

Title: Financial Assistance Policy – UMH Sparrow
(non-NHSC Designated Rural Health Sites)

Department: Revenue Cycle (Financial Counseling)

1.0 Policy Statement, Purpose, and Scope

University of Michigan Sparrow is committed to serving the residents of the State of Michigan who cannot obtain necessary medical care because of the ability to pay.

The UMH Sparrow Financial Assistance Policy has been established to identify patients who may qualify for financial assistance.

Financial Assistance is offered to patients who are not able to pay for health care as determined by the U.S. Federal Poverty Guidelines (FPG). Financial assistance is considered a last resort; all options for obtaining third party insurance or identifying resources available to the patient should be considered first.

Financial Assistance at UMH Sparrow is administered by the UMH Sparrow Financial Assistance Program (SFAP). Proper documentation must accompany all requests for financial assistance. Patients who qualify receive a 100% discount on eligible charges.

This policy applies to UMH Sparrow Lansing, UMH Sparrow Carson, UMH Sparrow Clinton, UMH Sparrow Eaton, UMH Sparrow Ionia, UMH Sparrow Specialty Hospital, UMH Sparrow Medical Group and UMH Sparrow Home Care and Hospice.

This policy does not apply to UMH Sparrow NHSC Designated Rural Health sites.

This policy does not apply to services provided by non-employed providers; although many community providers recognize UMH Sparrow's criteria and may apply similar discounts.

This policy applies to emergency and medically necessary services provided by UMH Sparrow and its employed physicians, e.g. covered providers.

This policy does not apply to emergency and medically necessary care provided by non-employed providers or groups who provide care at UMH Sparrow sites but are not employed by UMH Sparrow, e.g. non-covered providers. While many non-covered providers or groups may recognize UMH Sparrow's criteria and apply similar discounts, their financial assistance policies are independent of this document.

A list of UMH Sparrow covered and non-covered providers is updated quarterly and maintained separately on the Sparrow website. The list may be obtained free of charge, both online and on paper, by visiting the website or by calling UMH Sparrow at 833-227-7664.

2.0 Notice of Non-Discrimination

UMH Sparrow and all subsidiary entities provide quality healthcare to all persons. UMH Sparrow will not discriminate, based on, race, ethnicity, color, national origin, citizenship, sex, religion, age, disability, political beliefs, gender identity, sexual orientation, veteran or military status, marital or family status, and source of payment for services or any other basis prohibited by federal, state or local law. Admission and treatment decisions are based solely on the medical needs of the patient and the capacity and capabilities of the facility to provide the medical care and treatment required. Sites approved by the National Health Service Corps (NHSC) will not discriminate in the provision of services to an individual (and not base program eligibility) on a person's ability to pay whether payment for those services would be made under Medicare, Medicaid, or CHIP.

3.0 Definitions:

AGB-Amounts Generally Billed for emergency or other medically necessary care to individuals who have insurance covering such care.

Family size-a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. Non-related household members may be used to calculate family size.

FPG – Federal Poverty Guidelines, a measurement of the minimum amount of annual income that is needed for individuals and families to pay for essentials. The guidelines are used to calculate eligibility for

Federal and State programs and health system discount amounts.

Financial Assistance Discount – 100% discount on eligible charges, administered through the UMH Sparrow Financial Assistance Program (SFAP).

Financial Hardship – Financial difficulties that may prevent a patient from paying for their health care charges, including copays, deductibles, and co-insurance.

Healthcare Recovery Score - A healthcare recovery score is a scoring model developed by a third-party vendor designed to predict an individual's ability to pay medical bills. This presumptive assessment assists in patient qualification without the need for income documentation provision.

Income-Wages, salaries, social security, disability payments, veterans' payments, workers compensation, commissions, fees, tip and includes other forms of income such as pension, retirement benefits, interest, dividends, self-employment earnings, and rental income.

Liquid Assets – Assets that can easily be converted to cash in a short amount of time, e.g. stocks, bonds, certificates of deposit, cash, etc.

Medically Necessary - Medically necessary services are those ordered by a physician or advanced care provider (Physician Assistance or Nurse Practitioner) to address medical conditions or provide normal preventative healthcare. Cosmetic procedures, experimental procedures, and other services not typically covered by insurance are excluded. Any questions regarding Medical Necessity will be determined by Sparrow's Chief Medical Officer.

Plain Language Summary - A summary of the Financial Assistance Policy that is easy to understand and distributed at intake, discharge, with billing statements, and publicly displayed.

NHSC Designated Rural Health Sites – A UMH Sparrow location that has been granted Rural Health designation by the National Health Services Corp (NHSC).

