		<b>Policy Title:</b>	Financial Assistance Policy
<b>Effective Date:</b>	07/01/2016	<b>Policy Number:</b>	PA0003
<b>Review Date:</b>	06/03/2025	<b>Section:</b>	Revenue Cycle
<b>Revised Date:</b>	06/03/2025	<b>Oversight Level:</b>	Corporate
<b>Administrative Responsibility:</b>	Regional Directors, Patient Access Regional Directors, MMG		

## 1. Purpose

1.1. In keeping with the values of McLaren Health Care (MHC) to improve the health and well-being of our patients and to fulfill the responsible stewardship of our public trust, we will provide Financial Assistance for patients who qualify.

In implementing this policy, McLaren Health Care intends to, and shall, comply with Internal Revenue Code section 501(r), Public Act 107, and all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

## 2. Scope

2.1. MHC, its subsidiaries, and majority-controlled business ventures. This policy refers to all persons seeking services at an MHC facility or owned professional services entities only. Services provided by independent providers are not included in the provisions of this policy. Please see References 7.2 Provider Listing for a list of all providers not covered by this policy.

## 3. Definitions

3.1.1. **Amounts Generally Billed (AGB):** is an average contractually allowed amount that Medicare, Commercial, and Managed Care patients receive through their insurance.

3.1.2. **Annual Income** includes pre-tax earnings, unemployment, workers' compensation, Social Security, pension or retirement income, investment income, etc.

3.1.3. **Assets** included in MHC's calculations of income include all tangible, intangible, and financial assets not specifically listed in "Excluded Assets".

3.1.1. **Excluded Assets** are assets that are not included in MHC's calculation of income. Excluded Assets include:

- The first \$100,000 of assets,
- the first \$1,000,000 of equity in the patient's primary personal residence,
- retirement assets (i.e. IRA/401k/403b/etc),
- cash value of insurance policies or annuities,
- personal property,
- college savings plans, and
- reasonable assets used in a business.

**3.1.2. Family Size:** is the total of all relatives living in a household, unless the family member is not a dependent of the applicant, or is paying rent. This includes domestic partners. Non-relatives are not included.

**3.1.3. Household Income:** includes all income. (Some examples include, but are not limited to: adoption income, child support, dividends, indemnity payments, interest, pensions, public assistance, rents, retirements, royalties, Social Security, spousal support, structured settlements, Supplemental Social Security Income, survivor benefits, unemployment, veterans' payments, and workers' compensation.)

**3.1.4. Household Income Supporting Documents:** are complete: paystubs, bank statements, Federal tax returns, and any other related and reasonable document requested to properly verify income and assets.

**3.1.4.1.** Failure to file Federal tax returns, when income is above the Federal filing limits, will result in a denial of financial assistance.

**3.1.5. Medically Necessary Services:** are defined as health care services or supplies defined by your physician that are needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.

**3.1.6. National Healthcare Service Corps (NHSC) Charity:** is a program specific to Rural Health Clinic locations listed in Section 8.2. The program follows the eligibility requirements of the National Healthcare Service Corp.

#### **4. MHC Financial Assistance Policy**

**4.1.** MHC will offer patients with no insurance and patients who indicate an inability to pay their out-of-pocket costs after insurance, the opportunity to apply for financial assistance up to 240 days from their first post discharge statement. Financial assistance will be considered for emergency, catastrophic, and medically necessary services only.

**4.1.1.** To fully comply with EMTALA (Federal Emergency Medical Treatment and Active Labor Act), MHC Patients seeking care for emergency medical conditions will receive treatment without discrimination and regardless of their ability to pay. MHC staff will not attempt to collect any payment from patients seeking emergency services prior to receiving care. MHC staff will not attempt to collect any past due balances before providing care for emergency medical conditions.

**4.1.2.** Services which are considered cosmetic, fertility-related or elective will not be covered under this policy.

**4.1.3.** Financial assistance is intended to be the payor of last resort.

**4.1.3.1.** Prior to approving an application, McLaren may require a patient to apply for Medicare (Part A and/or Part B), Medicaid or other government assistance programs.

**4.1.3.2.** Patients must seek non-emergency care within their established insurance networks. Financial assistance approval is not intended to replace insurance benefits.

**4.1.4.** Any Free Clinic that is associated with a McLaren hospital, if the charity screening process for that clinic is equal to or more strict than McLaren's Charity policy, then those services may be written off to charity.

**4.1.5. Eligibility Requirements:**

**4.1.5.1.** Permanent residence in the United States of America

**4.1.5.2.** Having a personal residence within the state of Michigan or Ohio, within approximately 25 miles of a McLaren HealthCare facility.

