



Origination 02/2023

Last N/A

Approved

Effective Upon
Approval

Last Revised 08/2026

Next Review 1 year after
approval

Owner Misty
Hokenson:
Executive
Director of
Finance/
Controller

Policy Area Finance

Financial Assistance Policy

Financial Assistance Policy

Purpose

Madelia Health is committed to improving the health and well-being of the communities we serve by ensuring access to medically necessary healthcare services regardless of a patient's ability to pay. Consistent with our mission and values, Madelia Health provides Financial Assistance to eligible patients who are uninsured, underinsured, or otherwise unable to meet their financial obligations.

This policy establishes eligibility criteria and procedures for Financial Assistance, promotes equitable access to care, and ensures compliance with Section 501(r) of the Internal Revenue Code and other applicable federal and state laws. The policy is administered through a fair, consistent, and transparent process that supports responsible stewardship of Madelia Health's resources while advancing its charitable mission.

Definitions

Amounts Generally Billed (AGB)

The amount generally billed to individuals who have insurance covering emergency or other medically necessary care, as determined in accordance with Section 501(r) of the Internal Revenue Code. Patients eligible for Financial Assistance will not be charged more than the applicable AGB.

Total Income

The estimated annual income of the applicant and all working adults residing in the household. Total Income is determined using the applicant's most recent federal income tax return and annualized income calculated from the two most recent pay stubs. If the difference between these sources exceeds 40%, the pay stubs will be used to determine Total Income. Madelia Health reserves the right to adjust this calculation when reliable evidence indicates the applicant's current or anticipated income differs materially from the documentation provided.

- Employed Individual: Total Income reported on IRS Form 1040, Line 9.
- Farmer: Total Income reported on IRS Form 1040, Line 9, plus depreciation claimed on Schedule F.
- Self-Employed Individual: Total Income reported on IRS Form 1040, Line 9, plus depreciation claimed on **Schedule C**.

Emergency Medical Care

Treatment of an emergency medical condition as defined in Section 1867(e)(1) of the Social Security Act, including medical conditions with acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to:

- Place the individual's health, or the health of a pregnant woman or her unborn child, in serious jeopardy;
- Result in serious impairment of bodily functions; or
- Result in serious dysfunction of any bodily organ or part.

For a pregnant woman experiencing contractions, Emergency Medical Care also includes situations where:

- There is inadequate time to safely transfer the patient to another hospital before delivery; or
- Transfer may pose a threat to the health or safety of the woman or her unborn child.

Medically Necessary Care

Healthcare services that are reasonable and necessary for the diagnosis, treatment, or management of an illness, injury, condition or disease.

The following services are generally not considered medically necessary for purposes of this Financial Assistance Policy. This list is intended to provide examples and is not all-inclusive. Madelia Health reserves the right to determine whether other services are excluded from Financial Assistance based on medical necessity and the provisions of this policy.

- Massage therapy
- Sports physicals
- Department of Transportation (DOT) physicals
- Direct-access laboratory services

- Non-prescribed physical therapy
- Elective procedures
- Respite care

Additional Definitions

- **Bad Debt:** Amounts considered uncollectible that do not meet Financial Assistance eligibility criteria. Discounts or write-offs classified as bad debt are not counted as charity care.
- **Charity Care:** A reduction of patient responsibility for emergency or medically necessary care for eligible uninsured or underinsured patients who meet the income, asset, and application criteria established in this policy.
- **Liquid Assets:** Cash or assets that can readily be converted to cash without creating a material hardship. Assets necessary for essential daily living or for generating primary household income may be excluded from consideration.
- **Household:** Individuals for whom the patient or guarantor is financially responsible, including dependents who may not reside in the same home.
- **Uninsured:** A patient who does not have commercial, government, or other third-party health coverage.
- **Underinsured:** A patient whose insurance coverage does not fully protect the patient from significant out-of-pocket costs for medically necessary care.
- **Extraordinary Collection Activity:** Collection actions that go beyond routine billing and collection efforts and involve legal or administrative measures to obtain payment for medical services. Examples include reporting medical debt to credit bureaus, filing lawsuits, wage garnishments, liens, foreclosures, and other actions permitted under applicable law.

Scope

This policy applies to eligible patients receiving emergency or medically necessary services provided by Madelia Health at all owned or leased facilities identified in **Schedule B**.

This policy does not apply to services provided by independent physicians or other providers who are not employed by or affiliated with Madelia Health. Patients seeking Financial Assistance for services provided by non-Madelia Health providers should contact those providers directly. A list of providers not eligible for financial assistance is identified in **Schedule B**.