Sliding Fee Scale (Uninsured Discount) – Discount that is applied to accounts when the patient is uninsured (self-pay).

UMH Sparrow-Unless otherwise designated, the term UMH Sparrow will encompass all UMH Sparrow locations, and all providers employed by those entities.

UMH Sparrow Financial Assistance Program (SFAP) – the name of the UMH Sparrow financial assistance program. The program relieves qualifying patients from their financial responsibility for medically necessary services performed by UMH Sparrow providers at UMH Sparrow facilities. SFAP is a charity care program.

Uninsured/underinsured - Defined as those with no health insurance coverage and/or those with health insurance coverage but with benefits that do not cover the services being provided.

4.0 Policy Standards

A. Eligibility and Qualifications

1. Federal Poverty Level Guidelines (FPG) for Household Income – a patient may qualify for SFAP if the patient's household income does not exceed 300% of the established FPG set forth for the current year.
2. Additional Criteria – In addition to the FPG, the patient must also meet the following criteria to be approved for SFAP.
 - a. Services must be medically necessary.
 - b. The applicant must be a Michigan resident at the time of service.
 - c. The applicant must have applied for and been denied by either Medicaid or an insurance plan on the Health Insurance Exchange or been deemed ineligible for these programs by a UMH Sparrow Financial Counselor.
 - d. The applicant's liquid assets may not exceed \$10,000 with the following exception; the patient may have up to \$100,000 in a retirement account, I.R.A., T.S.A, or 401K.

- e. Qualifications for SFAP does not, by itself, financial qualify a patient for treatments that are long-term or high-cost, for example, transplants, cellular therapy, or high-cost drugs. The patient's financial situation is only one of several criteria when considering these treatments.
- f. Emergency Circumstances – the patient's ability to pay should be determined prior to providing the service whenever possible, except under emergency circumstances. Emergency circumstances occur where UMH Sparrow provides emergent medical care according to the Emergency Medical Treatment and Active Labor Act (EMTALA). UMH Sparrow provides care for emergency medical conditions (within the meaning of EMTALA) without discrimination to individuals regarding their eligibility under this Policy.
- g. Patient who would qualify for Medicaid or other insurance – Patients who would qualify financially for Medicaid or other insurances may qualify for a financial assistance discount related to medical necessary non-covered services, copays, deductibles, and co-insurance based on the income guidelines and other criteria in numbers 1 and 2.
- h. Patients who would not qualify for Medicaid -Patients who meet UMH Sparrow financial assistance criteria but who would not qualify financially for Medicaid may qualify for financial assistance discount related to denied benefits for pre-existing condition, or exhausted benefits. The applicant must have exhausted all other financial resources and show financial hardship.
- i. COBRA – Patients who are eligible for COBRA but have declined the coverage because the cost is greater than 25% of their net monthly income may be eligible for a financial assistance discount.
- j. Presumptive Charity Scoring – Patients may qualify for financial assistance using a presumptive charity scoring when documentation to determine FPG is not readily available from the patient.
- k. Exceptions – Additional cases may be authorized for financial assistance discounts on an exception basis. Any exception to the provisions enumerated above requires approval of the Revenue Cycle Discount Processing Exception Board (Exception Board).

B. Terms and Coverage

- 1. Eligible for twelve (12) months from the date of approval.
- 2. Eligibility includes retroactive balances regardless of the age of the account.
- 3. Eligibility will terminate twelve (12) months from the approval date.
- 4. Applicants must reapply for SFAP every twelve (12) months.
- 5. If an applicant qualifies for other insurance such as Medicare or an Affordable Care Act Marketplace plan but has missed the open enrollment period for that plan, SFAP may be approved until the next open enrollment period.
- 6. SFAP financial assistance includes all medically necessary services provided by UMH Sparrow employed providers at UMH Sparrow facilities.
- 7. Patients who qualify for SFAP may not be charged more than the Amounts Generally Billed (ABG) for emergency or other medically necessary services. UMH Sparrow uses the look-back method of determining the AGB as required by federal law. Please note that, once deemed eligible for SFAP, patients will not be billed for medically necessary care, as all such charges are written off due to the 100% discount.
- 8. SFAP does not include services that are not deemed medically necessary by the patient's UMH Sparrow treating provider (s).
- 9. SFAP does not extend to non-UMH Sparrow services.
- 10. SFAP has a legal and contractual obligation to collect copays, allowed co-insurance, and deductible amounts. However, a patient may be granted financial assistance for residual balances after insurance if a case can be made for financial hardship. UMH Sparrow will determine financial hardship in accordance with State and Federal laws, including oversight agencies acting on their behalf. The residual balances for patients determined to have a financial hardship will be written off.
- 11. During the SFAP eligibility period, if a patient becomes eligible for Medicaid or other insurance and/or if there is a change in the patient's financial status, the patient must inform the SFAP staff. These changes may impact the patient's eligibility for a financial assistance discount.