**4.1.6.** Participating Rural Health Clinics will follow the NHSC requirements as defined in section 5. Approvals for MHC Financial Assistance will be honored at locations listed in Appendix 8.2.

**4.2.** Financial assistance guidelines are based on 400% of the Federal Poverty Guidelines (FPL) published annually in the Federal Register. Designated personnel will access the Federal Register and update the financial assistance guidelines annually. The discount is based on family size, annual income, and assets, as defined in Section 3.

2025 McLaren Health Care Financial Assistance			
Up to 400% of the Federal Poverty Level			
Family Size	Minimum Income	Maximum Income	Discount
1	\$0	\$62,600	100%
2	\$0	\$84,600	100%
3	\$0	\$106,600	100%
4	\$0	\$128,600	100%
5	\$0	\$150,600	100%
6	\$0	\$172,600	100%
7	\$0	\$194,600	100%
8	\$0	\$216,600	100%
For families/households with more than 8 persons, add \$5,500 for each additional person.			
Source (plus Hawaii and Alaska guidelines): <a href="https://aspe.hhs.gov/poverty-guidelines">https://aspe.hhs.gov/poverty-guidelines</a>			

**4.3.** Patients with more than \$100,000 of non-excluded assets will not be eligible for Financial Assistance. Designated employees will calculate total assets less Excluded Assets to make this determination.

**4.4.** Patients and/or patient representatives may request financial assistance for services already received, or services scheduled to be received, by contacting the MHC Revenue Cycle Department in person or in writing. Please contact our Financial Counselors located at a McLaren hospital or call 586-710-8300 or 1-844-321-1557. Paper copies of the financial assistance policy, application, and plain language summary are available for free at all locations, on the MHC website, as well as requesting a copy by mail from the address below. Translated copies are also available on the MHC website.

McLaren Corporate Business Services  
Attn: Revenue Cycle Operations - Customer Service  
50820 Schoenherr Rd.  
Shelby Township, MI 48315

OR [FinancialAssistance@mcclaren.org](mailto:FinancialAssistance@mcclaren.org)

**4.4.1.** Patients and/or patient representatives will be asked to complete the Request for Financial Assistance Form (References 6.1) and provide documentation to support the information on the form.

**4.4.1.1.** Information requested may include patient demographic information, pay stubs, complete bank statements, assets, monthly household expenses, other outstanding medical bills, and credit card debt.

**4.4.1.2.** If an incomplete application is received the patient will be sent a written notice containing McLaren's contact information and how to complete the application.

**4.5.** Designated employees will screen individuals for financial assistance, based on the guidelines established within this policy and the information provided on the Request for Financial Assistance Form, to make a determination of eligibility and notify the patient/family of the determination.

**4.6.** Applicable Financial Assistance discounts will be applied to the patient balance upon this determination.

**4.6.1.** Patients who are approved for Financial Assistance, regardless of whether they are insured or not, will have charges evaluated so that the maximum patient responsibility will be less than the AGB. MHC uses the "Lookback Method" as defined by the Affordable Care Act guidelines. MHC will calculate and update the AGB annually. For more information regarding the AGB of the MHC location where the patient's services were provided call 586-710-8300 or 1-844-321-1557.

**4.6.2.** Patients are responsible for any balance owed not covered by this discount. Normal collections processes will be followed to resolve any remaining debt. In the event of non-payment, only after 120 days following the first patient statement, and no earlier, MHC may take action against delinquent balances, including, but not limited to, extraordinary collection activities (ECAs). This may include follow-up by a collection agency or attorney, which may be reported to the Credit Bureau. If MHC intends to engage in these actions, they will provide written notice as well as attempt to orally notify patient that Financial Assistance is available. Please refer to the 'Billing and Collections Policy', which may be obtained by contacting McLaren Customer Service at: 800-591-8707.

**4.6.2.1.** In the event that McLaren receives a completed application for Financial Assistance when a patient is engaged in ECAs these activities will be suspended until eligibility is determined.

**4.6.2.2.** If an incomplete application is received ECAs will be suspended for a minimum of 30 days following the receipt of an incomplete application, and the patient will be sent a written notice containing McLaren's contact information and how to complete the application. After 30 days, ECAs may resume.

**4.7.** Presumptive financial assistance may be applied based on third party information, a prior financial assistance determination, approval of government programs based on income (for example Medicaid Emergency Services Only, or Family Planning) or at the discretion of the facility CFO.

**4.8.** If a patient applies for financial assistance and receives a discount greater than 50% then any prior self-pay charity adjustments will be reversed and the FAP charity care will be applied.