The policy is administered in accordance with the following principles:

- Emergency medical care will be provided without discrimination and without regard to a patient's ability to pay.
- Financial Assistance eligibility shall not delay, interfere with, or substitute for the medical screening examination or stabilizing treatment required under EMTALA.
- Financial Assistance eligibility is based on demonstrated financial need and the criteria established in this policy.
- Patients requesting Financial Assistance are expected to provide complete and accurate information necessary to determine eligibility.

- Patients approved for Financial Assistance will not be charged more than the Amounts Generally Billed (AGB) for emergency or other medically necessary care.

Policy

Madelia Health uses an established methodology to determine Financial Assistance eligibility. This review considers whether the service is emergency or medically necessary care, as well as the applicant's income, assets, family size, and available resources to pay for services.

Uninsured and underinsured patients whose household income does not exceed 200% of the current Federal Poverty Guidelines may qualify for 100% forgiveness of charges for emergency or medically necessary care.

Uninsured and underinsured patients whose household income is greater than 200% but does not exceed 400% of the current Federal Poverty Guidelines may qualify for up to 80% forgiveness of charges for emergency or medically necessary care based on the established sliding fee scale (shown below or in **Schedule A**).

Madelia Health may consider available assets when determining eligibility for Financial Assistance. In evaluating assets, Madelia Health will consider the patient's overall financial circumstances and may exclude a primary residence, one primary vehicle, retirement accounts protected by law, assets necessary for essential daily living, and assets used to generate primary household income, unless extraordinary circumstances exist.

Sliding Fee Discount Schedule

Household Income (% of Federal Poverty Guidelines)	Financial Assistance	Patient Responsibility
Up to 200% FPG	100% Discount	0%
201%–250% FPG	80% Discount	20%
251%–300% FPG	60% Discount	40%
301%–350% FPG	40% Discount	60%
351%–400% FPG	20% Discount	80%
Above 400% FPG	Case-by-Case Financial Hardship Review	Determined by Review

Financial Assistance is generally considered after other available payment sources have been reviewed, including insurance coverage, government programs, Medical Assistance, third-party liability, workers' compensation, and other resources reasonably available to the patient or guarantor.

When a patient appears eligible for Medical Assistance, Madelia Health will require the patient or guarantor to apply and provide documentation of denial before Financial Assistance is approved.

Madelia Health may require documentation of assets when a patient reports limited income but appears to have significant resources available to pay for care. In evaluating assets, Madelia Health may give special consideration to the patient's primary residence, primary vehicle, assets necessary for essential daily living, and assets used to generate primary household income.

Financial Assistance may be denied or discontinued if the patient or guarantor provides false information, refuses to complete the application, fails to provide requested documentation, is unresponsive to reasonable requests for information, or does not cooperate with efforts to identify available coverage or payment sources.

If Madelia Health determines at any time that Financial Assistance was approved based on false, misleading, incomplete, or intentionally omitted information, eligibility for Financial Assistance may be immediately revoked. The patient or guarantor may be held financially responsible for all or a portion of previously forgiven charges, and Madelia Health reserves the right to pursue collection of those amounts in accordance with applicable law and the organization's Billing and Collections Policy.

Approval of Financial Assistance applies only to the approved eligibility period and does not guarantee future eligibility. Once the approved eligibility period has expired, patients must submit a new Financial Assistance Application to be considered for additional assistance. Eligibility may also be reevaluated based on changes in financial circumstances.

Madelia Health's Financial Assistance criteria follow the Federal Poverty Guidelines ("FPG") issued by the United States government, as reflected in **Schedule A**.

All Madelia Health charges related to emergency medical conditions and other medically necessary care are eligible for Financial Assistance. The Financial Assistance discount applies to the patient responsibility remaining after insurance or other payer payments. See **Schedule B** for information about locations covered by this policy.

A Financial Assistance application is considered complete when the patient or guarantor has submitted the following;

- Signed complete application
- Provided sufficient documentation to establish financial need, required documents include the most recent filed Tax Return and last 2 months of check stubs. If a tax return is not available, the applicant must supply 3 months worth of bank statements.
- Provided a Medical Assistance denial as applicable
- Resolved applicable insurer or third-party payer matters,
- Responded to reasonable follow-up requests, and
- Cooperated with Madelia Health or a partnering agency advocate in applying for other available assistance or coverage when eligible.

Completed financial assistance applications and other documents should be submitted to Patient Financial Services. Acceptable methods of submission are:

- Mail – "Attention: Patient Financial Services", 121 Drew Ave S.E., Madelia, MN 56062
- In-person delivery – Patient Financial Services, 121 Drew Ave S.E., Madelia, MN 56062
- Fax – "Attention: Patient Financial Services", (507) 642-5203

Financial Assistance applications may be submitted by the patient, responsible party or any person acting on behalf of a patient. Madelia Health does not use third-party information to make presumptive determinations of Financial Assistance eligibility.

