



ADMINISTRATIVE POLICY	NUMBER: 605
SUBJECT: Financial Assistance Policy	
DEVELOPED: 5/89	
REVISED / REVIEWED: 3 / 2 4	

PURPOSE

The purpose of this policy is to document Sheltering Arms’ commitment to advance the health and wellbeing of community members with physical disabilities and to offer financial assistance to those in need while maintaining the financial health and sustainability of the organization. This policy is drafted with the intention of satisfying the requirements in Section 501(r) of the Internal Revenue Code of 1986, as amended, regarding financial assistance, limitations on charges to persons eligible for financial assistance, and reasonable billing and collection efforts and should be interpreted accordingly.

As a tax-exempt entity and as part of its commitment to serve the community, Sheltering Arms provides assistance in the form of Discounts to applicants who qualify based upon income guidelines. Sheltering Arms reserves the right in its sole discretion to limit or deny financial assistance to applicants. Sheltering Arms’ services and access to Discounts are available without regard to race, gender, national origin, handicap, age, HIV status, sexual orientation, gender identity, material status, veteran status, religious beliefs, or any other characteristic protected by law.

This policy applies to adaptive and medical fitness services and day recreation services provided by The Sheltering Arms Hospital. These services are cash-based and are not covered by health insurance.

DEFINITIONS:

The following definitions are applicable to this Financial Assistance Policy.

- **Discount** – Financial assistance that provides a sliding scale discount to eligible applicants or applicant guarantors, with annualized family incomes above 200% of the Federal Poverty Guidelines but below 350% of the Federal Poverty Guidelines.
- **Family** - A group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the applicant claims someone as a dependent on their income tax return, they are considered a dependent for the purposes of the provision of Financial Assistance.
- **Family Income** - An applicant’s family income is the combined gross income of all adult members of the Family living in the household and included on the most recent federal tax return. For applicants under 18 years of age, Family Income includes that of the parents and/or stepparents, or caretaker relatives.
- **Federal Poverty Guidelines** - The Federal Poverty Guidelines (FPG) use income thresholds that vary by family size and composition to determine who is in poverty in the United States. They are updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current FPG guidelines can be referenced at <https://aspe.hhs.gov/poverty>.



- **Financial Assistance** – Assistance provided to applicants meeting Sheltering Arms' established criteria to relieve them of all or part of their financial obligation for adaptive and medical fitness services or day recreation services provided by Sheltering Arms.
- **Guarantor** - An individual other than the applicant who is responsible for payment of the applicant's bill.
- **Payment Plan** - An interest-free, payment plan of up to twelve months that is agreed to by both Sheltering Arms and a participant, or participant's guarantor, for service fees.
- **Service Fees** – The rates charged for individual and packaged services offered through the adaptive and medical fitness or day recreation programs.

POLICY

ELIGIBLE SERVICES:

Services eligible under this Financial Assistance Policy include adaptive and medical fitness services and day recreation services.

PROVIDER LIST:

The Sheltering Arms Hospital is covered by this Policy. No other providers are covered by this Policy.

ELIGIBILITY:

Eligibility for Financial Assistance will be considered for any applicant who is a resident of Virginia. Proof of Virginia residency can be demonstrated through a valid Virginia driver's license, voter registration card, or work/school identification.

Financial Assistance applications will be reviewed for eligibility based upon the applicant's income and family size. Individuals with household incomes less than 350% of the Federal Poverty Guidelines may be eligible for services at discounted rates dependent upon income level.

Confidentiality of information and individual dignity will be respected and protected for all who seek Financial Assistance.

Applicants, or applicant guarantors, who falsify the Financial Assistance Program Application will not be eligible for the Program and will be held responsible for all charges received while enrolled in the Program retroactively to the first day approved for Financial Assistance. Applicants are responsible for informing Sheltering Arms of any changes to the information provided if their financial circumstances change.

PROCEDURE

APPLYING FOR FINANCIAL ASSISTANCE:

Eligibility for Financial Assistance will be based on financial need. Certain documentation is required to determine eligibility.

The following income documentation is required from applicants, or their guarantors, to determine eligibility:



1. Documentation of Virginia residency.
2. Two most recent pay stubs and/or two years of tax returns and all attached schedules.
3. Social security/disability certification letter.
4. Welfare benefit letter.
5. Notarized letter of support.
6. Bank account statements for the previous 2 months.
7. Business income.
8. Rental income.
9. Other income information (for example, social security payments, pension income, general assistance, unemployment compensation, worker's compensation, disability income, alimony/child support, or other regular sources of income).

Submission of documents to support household income is required to provide the basis to make an eligibility determination. In cases where the applicant or guarantor has experienced a recent and material reduction in income, Sheltering Arms will consider not only current income information but also income for the past 12 months, and estimated income for the next 12 months. Each of those income amounts will be considered to make a determination of the applicant's household income level, with primary weight applied to the estimation of income for the next 12 months. If the future income cannot be estimated with a sufficient degree of confidence, or if actual and/or anticipated bills for Sheltering Arms services exceed 25 percent of estimated income for the next 12 months, the application shall be referred to the Vice President Finance/CFO for review.

Completed Financial Assistance Applications should be returned to a fitness or recreation program manager.

If an applicant, or applicant's guarantor, is denied Financial Assistance, the applicant or guarantor, may re-apply at any time there has been a change of income or status.

ELIGIBILITY DETERMINATIONS AND APPEALS PROCEDURE

Applications with instructions may be obtained from the Sheltering Arms website or by contacting Patient Accounting (phone: (804) 363-3787; email: financialassistance@shelteringarms.com). Applications will first be reviewed by the Financial Assistance Coordinator, who may approve applications that meet the Financial Assistance Guidelines with the expected total assistance under \$5,000.

