensure future healthcare accessibility and overall well-being.

Uninsured and underinsured patients who do not qualify for free care will receive a sliding scale discount off the gross charges for their medically necessary services based on their family income as a percent of the Federal Poverty Guidelines. These patients are expected to pay their remaining balance for care, and may work with financial counselors to set up a payment plan based on their financial situation.

### DEFINITIONS:

These terms are meant to be interpreted as follows within this policy:

1. Charity Care: Medically necessary services rendered without the expectation of full payment to patients meeting the criteria established by this policy.
2. Medically Necessary: Hospital services or care rendered, both outpatient and inpatient, to a patient in order to diagnose, alleviate, correct, cure, or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.
3. Emergency Care: Immediate care that is necessary to prevent putting the patient's health in serious jeopardy, serious impairment to bodily functions, and/or serious dysfunction of any organs or body parts.

4. Urgent Care: Medically necessary care to treat medical conditions that are not immediately life-threatening, but could result in the onset of illness or injury, disability, death, or serious impairment or dysfunction if not treated within 12-24 hours.
5. Uninsured: Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.
6. Underinsured: Insured patients whose out-of-pocket medical costs exceed their ability to pay.
7. Amount Generally Billed (AGB): The amount generally billed to insured patients for emergent or medically necessary care (determined as described in section (B) of the policy below).
8. Gross Charges: The full amount charged by LifeCare Medical Center for items and services before any discounts, contractual allowances, or deductions are applied.
9. Presumptive Eligibility: The process by which the hospital may use previous eligibility determinations and/or information from sources other than the individual to determine eligibility for financial assistance.

**PROCEDURES:**

- A. Eligibility – LifeCare Medical Center will not charge patients who are eligible for financial assistance more for emergency or medically necessary care than the amounts generally billed to insured patients.

Services eligible for financial assistance include: emergency or urgent care, services deemed medically necessary by LifeCare Medical Center, or in general, care that is non-elective and needed in order to prevent death or adverse effects to the patient’s health. The services that are not eligible for charity care include the following: nursing homes, hospice, home care/personal care, and swing bed.

Patients who are uninsured or underinsured and have a household income at or below 200% of the Federal Poverty Guidelines (FPG) (shown in the table below) may receive free care (a 100% discount). Individuals with annual household incomes between 200% and 250% FPG will be eligible for a 50% discount off gross charges as illustrated by the table below.

Financial Assistance Available at LifeCare Medical Center

Household income as % of FPG	Discount off gross charges/remaining self-pay balance
200%-250%	50%
≤ 200%	Free care

In addition, assets in excess of \$15,000 will cause an applicant to be ineligible for the charity care program. Examples of assets considered are second homes, land, more than one vehicle per adult in household, recreational vehicles, and cash and investments. For retirement funds, loans will be expected to be made against those funds.

2026 Federal Poverty Level Guidelines			
# Individuals in Household	Annual Income 100% FPG	Annual Income 200% FPG	Annual Income 250% FPG
1	15,960.00	31,920.00	39,900.00
2	21,640.00	43,280.00	54,100.00
3	27,320.00	54,640.00	68,300.00
4	33,000.00	66,000.00	82,500.00
5	38,680.00	77,360.00	96,700.00
6	44,360.00	88,720.00	110,900.00
7	50,040.00	100,080.00	*
8	55,720.00	111,440.00	**

\*\*\* Family income in excess of \$100,000 are not eligible.

Uninsured patients who do not meet these income requirements will receive a discount of 12% on gross charges for medically necessary and emergency care that they receive.

Determinations for financial assistance eligibility will require patients to submit a completed Charity Care application (including all documentation required by the application) and may require appointments or discussion with hospital financial counselors.

When determining patient’s eligibility, LifeCare Medical Center does not take into account race, gender, age, sexual orientation, religious affiliation, or social or immigrant status.

- B. Determining Discount Amount – Once eligibility for financial assistance has been established, LifeCare Medical Center will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or medically necessary care.

To calculate the AGB, LifeCare Medical Center uses the “look-back” method described in section 4(b)(2) of the IRS and Treasury’s 501(r) final rule.

In this method, LifeCare Medical Center uses data based on claims sent to Medicare fee-for-service and all private commercial insurers for emergency and medically necessary care over the past year to determine the percentage of gross charges that is typically allowed by these insurers.

The AGB percentage is then multiplied by gross charges for emergency and medically necessary care to determine the AGB. LifeCare Medical Center re-calculates the percentage each year. In 2023, the AGB percentage for services is 67%.

Example

If the gross charge for an outpatient colonoscopy procedure is \$1,000 and the AGB percentage is 67%, any patient eligible for financial assistance under this policy will not be personally responsible for paying more than \$670 for an outpatient colonoscopy procedure.