Presumptive Eligibility

Madelia Health may determine that a patient is presumptively eligible for Financial Assistance when reliable information indicates the patient is unable to pay and further documentation is not reasonably available. Presumptive eligibility may be based on circumstances such as homelessness, participation in certain public assistance programs, Medicaid eligibility for non-covered services, death with no known estate, incarceration, or other documented circumstances demonstrating financial need.

Incomplete or False Applications

If Madelia Health has reason to believe that information in the Financial Assistance application is unreliable, incorrect, obtained under duress, or obtained through coercive practices, the application will be considered incomplete. In that event, Madelia Health will provide the individual with a written explanation of the determination.

If an application is incomplete, Madelia Health will provide written notice identifying the missing information and will allow the patient or guarantor a reasonable opportunity, generally 10 business days, to submit the requested information. Collection activity related to the account will be suspended while a timely submitted application is pending review.

Eligibility Period

If an individual qualifies for Financial Assistance, the qualification will apply to all emergency medical care and other medically necessary care received by the individual during the six months before and six months after the application submission date.

Approval or Denial

The Chief Financial Officer, Revenue Cycle Director, or Administrator will approve or deny the request within 30 days after receipt of a completed application. Madelia Health will accept a Financial Assistance application for a specific episode of care for 240 days after the first post-discharge billing statement is sent to the individual.

If a patient does not qualify for Financial Assistance, Madelia Health will send a letter explaining that the patient did not qualify under hospital guidelines and stating the basis for the denial.

A patient or guarantor may appeal a denial of Financial Assistance by submitting a written appeal within 30 days after receiving the denial notice. The appeal should include any additional information or documentation the patient wishes Madelia Health to consider. The appeal decision will be reviewed by the Chief Financial Officer, Business Office Manager, Administrator, or designee, and the resulting determination will be final.

Patients may request free assistance with understanding this policy, completing the application, or gathering required documentation by contacting Patient Financial Services.

If an individual qualifies for a Financial Assistance discount of less than 100%, Madelia Health will provide an updated billing statement showing the remaining amount owed, how it was determined, and

how to obtain current AGB information.

Patients who qualify for Financial Assistance will not be required to pay more for emergency medical conditions or other medically necessary care than the applicable AGB limit, which Madelia Health calculates using the Look-back Method and updates at least annually.

Madelia Health may require a co-payment before a non-emergency medical procedure; however, any pre-payment will not exceed the applicable AGB limit.

Patient statements will reflect applicable reductions, Financial Assistance adjustments, and the remaining patient responsibility. If another federal, state, or contractual requirement is more restrictive than this policy, Madelia Health will follow the more restrictive requirement.

Madelia Health maintains a separate Billing and Collections Policy, which describes the actions Madelia Health may take if an individual who has qualified for Financial Assistance does not pay the remaining balance owed. Copies of the Billing and Collections Policy are available to the public through the same methods used to make this Financial Assistance Policy available.

If a completed Financial Assistance application is received and the patient qualifies for assistance, Madelia Health will reverse any applicable extraordinary collection activity and refund any amounts paid in excess of the newly determined patient responsibility, consistent with applicable law and policy requirements.

Madelia Health will not engage in debt collection practices during an emergency department visit before the patient has been discharged. Payment plans offered to patients who qualify for Financial Assistance will be interest-free as long as the repayment schedule is met.

While a Financial Assistance application is pending, Madelia Health will not refer the account to collections, initiate or continue extraordinary collection activity, deny medically necessary care because of outstanding medical debt, or impose application procedures that create an unreasonable barrier based on physical, mental, intellectual, sensory, language, or similar limitations.

Availability of Financial Assistance

An individual who has questions about financial assistance or would like help with the application process can contact Patient Financial Services at Madelia Health by calling (507) 642-3255 or by visiting 121 Drew Ave S.E., Madelia, MN 56062.

Madelia Health will inform the public about the availability of Financial Assistance through the following methods:

- Maintaining public displays about the Financial Assistance program in the emergency room and all admissions areas;
- Offering a paper copy of the plain-language summary of this policy to patients as part of the intake and/or discharge process;
- Including Financial Assistance information on billing statements, including a telephone number for Patient Financial Services and the direct website address where the policy, plain-language summary, and application are available;
- Making this policy, the plain-language summary, and the application available on the Madelia

Health website;

- Providing paper copies of this policy, the plain-language summary, and the application upon request and without charge by mail, in the emergency room, and in all admissions areas;
- Taking reasonable steps to notify and inform community members who are most likely to need Financial Assistance; and
- Providing information in the primary language of any limited English proficiency population when required by applicable law.

