



Extraordinary care for every generation.

Policy Title: Financial Assistance Policy
Policy Type: Rights and Organizational Ethics
Policy Number: AP.130

Operations Director: Directors of Revenue Cycle
Policy Owner: Director of Revenue Cycle

Last Approved Date: April 2025

FINANCIAL ASSISTANCE POLICY

Objective: Covenant Medical Center (Covenant) is committed to providing Financial Assistance to patients who have healthcare needs and are uninsured, underinsured, ineligible for government programs, and are otherwise unable to pay for medical care based on their financial situation. Covenant wants to ensure that people's financial situation does not prevent them from seeking or receiving health care services they need. Covenant will provide, without discrimination, emergency medical care to people regardless of their ability to pay. Using this Financial Assistance Policy and requirements, Covenant will work with patients who are unable to pay for and are not eligible for outside financial aid or government health care programs.

Scope: All Covenant facilities. The facilities include the Covenant Cooper, Harrison and Mackinaw campuses, the Covenant Medical Group, MedExpress Offices, and Mary Free Bed at Covenant. See Appendix C for information on non-employed providers.

Policy: Financial Assistance will be offered to patients who qualify, based upon their inability to pay, in accordance with U.S. Federal Poverty Guidelines and who meet the criteria outlined in this Policy. Financial Assistance is not considered to be a replacement for personal responsibility. Patients seeking Financial Assistance are expected to cooperate with Covenant's requirements to receive Financial Assistance. Actions including but not limited to completing applications for other coverage options, completing the Financial Assistance Application Form and contributing to the cost of their care based on their ability to pay. This policy is in place to ensure access to medical care is available to all our patients in need.

Definitions: **Family:** Using the Census Bureau definition, a group of two or more people who live together and who are related by birth, marriage, or adoption. According to

Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the Financial Assistance Policy.

Household Income: Household Income is determined using the Census Bureau definition, which uses the following income sources:

- Earnings/wages, Schedule C (IRS Form 1040 for self-employment), unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
- Noncash benefits (such as food stamps and housing subsidies) do not count.
- Determined on a before-tax basis.
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members who live together as part of a single-family unit. A roomer or boarder is not included.

Uninsured – The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Underinsured – The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Out of Network – Insurance plan held by the patient does not have a contract with Covenant Medical Center, Inc. Patients with OON will be eligible to apply for financial assistance.

Patient Co-pay/Coinsurance/Deductible – these represent patient financial liabilities once the insurance plan has processed the claim. Patients with these financial liabilities are eligible to apply for financial assistance under this policy.

Exhausted Benefits – patients with insurance plans where their benefits have been exhausted may apply for financial assistance following the policy guidelines.

Michigan Public Act 280 Social Welfare Act – Covenant Medical Center acknowledges and will comply with this statute.

Emergency medical conditions – Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Self-Pay Patient – Individuals receiving medical services who do not receive any health insurance program and has no other third-party payer to accept financial responsibility for payment of medical services. All true self pay patients will qualify for self-pay discounting, following the parameters within administrative policy number 1.18.

Elective Services – Scheduled admissions, surgeries or procedures. Canceling or postponing of the scheduled admission, surgery or procedure would not be life threatening.

Amount Generally Billed – The Amount Generally Billed (AGB) for emergency and other medically necessary services shall be calculated yearly based on a look-back method approved by the Internal Revenue Service.

- The AGB will be calculated by including all past claims from the prior fiscal year that have been paid in full to the hospital facility for medically necessary care by Medicare fee-for-service together with all private health insurers paying claims. This can include coinsurance, copayments, and deductibles. The AGB for emergency or medically necessary care provided to a financial assistance eligible individual is determined by multiplying gross charges for that care by the percentage of gross charges (called AGB Percentage). The AGB percentage is calculated at least annually by dividing the sum of Medicare and Commercial claims fully paid and allowed to the hospital facility by the sum of the associated gross charges for those claims. The AGB for the most recent effective date is 30%.

Limitations:

Covenant financial assistance does not include all costs that may be associated with medical services. The following are examples of items or services that are not included in our financial assistance program:

- Transportation and lodging: the patient is responsible for costs related to transportation to and from Covenant.
- Elective medical procedures, i.e., procedures that are not medical emergencies or medically necessary. Example: Autism Services, Cosmetic Services, Aqua Therapy (This is not an inclusive list)
- Food (other than meals while hospitalized).
- Durable Medical Equipment: Social services may have limited vouchers available to help cover costs associated with durable medical equipment.
- Prescriptions filled at any outpatient pharmacy.