C. Application for Financial Assistance

- 1. Patient can apply for SFAP discount by:
 - a. Completing the application available on the UMH Sparrow website: www.uofmhealthsparrow.org
 - b. Contacting a Financial Counselor at UMH Sparrow by calling 517 364 6060.
 - c. Contacting UMH Sparrow Billing Customer Service by calling 517 364 7999
 - d. Obtaining a copy of a paper application that are available at any UMH Sparrow

facility or office.

2. SFAP Application documentation requirements includes:

- a. Federal Income Tax Return for most recent tax year (Form 1040)
- b. Most recent Wage and Tax Statement (W-2) and/or Miscellaneous Income (Form 1099)
- c. Recent copy of pay stub with year-to-date earnings for each member of the household.
- d. Proof of other income; examples, unemployment compensation, disability income, rental income, pensions, annuities, interest payments
- e. Copy of Social Security benefit letter for the current year
- f. Current bank statement of checking/savings accounts
- g. Documentation of Michigan residence
- h. IRA/401K statements
- i. Response from Medicaid, Healthy Michigan, or Marketplace
- j. For patient and households with zero (0) income, a completed Basic Needs Support Statement for all household members
- k. Documentation of any other liquid asset/resource

D. Administration of Financial Assistance Discount

1. UMH Sparrow will not take extraordinary collection actions against an individual prior to making reasonable efforts to determine whether the individual is eligible for assistance under this policy. Revenue Cycle has a Billing and Collection policy that describes the actions UMH Sparrow may take in the event of non-payment, including collection actions. These policies are available from the Revenue Cycle department of UMH Sparrow or by utilizing the contact information below.
2. Detailed procedures to manage this policy are maintained by UMH Sparrow Revenue Cycle.
3. Administration of financial assistance adjustment will follow written procedures. Financial assistance adjustment cannot be initiated or approved by an employee where a conflict of interest exists with that person, be they friend or relative.
4. A Plain Language Summary of the SFAP program is available in Appendix D.

E. Financial Assistance Policy Publication

1. Hospitals are required to widely publicize their financial assistance policy in the communities they service. UMH Sparrow is committed to complying with this requirement by:
 - a. Including key provisions of the SFAP on the UMH Sparrow external website
 - b. Making printed materials available throughout the UMH Sparrow patient care sites
 - c. Including information about the SFAP on patient statements
 - d. Including information about how to apply for financial assistance or access SFAP on patient statements.

F. Contact Information

1. Financial Counseling 517 364 6060 or toll free 833-227-7664
2. Customer Service 517 364 7999
3. website: [uofmsparrow.org/financial assistance](http://uofmsparrow.org/financial%20assistance)
4. A paper copy of the Financial Assistance policy, the assistance application, and how the AGB is calculated may be obtained by contacting the Financial Counseling office using the contact information listed above. Additionally, the application and SFAP documents can be printed from the UMH Sparrow website.

5.0 Revision History:

Date	Revision #	Changes	Referenced Section
01/01/16		New Policy	
2017		FPL table update	
2018		FPL table update	
2019		FPL table update	
2020 2/10/2021		FPL table update FPL table update	
9/2022		Update Family Definition Add FPL table in place of link. Addition of Medicaid ESO Add Financial Counseling contact information to the instructions. Add Financial Counseling phone number. Add medically necessary to scope	
11/10/2022		Update policy to meet scope of NHSC requirements	
02/15/2023		FPL Table update	Section 5.2 FPL Table
11/07/2023		Update Rural Health locations	Appendix D
02/01/2024		FPL Table Update	Section 5.2 FPL Table
01/01/2025		Separate SFAP and Rural Health SFAP Update Sparrow Service area to Michigan resident. Remove 50% tiered SFAP. Add 100% up to 300% FPG. Add liquid assets \$10,000.	
02/01/2025		2025 FPL Table update	Appendix B
10/01/2025		Update Covered and Non Covered Providers	1.0 Policy Statement, Purpose and Scope 2.0 Appendix D, plain language summary 4.0 B 11 removed