**4.9.** If a patient is denied financial assistance, they may appeal in writing, within 30 calendar days, to [financialassistance@mclaren.org](mailto:financialassistance@mclaren.org). A three-person committee, composed of the Corporate Director of Patient Access, a Regional Director of Patient Access, and a facility leader will review the application for potential approval.

**4.9.1.** Exceptions may be approved in special circumstances. An approval of an exception does not constitute a change in policy or guarantee future approvals.

**4.9.2.** Patients who are denied for Financial Assistance, but have balances at McLaren facilities in excess of 30% of their annual Household Income, may appeal to have their balance reduced to 30% of their annual Household Income amount.

**4.9.3.** MHC reserves the right to reverse any financial assistance approvals should it be discovered that the application was incomplete or inaccurate. The patient will be notified of any reversals and will be responsible for the balances reversed.

## **5. MHC National Health Service Corps (NHSC) Charity Policy**

**5.1.** The following shall be applicable to McLaren HealthCare (MHC) NHSC Approved Practice Sites Only

**5.2. Policy:** To make available free or discounted services to those in need. Patients receiving care at a MHC National Health Service Corps (NHSC") approved practice site will be evaluated for financial assistance based on the NHSC requirements of income and family size and will not be evaluated based on other factors.

**5.3. Purpose:** All patients seeking health care services at MHC NHSC sites are assured that they will be served regardless of ability to pay. No one is refused service because of lack of financial means to pay. This program is designed to provide free or discounted care to those who have no means, or limited means, to pay for their medical services (uninsured or underinsured).

Patients receiving care at an NHSC approved practice site may use the current NHSC Patient Application. Applicants receiving care at the NHSC sites are not required to apply for benefits from third party insurance, state, federal or other charitable programs prior to being eligible for financial assistance.

MHC NHSC approved practice sites will offer a Sliding Fee Scale Discount Program to all who are unable to pay for their services. No one who is unable to pay at a NHSC approved practice site will be denied access to services. MHC will base program eligibility on a person's ability to pay and will not discriminate on the basis of an individual's race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity. The Federal Poverty Guidelines ("FPG") are used in creating and annually updating the sliding fee schedule (SFS) to determine eligibility. However, patients receiving care at an MHC NHSC approved practice site who are 250 percent or less of the poverty level (see <https://aspe.hhs.gov/poverty/guidelines> for the current guidelines) will receive elimination of all financial liability (free care) for the services provided at the NHSC approved site consistent with the sliding fee discount program.

**5.4. Procedure:**

The following guidelines are to be followed in providing the Sliding Fee Discount Program.

1. Notification: MHC will notify patients of the Sliding Fee Discount Program by;
  - a) Payment Policy information will be available to all patients at the time of service.
  - b) Notification of the Sliding Fee Discount Program will be offered to each patient upon admission.
  - c) Information regarding the Sliding Fee Discount Program availability will be included with collection notices sent out by MHC.
  - d) An explanation of our Sliding Fee Discount Program and our application form are available on MHC's website.
  - e) MHC places notification of Sliding Fee Discount Program in the clinic waiting area.
2. Request for discount: Requests for discounted services may be made by patients, family members, social services staff or others who are aware of existing financial hardship. The Sliding Fee Discount Program will only be made available for clinic visits. Information and forms can be obtained from the Front Desk and the Business Office.
3. Administration: The Sliding Fee Discount Program procedure will be administered through the Patient Access Financial Assistance Review team. Information about the FAP and the Sliding Fee Discount Program policy and procedure will be provided to patients. Staff are to offer assistance for completion of the application. Dignity and confidentiality will be respected for all who seek and/or are provided health care services.
4. Completion of Application: The patient/responsible party must complete the NHSC Confidential Financial Assistance Application in its entirety. Staff will be available, as needed, to assist patient/responsible party with applications. By signing the application, persons are confirming their income as disclosed on the application form.
5. Eligibility: Discounts will be based on income and family size only.
  - a. Family is defined as: a group of two people or more (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. MHC will accept non-related household members when calculating family size.
  - b. Income includes: gross wages; salaries; tips; income from business and self-employment; unemployment compensation; workers' compensation; Social Security; Supplemental Security Income; veterans' payments; survivor benefits; pension or retirement income; interest; dividends; royalties; income from rental properties, estates, and trusts; alimony; child support; assistance from outside the household; and other miscellaneous sources.