- Home health care or services provided at a non-Covenant entity are not covered under this Policy. Follow up care may be coordinated through social services, but approval for financial assistance is limited to services provided on-site and billed by a Covenant entity.

Procedure: Financial assistance is available to people who are uninsured or underinsured, and who cannot pay for their care, based on financial need. See appendix A for sliding scale. Financial Assistance is based on each person's situation, and will not consider age, gender, race, sexual orientation or religious affiliation. Services eligible under this Policy will be made available to the patient on a sliding fee scale, depending on financial need, as determined by Federal Poverty Levels (FPL) in effect at the time of the request/decision. Referral of patients for Financial Assistance may be made by any member of the Covenant staff or medical staff, including physicians, nurses, financial counselors, registrars, social workers or case managers. A request for Financial Assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws. Requests can be made prior to, during or after medical service has been provided. See Appendix B for locations to obtain an application.

Financial Assistance will be calculated based on a sliding scale method that is updated annually within the Covenant Central Business Office. To be eligible, the patient must do the following:

1. Receive a Medicaid denial based on too much income and/or over asset a denial by the Medicaid Medical Review Team, a denial by an alternative program with linkage, or not disabled and not a denial due to failure of patient to complete the Medicaid application process. Exceptions to this may be allowed with administrative approval by the Covenant Director or Patient Administration (or in the case of the Covenant Visiting Nurse Association, its Director or designee).
 - a. If a patient has Medicaid coverage and is responsible for non-covered services (i.e. self-administered drugs, childbirth education), Covenant will consider those charges to qualify for a Financial Assistance adjustment. Patients that qualify for Medicaid's PlanFirst/Spenddown programs will be required to complete a Financial Assistance Application for a determination to be made.
 - b. If eligible under Public Act 280 Section 400.105b, patient's personal liability will be calculated based upon what the Medicaid expected payment would be for the service.
2. Receive a completed Patient Financial application with supporting documents (including, among other supporting documents listed in the application, current pay stubs (last 3 pay periods), bank statements, prior

year's tax returns, a signed letter from employer, and social security or disability checks) as outlined on the application or internal verification.

3. Covenant HealthCare's financial assistance is intended to apply to patients who are United States Citizens, have a working VISA or permanent residency status in the United States of America.
4. Patient/household must meet Covenant's Financial Assistance guidelines.
 - a. They must meet a financial need requirement determined based on an individual review and may include:
 - i. An application process. The patient or the patient's sponsor may be required to supply personal, financial, and other relevant information with supporting documents (including, among other supporting documents listed in the application, current pay stubs (last 3 pay periods), bank statements, prior year's tax returns, a signed letter from employer, and social security or disability checks) as outlined on the application. Failure to provide any requested documents may result in a denial of financial assistance.
 - ii. The review of publicly available data that provide information on a patient's or patient's sponsor's ability to pay (like credit scoring and tendency to pay evaluations);
 - iii. Reasonable efforts by Covenant to find other sources of payment and coverage from public and private payment programs. Reasonable efforts may be made to help patients apply for these programs. Covenant HealthCare will assist patients with applying for Medicaid coverage. The expectation is that patients will cooperate in applying for coverage.
 - iv. Taking into account the patient's available assets and all other financial resources available to the patient; and
 - v. A review of the patient's unpaid bills for prior services and the patient's payment history.
5. Identify unusual medical expenses or tragic events on the Patient Financial Profile.
 - a. For the purpose of non-discriminatory assessment, Covenant will consider household income.
 - b. Covenant HealthCare acknowledges that significant health events may result in catastrophic financial burden to a patient and family, as such Covenant HealthCare reserves the right to review catastrophic cases on an individual basis. A catastrophic financial burden is one which results in a financial burden of 25% of annual

household income or greater. (All requirements in the procedure section listed must be adhered to prior to determination.)

6. The referring/attending physician must determine when patient services are medically necessary.
7. Presumptive Scoring **may be** utilized in determining eligibility for financial assistance.