Billing statement notices will be conspicuously placed and clearly readable.

Madelia Health will assist patients who request help applying for Financial Assistance and will provide translated versions of this policy, the plain-language summary, and the application when required by applicable law.

Data Compilation and Reporting

Madelia Health will compile and maintain information related to Financial Assistance, charity care, unreimbursed care, and bad debt as required by applicable federal and state law, Internal Revenue Service requirements, and organizational reporting standards. Financial Assistance reporting will be based on established accounting and compliance practices and will support transparency in Madelia Health's community benefit activities.

Amendments and Interpretation

This policy is subject to review and revision by Madelia Health. Madelia Health retains responsibility for interpreting and applying this policy in a manner consistent with its mission, applicable law, regulatory requirements, and the charitable purpose of the Financial Assistance program.

This policy is not intended to create a contractual obligation or entitlement beyond the Financial Assistance determinations made in accordance with the criteria and procedures described herein.

Attachments

 [Schedule A - Federal Poverty Guidelines.docx](#)

 [Schedule B - Providers that operate within Madelia Health.docx](#)

 [Schedule C - Limitation of Charges and AGB Information.docx](#)

Approval Signatures

Step Description

Approver

Date

Administrative Leadership	Roz Snyder: Executive VP & Chief Clinical Officer	Pending
Administrative Leadership	Jodi Ulmen: Director of Clinical Quality/Outcomes/Compliance	Pending
Chief Financial Officer	Misty Hokenson: Executive Director of Finance/Controller	08/2026
	Misty Hokenson: Executive Director of Finance/Controller	08/2026

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Attachment A – Federal Poverty Guidelines and Sliding Fee Discount Schedule

Current applicable Federal Poverty Guidelines used by Madelia Health to determine eligibility for Financial Assistance under this policy. Attachment A will be updated annually to reflect the most current Federal Poverty Guidelines published by the U.S. Department of Health and Human Services (HHS). Eligibility determinations shall be based on the guidelines in effect on the date a completed Financial Assistance application is received unless otherwise required by applicable law.

Federal poverty levels

Family size	2025 income	2026 income
Individuals	\$15,650	\$15,960
Family of 2	\$21,150	\$21,640
Family of 3	\$26,650	\$27,320
Family of 4	\$32,150	\$33,000
Family of 5	\$37,650	\$38,680
Family of 6	\$43,150	\$44,360
Family of 7	\$48,650	\$50,040
Family of 8	\$54,150	\$55,720
Family of 9+	Add \$5,500 for each extra person	Add \$5,680 for each extra person

Sliding Fee Discount Schedule

Household Income (% of Federal Poverty Guidelines)	Financial Assistance	Patient Responsibility
Up to 200% FPG	100% Discount	0%
201%–250% FPG	80% Discount	20%
251%–300% FPG	60% Discount	40%
301%–350% FPG	40% Discount	60%
351%–400% FPG	20% Discount	80%
Above 400% FPG	Case-by-Case Financial Hardship Review	Determined by Review

Attachment B: Providers That Operate Within Madelia Health

Medical service expenses for a patient can generally be categorized as either hospital fees or provider fees. All Madelia Health hospital fees for emergency medical care and other medically necessary care are eligible for Financial Assistance under this policy. However, not all provider fees are eligible for Financial Assistance under this policy.

The following information is provided to help the public understand which provider fees are eligible for Financial Assistance under this policy. If this information is unclear, contact Patient Financial Services at Madelia Health by calling (507) 642-3255.

For purposes of this attachment, a provider is a physician or similarly credentialed individual. Providers do not include nurses or technicians.

The following providers are not eligible for Financial Assistance under this policy because Madelia Health does not bill for their professional fees:

- Emily Birkholz, M.D.

Any provider not listed above is eligible for Financial Assistance under this policy.

List of Madelia Health owned or leased facilities;

- Madelia Health Hospital
- Madelia Clinic
- Truman Clinic
- St. James Clinic
- New Ulm Clinic

Attachment C: Limitation on Charges and AGB Information

An individual who qualifies for Financial Assistance will not be required to pay more for emergency medical conditions and other medically necessary care than the amounts generally billed to individuals who have insurance covering such care.

Madelia Health calculates Amounts Generally Billed (“AGB”) using the Look-back Method, as defined in applicable regulations under Section 501(r) of the Internal Revenue Code.

The AGB percentage is calculated at least annually and applies to emergency and other medically necessary care provided to individuals who qualify for Financial Assistance.

The current AGB percentage and information about how the AGB percentage was calculated are available upon request from Patient Financial Services.