**Appendix A:
UMH Sparrow Discounts and sliding fee scale**

Discount Type	Eligibility Criteria	Application Method	Discount Amount
<u>Uninsured</u> Free Care	Household income <= 100% of <u>FPG</u>	Sparrow <u>Financial Assistance Application</u>	100%
<u>Uninsured</u> Free Care	Household income <= 200% of <u>FPG</u>	Sparrow <u>Financial Assistance application</u>	100%
<u>Uninsured</u> (Self-Pay) Sliding Fee Discount	Uninsured patient	None	<u>AGB</u> (Exhibit C)
Uninsured and Insured Charity Care Discount	Household income up to 300% of <u>FPG</u>	Sparrow <u>Financial Assistance Application</u> , Healthcare Recovery Scoring will not be utilized	<=300% FPG = 100% discount.
Ingham Health Plan Member Discount	Active member in IHP	None	100%
Medicaid ESO Member Discount	Active member in Medicaid ESO per CHAMPS	None	100%
Deceased	Receipt of death certificate	None	100%
<u>Healthcare</u> <u>Recovery Score</u> Discount	Score < 650 for uninsured patients only. Copays, deductibles, and co- insurance are not eligible for this methodology	None-Automatically screened prior to third- party collection action.	100%

Appendix B Current FPG Table

FPG amounts are updated by February each year, by the Department of Health and Human Services (DHHS) and the University of Michigan Sparrow Financial Assistance policy FPG criteria is adjusted to reflect the annual updates.

2/1/2025 SFAP Discount Amount			
Family Size	FPG <100%		FPG 300%
1	\$ 15,650		\$ 46,950
2	\$ 21,150		\$ 63,450
3	\$ 26,650		\$ 79,950
4	\$ 32,150		\$ 96,450
5	\$ 37,650		\$ 112,950
6	\$ 43,150		\$ 129,450
7	\$ 48,650		\$ 145,950
8	\$ 54,150		\$ 162,450
each additional family member add as follows			
	\$ 5,500		\$ 16,500

Appendix C
Financial Assistance Application

Application Date: _____
Applicant Phone Number: _____

Patient Information		
First Name (s)	Last Name (s)	Date (s) of Birth

Thank you for your interest in our UMH-Sparrow Financial assistance program (SFAP). Enclosed is the application and disclaimer form. The following information is a check list of documents needed from you. If married, be sure to include documents from your spouse. You may also be asked to include documents from other household members.

	Required Documents
	Most recent Federal Income Tax – Form 1040 pages 1 & 2 only (Include W2s or 1099s) • If claimed on another's taxes, send that person's tax information
	Recent copy of pay stub (s) with year-to-date earnings
	Other income documents such as, but not limited to: • Social Security income • Child support • Alimony
	Current bank statement (s) for checking and savings accounts (if married, joint and separate accounts)
	Copy of your ID (Driver's license, state, or military ID)
	Retirement statements (IRA/401K/Pension)
	Verification of Basic Needs if no income

To return your application and documents:

- Mail information to:
 - UMH-Sparrow, Financial Counseling, 1215 E. Michigan Ave, Lansing, MI 48906
- Fax information to 517 364 2186

For questions, you can reach your SFAP Financial Counselor at 517.364.6060.

Financial Information: *Must provide verification				
Monthly Income	Applicant	Spouse (other)	Applicant	Spouse (Other)
*Employment	\$	\$	*Checking Account ☐ If none, check here	*Checking Account ☐ If none, check here
			☐ If joint, check here	
*Social Security	\$	\$	*Balance \$	*Balance \$
*Pension/Annuities	\$	\$		
*Other Income	\$	\$	*Savings Account ☐ If none, check here	*Savings Account ☐ If none, check here
			☐ If joint, check here	
			*Balance \$	*Balance \$
*IRA / 401K	\$	\$		

Household information		
Household is defined by who is included on a single tax return		
Name:	Relationship:	Age:

Disclaimer

We may obtain a credit report to verify the information above and per privacy laws, will not share this with outside parties. Your signature on this application indicates your knowledge of and approval for the use of this report and says that you are providing correct information about your earnings, finances, income, property and insurance coverage. If any of the information on your application changes, you are responsible for immediately updating your information with UMH-Sparrow. Failure to report changes, or if there is fraud or abuse, UMH-Sparrow can disqualify you from the SFAP program and hold you responsible for medical costs that were covered under SFAP.

We may place a lien interest on any future lawsuits, pending lawsuits, or reimbursement policies (i.e. AFLAC) for services related to the reimbursement that you receive while covered by SFAP.

*Please initial here to indicate that you have read and understand this disclaimer:

Applicant or Legal Guardian Signature:

Date: _____

** In order to process your application in a timely manner, please return as soon as possible.**

This application will be used by UMH-Sparrow to assist you with resolving your financial obligation. All information in the application will be kept confidential.