Once the above requirements have been met, the following will happen:

1. A final decision will be made within fourteen (14) calendar days.
2. The Financial Assistance decision will be valid and useable for six (6) months after approval.
3. Financial Assistance will be available based on the best available information after all efforts to contact the patient and obtain financial information have been exhausted. The decision may be made during the collections process if efforts to collect information are exhausted at that time.
4. It is preferred, but not required, that a request for Financial Assistance and a determination of financial need happens before any pre-scheduled non-emergency medically necessary services. The need for Financial Assistance may be re-evaluated at a later time or when more information related to the eligibility of the patient for Financial Assistance becomes known.
5. It is the responsibility of the designated program/department to give all necessary information and paperwork for Financial Assistance to all eligible patients. The program designee is responsible to ensure all necessary criteria are met, the allowance is given and the adjustment is processed. Adjustment approval threshold levels are identified on the Financial Assistance application worksheet. All documents pertaining to Financial Assistance are maintained by the program designee within the program/department. A financial assistance classification will be recommended by Covenant's Central Business Office and approved by a properly authorized administrator, agreed upon by the Director of Revenue Cycle.
6. If a patient cannot make a substantial payment or commit to a payment plan to resolve their approved discounted medical bill, all elective and non-urgent hospital procedures and related services may be deferred.

7. Falsification of information, lying, or incomplete documentation from the patient, patient's sponsor or responsible party could result in a denial of Financial Assistance.
8. Having said all of the above, the amounts charged for emergency and necessary medical services to patients who are eligible for Financial Assistance under this Policy will not be more than the amount generally billed to individuals with insurance covering the same care.

Reasons for Denial:

Covenant may deny a request for financial assistance for a variety of reasons including, but not limited to:

1. Sufficient income.
2. Sufficient asset levels.
3. Patient is uncooperative or unresponsive to efforts to work together.
4. Incomplete Financial Assistance application despite reasonable efforts to work with the patient.
5. A pending insurance or liability claim that could be a source of payment.
6. Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by Covenant, and personal injury and/or accident-related claims.

Collection Policies:

Covenant management has policies and procedures for collection practices, these include actions the hospital may take if the patient does not pay. These collection actions include potentially reporting to credit agencies. These policies take into account the extent to which the patient qualifies for Financial Assistance, their good faith effort to apply for a governmental program or Financial Assistance from Covenant, and their effort to comply with his or her payment agreements with Covenant. For patients who qualify for Financial Assistance and who are cooperating in good faith to resolve their discounted hospital bills, Covenant may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts.

Covenant will not impose extraordinary collections actions such as wage garnishments, liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for Financial Assistance under this Financial Assistance policy.

Reasonable efforts include:

1. Validating the amount of unpaid bills the patient owes, and that all sources of third-party payment have been identified and billed by the hospital.
2. An attempt to offer the patient the opportunity to apply for Financial Assistance using the guidelines in this policy. If the patient has not met the hospital's application requirements, these efforts will be documented.
3. Offer the patient a payment plan. However, if the patient has not honored the terms of that plan this will be documented.

Nothing in this policy will prevent Covenant from pursuing reimbursement from third party payers, third party liability settlements or other legally responsible third parties.

Covenant will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy. If a patient fails to submit a financial assistance application during the notification period (120 days after the first billing statement) Covenant may engage in collection activity against the patient. Collection activity will move forward using processes on a separate Collection Policy (Covenant Policy Number PTAG025, In-House Collections and Bad Debt Referral Policy), which may be obtained from Covenant at any of the locations listed in Appendix B (free of charge) or by going to

www.covenanthealthcare.com/main/financialassistance.aspx

If a collection agency identifies a patient as meeting Covenant's financial assistance eligibility criteria, the patient's account may be considered for financial assistance up to 120 days after the account has been referred for collection activity (a total of 240 days after providing the first billing statement to the patient). Collection activity will be suspended on these accounts and Covenant will give the patient notice with the additional information or documentation required to complete the financial assistance process. If the entire account balance is adjusted, the account will be returned to Covenant. If a partial adjustment occurs, the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

Communication of the Financial Assistance Policy to Patients and Within the Community:

Covenant is committed to offering financial assistance to eligible patients who do not have the ability to pay for their medical services. Covenant Medical Center and Covenant HealthCare System sites will make this Policy known at the locations and in the communities which we serve. Information will also be included on the internet at www.covenanthealthcare.com.

Among other things, a bilingual plain language summary will be posted at main registration points to the hospital which will include instructions on how to obtain a printed version of the policy and an application for financial assistance. Affiliated sites will post a plain language summary of this Policy on its webpage and shall make a copy of this Policy available by posting it on their webpage including the ability to download a copy of the Policy free of charge. Individuals in the community served will be able to obtain a copy of the Policy in locations throughout each Covenant affiliated site or upon request. Covenant shall also include plain language summaries of this Policy in patient statements.