Applicants must be notified of the decision in writing regarding Financial Assistance within ten (10) business days of submitting a completed application. If the financial information provided is incomplete or insufficient to determine financial need, Sheltering Arms may request additional documentation from the applicant or applicant's guarantor. If requested information is not provided within 30 days, the application will be voided and Financial Assistance will not be considered, and payment for services rendered to date by Sheltering Arms will be the responsibility of the applicant or guarantor.

If an applicant is denied eligibility for Financial Assistance, an appeal of the denial may be submitted, in writing, within thirty (30) days of the denial date. Once a written appeal is received, the application will be re-evaluated by the Vice President Finance/CFO. A written response to the denial will be



provided to the applicant or applicant's guarantor and will indicate either approval or the upholding of the denial.

The decision to grant Financial Assistance will ultimately be at the sole discretion of Sheltering Arms.

PRESUMPTIVE ELIGIBILITY

Sheltering Arms realizes that there may be instances when an applicant's qualification for Financial Assistance can be established without completing the Financial Assistance Application. Examples of applicants who are deemed eligible for financial assistance on a presumptive basis include but are not limited to:

- Applicants who are already approved for financial assistance for medically necessary services provided by Sheltering Arms Institute.
- Applicants who are enrolled in certain governmental means-tested programs..

Examples of programs eligible under the Sheltering Arms Financial Assistance Policy include, but are not limited to:

- Virginia Women, Infants and Children (WIC)
- Virginia Supplemental Nutrition Assistance Program (SNAP)
- Virginia Temporary Assistance for Needy Families (TANF)
- All dual eligible Medicare/Medicaid Programs

FINANCIAL ASSISTANCE

Financial Assistance will be based on family income, family size and insurance status. The Federal Poverty Guidelines will be used to determine an applicant's eligibility for Financial Assistance.

Discounts: A sliding scale discount will be provided for eligible services for uninsured applicants, or applicant guarantors, whose gross family income is equal to or greater than 200% FPG but less than 350% of the current FPG.

Applicants, or applicant guarantors, eligible for Financial Assistance will be provided additional discounts according to the following schedule, based on the family income of the applicant, or the applicant's guarantor.

- Family income greater than 200% FPG but equal to or less than 275% FPG are eligible to receive a 75% discount on service fees.
- Family income greater than 275% FPG but equal to or less than 350% FPG are eligible to receive a 50% discount on service fees.

Payment Plans: Payment in full is expected for balances due. If it is not feasible for participant, or participant's guarantor, to pay in full within this timeframe, suitable arrangements may be made with the Patient Accounting office for an interest-free monthly payment plan. Payment plans may be extended for up to twelve (12) months, depending on the balance from the participant, or participant's guarantor.

Sheltering Arms will work with the participant, or participant's guarantor, to establish a manageable payment plan and timeframe. Applicants, or guarantor, are responsible for communicating with Sheltering Arms anytime an agreed upon payment plan cannot be fulfilled.



Lack of communication from the participant will result in immediate termination of services.

NOTIFICATION OF FINANCIAL ASSISTANCE

Information on Financial Assistance will be provided to community members served by Sheltering Arms. The Financial Assistance Policy, Financial Assistance Application, and a plain language summary of the Policy will be available on the Sheltering Arms' website. Sheltering Arms will provide hard copies of the Financial Assistance Policy, Financial Assistance Application and a plain language summary of the Policy to upon request, in person or by mail, and free of charge.

Information on Financial Assistance will be in English, Spanish and in any other language that is the primary language spoken by at least 5% of the residents in the service area.

COLLECTION METHODS TAKEN IN THE EVENT OF NON-PAYMENT

Reasonable efforts are taken to determine a participant's eligibility for Financial Assistance under this Policy prior to engaging in collection efforts with respect to such participant. Such efforts include notifying the participant or participant guarantor about this at least twice, phone calls made to participants or participant guarantors if they have not resolved their bills or are not current on payment plans, helping a participant remedy an incomplete Financial Assistance Application, and informing an applicant for Financial Assistance regarding his/her eligibility determination once a completed application has been received.

If a participant, or participant guarantor, applies for Financial Assistance, no collection actions will be taken until an eligibility determination has been rendered.

In the event of non-payment or the absence of any mutually agreed-upon payment arrangement, Sheltering Arms may move an account to bad debt and turn the delinquent account over to a third-party collections agency under the following circumstances:

- A payment plan has been established and agreed to by the participant, or participant guarantor, and the participant or guarantor has defaulted on payment for at least 60 days.

EXCEPTIONS TO THIS POLICY

Sheltering Arms' CEO is granted the authority to provide eligibility and determination exceptions to this Policy on a case-by-case basis as appropriate to an individual applicant's facts and circumstances.

REGULATORY REQUIREMENTS

Sheltering Arms will comply with all federal, state laws, rules and regulations and reporting requirements that may apply to activities conducted pursuant to this Policy. Information on the financial assistance provided under this policy will be reported annually on the IRS Form 990 Schedule H.

RECORD KEEPING

Sheltering Arms will document all Financial Assistance in order to maintain proper controls and meet all internal and external compliance requirements. A Financial Assistance summary report will be presented on a periodic basis to the Board of Directors.



The Sheltering Arms Financial Assistance Coordinator will maintain applications and Financial Assistance records, including copies of verification documents. The Patient Financial Services Office will maintain participant accounting records to document the actual financial assistance amount applied to a participant's account.

POLICY APPROVAL

As an administrative policy, Sheltering Arms' Financial Assistance Policy is approved by the Sheltering Arms CEO and CFO. This policy is subject to periodic review and Sheltering Arms reserves the right to amend and/or update this policy at any time. The Sheltering Arms Board of Directors will be informed of the policy.