

Title: Financial Assistance Policy – UMH Sparrow
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 complies with the National Health Services Corp (NHSC) and Michigan State Loan Repayment Program (MSLRP) for approved sites.

Compliance with NHSC Rural Health designation ensures that patients have access to comprehensive primary care in rural areas regardless if the patient is uninsured or underinsured, including patients who have a managed care enrollment, both commercial and Medicaid, that is designated out of network.

This policy applies UMH Sparrow Rural Health Designated sites. (See Appendix F).

This policy does not apply to all other UMH Sparrow facilities and location.

This policy does not apply to services provided by non-employed providers.

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). Appendix F

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 applying for assistance for services provided at a NHSC Designated Rural Health location 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. 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 patients' financial situation is only one of several criteria when considering these treatments.
 - d. 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 providers 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 individual regardless of their eligibility under this Policy.

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. SFAP financial assistance includes all medically necessary services provided by UMH Sparrow employed providers at UMH Sparrow facilities.
6. Patients who qualify for SFAP may not be charged more than the Amounts Generally Billed (AGB) 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.
7. SFAP does not include services that are not deemed medically necessary by the patient's UMH Sparrow treating provider (s).
8. SFAP does not extend to non-UMH Sparrow services.
9. 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.
10. Approved applicants will receive up to a 90-day supply of medically necessary medication. The prescription can be refilled until there are no refills remaining or until SFAP eligibility is terminated. Prescriptions must be written by UMH Sparrow providers. For purposes of this policy, UMH Sparrow 340B pharmacies are considered an extension of UMH Sparrow facilities and services.
11. During the SFAP eligibility period, if a patient's financial status changes, 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 at any UMH Sparrow facility or office
2. SFAP application documentation requirements include:
 - 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 earning 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. Documentation of Michigan residence
 - g. For patient and households with zero (0) income, a completed Basic Needs Support Statement for all household members

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 describe 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 FAP 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
2. Customer Service 517 364 7999 or toll free 833 227 7664
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 |
|------------|------------|------------------|--------------------|
| 01/01/2025 | | New Policy | |
| 02/01/2025 | 1.0 | Update FPL Table | Appendix B |
| 02/01/2026 | 2.0 | Update FPL Table | Appendix B |

**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) |
| <u>Uninsured and Insured</u> 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 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.

| 2/1/2026 SFAP Discount Amount | | |
|--|-----------|------------|
| Family Size | FPG <100% | FPG 300% |
| 1 | \$ 15,960 | \$ 47,880 |
| 2 | \$ 21,640 | \$ 64,920 |
| 3 | \$ 27,320 | \$ 81,960 |
| 4 | \$ 33,000 | \$ 99,000 |
| 5 | \$ 38,680 | \$ 116,040 |
| 6 | \$ 44,360 | \$ 133,080 |
| 7 | \$ 50,040 | \$ 150,120 |
| 8 | \$ 55,720 | \$ 167,160 |
| each additional family member add as follows | | |
| | \$ 5,680 | \$ 17,040 |


APPENDIX C
FINANCIAL ASSISTANCE APPLICATION – NHSC RURAL HEALTH APPROVED SITES

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) <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Social Security income• Child support• Alimony |
| | Copy of your ID (Driver's license, state, or military ID) |
| | 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.

| Monthly Income | Applicant | Spouse (other) |
|--------------------|-----------|----------------|
| *Employment | \$ | \$ |
| *Social Security | \$ | \$ |
| *Pension/Annuities | \$ | \$ |
| *Other Income | \$ | \$ |
| *IRA / 401K | \$ | \$ |

| Family information | | |
|--------------------|---------------|------|
| 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

UMH -Sparrow, in accordance with Section 501(r) of the Patient Protection and Affordable Care Act of 2010 has established a Financial Assistance Policy.

Patients and/or Responsible Parties with balances owed to UMH - Sparrow may be eligible for Financial Assistance based on a combination of family size and household income as compared to United States Federal Poverty Guidelines. Uninsured patients will qualify for either free care or discounted care. Insured patients may qualify for discounts on their deductible, coinsurance or copays owed.

UMH – Sparrow will make reasonable efforts to determine a party's eligibility for Financial Assistance before attempting any Extraordinary Collection Actions.

The complete Financial Assistance policy, application, and collection policy can be viewed at www.uofmsparrow.org/financialassistance.

FAP- eligible individuals may not be charged more than the amount generally billed for emergency or other medically necessary care.

Individuals can also request a copy of the policy and an application from Sparrow Patient Financial Services

By phone at:
517-364-6060

In Person at:
Any UMH Sparrow Location

APPENDIX E
Amounts General Billed (AGB)

Amounts Generally Billed Calculation Sparrow Health System 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 the AGB for the Sparrow Health System 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 |