Basic Needs Documentation
Please Complete if you are reporting zero income.

Date: _____

Patient Name: _____ Date of Birth: _____

Initial Each Section and Sign where indicated:

_____ I currently receive no income
Income includes, but is not limited to - employment wages, disability payments, unemployment compensation, pension, annuities, rental income, or social security.

_____ My basic needs (food, clothing, and shelter) are being met by:

(List name of individual or agency that is supplying basic needs).

_____ I give UMH-Sparrow authorization to verify that my basic needs are being met by the individual or agency listed above.

Patient or Representative Signature

Date

APPENDIX D FAP PLAIN LANGUAGE SUMMARY

PLAIN LANGUAGE SUMMARY OF FINANCIAL ASSISTANCE POLICY

UMH Sparrow is committed to serving residents of the State of Michigan who cannot obtain necessary medical care because of their ability to pay.

Eligibility

Our financial assistance program is called Sparrow Financial Assistance Program (SFAP). Here is how we determine who qualifies for SFAP:

- Household income is not more than 300% of the Federal Poverty Level.
 - Information about the Federal Poverty Level can be found here:
<https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>
- The patient is a resident of the State of Michigan.
- Services are considered medically necessary – this is determined by the UMH Sparrow provider who perform the services.
- If you do not meet all of the requirements, you may be considered on an exception basis. Contact a Financial Counselor at 517-364-6060 or 833-227-7664 for more information.

What SFAP Covers

- 100% of a patient's UMH Sparrow care when the patient is uninsured
- Non-covered services for UMH Sparrow patients who have insurance

How to apply for SFAP

- Contact our financial counselors by phone 517-364-6060 or 833-227-7664, Monday – Friday 8am -4pm
- Complete a SFAP application online:
<https://www.uofmhealthsparrow.org/patient-resources/financial-resources/financial-assistance>
- Contact Customer Service at 517 364 7999

Patients who qualify for SFAP cannot be charged more than the Amounts Generally Billed (AGB) for medically necessary care. Please note that, once deemed eligible for SFAP financial assistance, patients will not be billed for medically necessary care, as all such charges are written off due to the 100% discount.

Paper copies of SFAP documents and Applications in various languages

If you would like paper copies of this summary, the complete financial assistance policy, or an application in a different language, please let us know by contacting us at the phone numbers or web site above. Applications are available in Albanian, Arabic, Bengali, Chinese, English, and Spanish.

Provider list: A list of providers delivering emergency and medically necessary care at UMH Sparrow who are covered by the Financial Assistance Policy is available on the [website](#) or by calling UMH Sparrow at 517-364-6060 or 833-227-7664.

APPENDIX E
Amounts General Billed (AGB)

Amounts Generally Billed Calculation UMH - Sparrow calculates the amounts generally billed (AGB) percentage using the “lookback” method. AGB is calculated by dividing the sum of all Medicare fee-for-service and private health insurers that have paid claims to the HFHS Facility during a 12-month period, by the sum of the associated gross charges for those claims, all in accordance with IRS Reg. Sec. 1.501(r)-5(b)(3). The AGB percentages will be updated annually. A consolidated AGB lower than some of the calculated facility will be used for simplicity. We will use ABG for the UMH - Sparrow listed below, 25%. January 2020 – December of 2020 data used to calculate AGB for FY 2021.AMOUNTS GENERAL BILLED (AGB).

January 2020 – December of 2020 data used to calculate AGB for FY 2021.

Location	AGB
Lansing	29%
Clinton	43%
Ionia	44%
Carson City	41%
Eaton	51%
UMH SPARROW HEALTH SYSTEM	25%

APPENDIX F
NHSC Approved Sites

For NHSC Approved sites, SFAP approval or denial is based on income and family size only and governed under a separate Financial Assistance program and application.

University of Michigan Health – Sparrow Carson Primary Care
University of Michigan Health – Sparrow Ithaca Primary Care
University of Michigan Health – Sparrow Greenville Primary Care
University of Michigan Health – Sparrow Stanton Primary Care
University of Michigan Health – Sparrow Carson OBGYN
University of Michigan Health – Sparrow Ionia Primary Care
University of Michigan Health – Sparrow Portland Primary Care
University of Michigan Health – Sparrow Saranac Primary Care
University of Michigan Health – Sparrow Charlotte 111 Primary Care
University of Michigan Health – Sparrow 123 Primary Care
University of Michigan Health - Sparrow Eaton Rapids Primary Care
University of Michigan Health – Sparrow Charlotte IM/Peds Primary Care