6. Income verification: Applicants may provide one of the following: prior year W-2, two most recent pay stubs, letter from employer, or Form 4506-T (if W-2 not filed). Self-employed individuals may be required to submit detail of the most recent three months of income and expenses for the business. Adequate information must be made available to determine eligibility for the program. Self-declaration of Income may be used. Patients who are unable to provide written verification may provide a signed statement of income.
7. Discounts: Those patients of NHSC approved sites with incomes at or below 250% of poverty will receive a full 100% discount for health care services (i.e., will receive free care). NHSC approved sites patients are eligible for this discount for visits at qualifying locations for service dates 240 days before and up to 365 days after the date of approval. See Appendix 8.1 for Sliding Fee Schedule.
8. Applicant notification: The Sliding Fee Discount Program determination will be provided to the applicant(s) in writing, or, if applicable, the reason for denial. Program applications cover outstanding patient balances for six months prior to application date and any balances incurred within 365 days after the approved date, unless their financial situation changes significantly. The applicant has the option to reapply after the 365 days have expired or anytime there has been a significant change in family income. When the applicant reapplies, the look back period will be the lesser of six months or the expiration of their last application.
9. Refusal to Pay: If a patient verbally expresses an unwillingness to pay or vacates the premises without paying for services, the patient will be contacted in writing regarding their payment obligations. If the patient has not applied for the sliding fee schedule, information regarding the Sliding Fee Discount Program availability will be included with notice. If the patient does not make effort to pay or fails to respond within 60 days, this constitutes refusal to pay. At this point in time, MHC can explore options not limited to, but including offering the patient a payment plan, waiving of charges, or referring the patient to collections. MHC's Billing & Collections policy is applicable to NHSC patients who are above 250% of FPG. As described above, those below 250% FPG are not charged for care and therefore not subject to the collections policy.
10. Record keeping: Information related to Sliding Fee Discount Program decisions will be maintained by the program administrator. Details regarding application approvals and denials will be maintained by the practice management system and monitored by the program administrator.
11. Policy and procedure review: The SFS will be updated based on the current Federal Poverty Guidelines. MHC will also review possible changes in our policy and procedures and for examining institutional practices which may serve as barriers preventing eligible patients from having access to our community care provisions.
12. Budget: During the annual budget process, an estimated amount of Sliding Fee Discount Program service will be placed into the budget as a deduction from revenue.

## 6. Procedure

### 6.1. N/A

## 7. References

### 7.1. Financial Assistance Application Form

### 7.2. Provider Listing

### 7.3. Billing and Collection Policy

7.4. A free copy of any policy mentioned in this document may be obtained by contacting McLaren Customer Service at: 800-591-8707

## 8. Appendix

### 8.1. Sliding Fee Schedule:

2025 McLaren Health Care NHCS Sliding Fee Schedule									
	0-100% of FPL			101-200% of FPL			201-250% of FPL		
Family Size	100 % Discount			75% Discount			50% Discount		
1	\$0	to	\$15,650	\$15,651	to	\$31,300	\$31,301	to	\$39,125
2	\$0	to	\$21,150	\$21,151	to	\$42,300	\$42,301	to	\$52,875
3	\$0	to	\$26,650	\$26,651	to	\$53,300	\$53,301	to	\$66,625
4	\$0	to	\$32,150	\$32,151	to	\$64,300	\$64,301	to	\$80,375
5	\$0	to	\$37,650	\$37,651	to	\$75,300	\$75,301	to	\$94,125
6	\$0	to	\$43,150	\$43,151	to	\$86,300	\$86,301	to	\$107,875
7	\$0	to	\$48,650	\$48,651	to	\$97,300	\$97,301	to	\$121,625
8	\$0	to	\$54,150	\$54,151	to	\$108,300	\$108,301	to	\$135,375

*For families/households with more than 8 persons, add \$5,500 for each additional person*

### 8.2. NHSC Qualifying Sites:

NHSC Participating Sites		
Site Name	Practice Street Address	Practice City
McLaren Central - Clare Clinic	1509 N. McEwan Street	Clare
McLaren Central - Weidman Clinic	3520 N. Woodruff Road	Weidman
McLaren Central Michigan - Health Park 4	2853 Health Pkwy	Mount Pleasant
McLaren Central Urgent Care	1523 S Mission Street	Mount Pleasant
McLaren Medical Arts Building	1201 South Dr	Mount Pleasant
McLaren Pickard Street	5115 East Pickard Street	Mount Pleasant
McLaren Health Park 7	2940 Health Pkwy	Mount Pleasant



Previous Revisions: 07/19/2022, 01/11/2023, 02/20/2024, 12/11/2024, 1/28/2025

Supersedes Policy: N/A

Insert Committee Name: N/A

Approvals:

*Katerina Serdenkovski*  
Katerina Serdenkovski (Jun 3, 2025 19:42 EDT)  

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**Katerina Serdenkovski**  
VP Revenue Cycle

03/06/2025  

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**Date**






# MHC\_PA0003\_Financial Assistance Policy

Final Audit Report

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