Equal Opportunity:

Covenant is committed to upholding the multiple federal and state laws that prevent discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

Covenant will not consider bad debt, contractual allowances, perceived underpayments for operations, public programs, cases paid through a charitable contribution, professional courtesy discounts, community service or outreach programs, or employment status as a means to determine financial assistance.

Regulatory Requirements:

In implementing this Policy, Covenant management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

Confidentiality:

Covenant staff will uphold the confidentiality and individual dignity of each patient. Covenant will meet all HIPAA requirements for handling personal health information.

Board Approval and Review:

This policy has been adopted by the Board of Directors of Covenant Medical Center, Inc. (on July 22, 2013), and shall be reviewed by the Board of Directors on an annual Basis.

Effective Date: July 2013

Review Date: April 2026

Revised: April 2025

Reviewed & Approved by:
Executive Team
Board of Directors

Appendix A

2024 Sliding Scale Effecting 2/1/24

	100%	75%
Family Size	200% of Federal Poverty Guideline or less	201% to 300% of Federal Poverty Guideline
1	30,120	45,180
2	40,880	61,320
3	51,640	77,460
4	62,400	93,600
5	73,160	109,740
6	83,920	125,880
7	94,680	142,020
8	105,440	158,160

2025 Sliding Scale

	100%	75%
Family Size	200% of Federal Poverty Guideline or less	201% to 300% of Federal Poverty Guideline
1	31,300	46,950
2	42,300	63,450
3	53,300	79,950
4	64,300	96,450
5	75,300	112,950
6	86,300	129,450
7	97,300	145,950
8	108,300	162,450
9	119,300	178,950
10	130,300	195,450

For families/households with more than 10 persons, add \$5,500 for each additional person.

Appendix B

Obtaining a Financial Assistance Policy (FAP) Application and Covered Providers

The FAP covers hospital services provided at Covenant facilities and professional services provided by employed Covenant physicians. These are listed below.

The FAP application can be obtained at

www.covenanthealthcare.com/main/FinancialAssistance.aspx

Application forms can also be provided at the following locations:

- **Covenant HealthCare**
1447 N. Harrison
Saginaw, MI 48602
- **Covenant HealthCare**
515 N. Michigan Ave.
Saginaw, MI 48602
- **Covenant HealthCare**
5400 Mackinaw
Saginaw, MI 48604
- **Covenant HealthCare**
700 Cooper Ave.
Saginaw, MI 48602
- **Covenant Medical Group Physician Offices/Clinics (listed below)**

PRIMARYCARE

Bay Primary Care
Bridgeport Family Physicians
Colony Medical Group
CMG – Family Practice
CMG – West Branch
Covenant Primary Care – Birch Run
Covenant Primary Care – Freeland
Covenant Saginaw Family Physicians
Dawn R. Johnson, DO
Frankenmuth Family Care
Gratiot Family Practice
Gratiot Primary Care
Hemlock Family Medicine
Heritage Family Practice
Saginaw Bay Internal Medicine
Saginaw Township Family Physicians
Saginaw Valley Primary Care
Sebawing Primary Care
Silverwood Family Medicine

SPECIALTY CARE

Covenant Cardiology
Covenant Center for Advanced Orthopedics
Covenant Digestive Care Center
Covenant Med -Express
Covenant Neurology
Covenant Neurosurgery
Covenant Oncology
Covenant Pediatric Neurology
Covenant Pediatric Surgery
Covenant Physical Medicine & Rehabilitation
Covenant Plastic Surgery
Covenant Pulmonary and Critical Care
Covenant Sports Medicine
Covenant Wound Healing Center
Covenant Professional Radiology Services

This list is intended to identify Covenant's employed providers, but providers change frequently. For more information on a particular provider you may call: (989) 583-2959 or (989) 583-6024. Assistance can also be provided at either the 1447 N. Harrison or 700 Cooper location Cashier offices.

Appendix C

Non-Employed Providers

Non-employed providers will not be covered under Covenant HealthCare Financial Assistance Policy (FAP) application.

- Team anesthesia
- Advanced Diagnostics
- Mackinaw Surgery Center
- CMU Physicians
- Pediatrics

This list is subject to change and is not intended to be all-inclusive.