Because the AGB percentage is 67% and because the minimum amount of assistance available under this policy is a 50% discount off gross charges, no patient eligible for financial assistance will be required to pay an amount in excess of AGB.

- C. Applying for Financial Assistance – To apply for financial assistance, patients must submit a complete application (including supporting documents) to 715 Delmore Drive, Roseau, MN 56751, either in person or by mail.

Charity Care applications can be accessed:

- At the facility in the Business Office, Financial Counseling Office, ER registration desk, Behavioral Health, and therapy departments.
- Individuals may make a request by phone (call 218-463-4716) or by mail (715 Delmore Drive, Roseau, MN 56751).
- Online at [www.lifecaremedicalcenter.org](http://www.lifecaremedicalcenter.org)

To be considered eligible for financial assistance, patients must cooperate with the hospital to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patient will be required to provide necessary information and documentation when applying for hospital financial assistance or other private or public payment programs.

In addition to completing an application, individuals should be prepared to supply the following documentation:

- Bank statements
- Proof of income for applicant (and spouse if applicable), such as recent pay stubs, unemployment insurance payment stubs, or sufficient information on how patients are currently financially supporting themselves
- Copy of most recent federal tax return
- Documentation of qualifications for Medicaid programs
- In some cases, information on available assets or other financial resources

External, public sources like credit scores may also be used to verify eligibility.

Individuals who do not have any of the documentation listed above and have questions about LifeCare Medical Center's financial assistance application or would like assistance with completing the financial assistance application may contact our financial counselors either in person at 715 Delmore Drive, Roseau, MN 56751 or over the phone:

Financial Counselor

218-463-4716

Business Office hours are 8:00–5:00, Monday-Friday (or by appointment)

Representatives at several community organizations are also able to assist with completing LifeCare Medical Center’s financial assistance applications:

Northwest Community Action 218-528-3258

- D. Actions in the Event of Non-Payment – The collection actions LifeCare Medical Center may take if a financial assistance application and/or payment is not received are described in a separate policy.

In brief, LifeCare Medical Center will make reasonable efforts to provide patients with information about our financial assistance policy before we or our agency representatives take extraordinary actions to collect your bill.

For more information on the steps LifeCare Medical Center will take to inform uninsured patient of our financial assistance policy and the collection activities we may pursue, please see LifeCare Medical Center’s Billing and Collections Policy.

You can request a free copy of this full policy in person or by mailing a request to LifeCare Medical Center, 715 Delmore Drive, Roseau, MN 56751, by calling us at 218-463-4716, or online at [www.lifecaremedicalcenter.org](http://www.lifecaremedicalcenter.org)

- E. Presumptive Eligibility – If patients fail to supply sufficient information to support financial assistance eligibility, LifeCare Medical Center may refer to or rely on external sources and/or other program enrollment resources to determine eligibility when:

- Patient is homeless
- Patient is eligible for other unfunded state or local assistance programs
- Patient is eligible for food stamps or subsidized school lunch program
- Patient is eligible for state-funded prescription medication program
- Patient’s valid address is considered low-income or subsidized housing
- Patient receives free care from a community clinic and is referred to hospital for further treatment

LifeCare Medical Center also uses MN-ITS, an eligible vendor, to help identify patients who may be eligible for financial assistance under this policy or through other public and private programs.

LifeCare Medical Center may also use previous financial assistance eligibility determinations as a basis for determining eligibility in the event that the patient does not provide sufficient documentation to support an eligibility determination. Financial assistance applications on file at LifeCare Medical Center may be used for a time period of up to three months after the date of submission.

All patients presumptively determined to be eligible for less than the most generous amount of assistance available under this policy (free care) will be informed about how the discount amount was calculated and given a reasonable amount of time to submit an application for further financial assistance.

- F. Eligible Providers – In addition to care delivered by LifeCare Medical Center, emergency and medically necessary care delivered by the providers listed below is also covered under this financial assistance policy:

Wapiti Medical Group  
Shared Medical Imaging

Shared Medical Technology  
Radiologists Associated in Duluth

Care provided by any of the providers listed below at a LifeCare Medical Center facility will **NOT** be covered under this policy since they are not employed by LifeCare Medical Center. As such, the bills received by LifeCare Medical Center patients for care provided by any of the following providers will **NOT** be eligible for the discounts described in this financial assistance policy.

Altru  
Precision Diagnostic Services

Visiting Doctors and Specialists

**Patients concerned about their ability to pay for services or who would like to learn more about financial assistance should contact the Patient Financial Services Office at 218-463-4716.**

Approved by: Audit & Finance Committee of the Board 9/17/18  
Reviewed by: Michael Tangen, Controller 1/26

PP/admin/financial assistance-charity care  
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