

Glenbeigh

FINANCIAL ASSISTANCE POLICY

Since 1981, Glenbeigh has served patients and their families by supplementing their personal resources in order that suffering alcoholics, addicts and their family members may obtain treatment and other related services at Glenbeigh. Providing financial assistance is fundamentally important to the non-profit mission, vision and values of Glenbeigh. Because there is a wide disparity in available resources to pay for the treatment of addiction, Glenbeigh provides financial assistance to maximize access to treatment while balancing the need to sustain Glenbeigh and its mission for future generations. In addition, accepting personal responsibility to overcome addiction and find recovery is fundamental to successful treatment at Glenbeigh, as is the belief that addiction is a family disease. Accordingly, to the extent possible, payment for services is primarily a responsibility of individual patients and their families, if they are willing and able to assist.

Glenbeigh will continue to promote access to treatment and funding of treatment for this disease. In keeping with our goal of sustaining Glenbeigh for future generations, financial assistance is budgeted annually.

1. **Guidelines.** Glenbeigh will provide annually a significant sum for financial assistance. The annual amount is calculated on a percentage of adjusted patient service revenue (total patient service revenue less contractual adjustments).
2. **Financial assistance resources are limited.** The available resources will be used primarily for those who meet clinical standards for admission and who are most in need of residential care, and secondarily for outpatient services and other areas of the continuum of care. Priority will be given to Ashtabula County, Ohio residents and Glenbeigh patients that have exhausted insurance benefits but remain in need of continued care. Before determination of eligibility for financial assistance, prospective patients must meet Glenbeigh's applicable clinical standards for admission. Financial assistance admission is also subject to bed availability as determined by Glenbeigh management.
3. **Determination of Eligibility.** In order to promote the health and well-being of the patients and communities we serve, uninsured, underinsured and individuals with limited financial resources will be eligible for discounted treatment services on a program by program basis, based on Glenbeigh's established means criteria, which will be used at all facilities with that particular program. To be considered for financial assistance, the patient and all other persons willing and able to participate in paying for a person's services must cooperate with Glenbeigh to provide the information and documentation necessary in order to determine eligibility for financial assistance. Glenbeigh has adopted an application that is required to be completed by an applying patient or their legal representative. The final conclusion is made by Glenbeigh management based upon the information provided.
4. **Non-Discrimination.** The determination of eligibility for financial assistance will be based on the patient's and participating family member's or other responsible payer's ability to pay. Financial assistance determinations will not be based on the patient's age, sex, race, creed, disability, sexual orientation or national origin.
5. **Communication of Financial assistance.** Glenbeigh will include notices regarding the availability of financial assistance on its website, and in marketing and program-related materials, and in locations where there is a high volume of admission and or registration related activity. Glenbeigh will also

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provide notices regarding the availability of financial assistance to patients or guarantors when the patient responsibility portion of services rendered are billed to the patients or guarantors. The amount of financial assistance awarded annually will be reported in the community benefit disclosures, and the accounting for financial assistance shall comply with all accounting standards for financial assistance issued by the American Institute for Certified Public Accountants. In addition, this policy will be made available to the public.

6. **Confidentiality.** Consistent with Glenbeigh's overall policies on confidentiality with respect to our patients, the need for financial assistance may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity will be maintained for all who seek financial assistance. No information obtained in the financial assistance application process may be released unless the person providing the information gives express written permission.
7. **Responsible Staff.** Glenbeigh employees in the admissions and patient accounting areas will be fully versed in this financial assistance policy, have access to the application forms, and be able to answer questions regarding financial assistance. Glenbeigh staff with significant public and patient contact will be trained to understand the basic information related to the financial assistance policy and procedures. All Glenbeigh staff with public and patient contact will provide patients with printed material explaining the patient aid program.
8. **Uniformity.** All Glenbeigh programs will use the same financial assistance application process and criteria for eligibility on a program by program basis.
9. **Collection Activity.** Consistent with Glenbeigh's values and our mission, patient billing accounts will not be sent to collection agencies without giving the patient or other responsible payer the opportunity and adequate time to develop an alternative payment arrangement. If a financial assistance determination allows for a percentage reduction but leaves the patient with a self-pay balance, payment terms will be on an interest-free basis. In addition, Glenbeigh will not garnish wages or use liens on primary residences as a means of collecting unpaid bills.
10. **Definitions.** For policy implementation purposes, key terms are defined as follows:
 - **Application.** A complete application is required prior to the determination of eligibility for financial assistance. An application is effective for ninety days from the initial service date. Eligibility for financial assistance must be determined separately for each admission, unless the patient is readmitted within forty-five days of discharge for the same underlying condition. The patient or a legal representative is required to sign the application. An unsigned application can be deemed acceptable if the patient is physically unable to sign the application or does not live in the vicinity of the hospital and is unable to return a signed application by mail. In these situations, a Glenbeigh representative should complete all questions on the application, sign it and must document why the patient is unable to sign the application.
 - **Bad debts.** Bad debts are amounts due from a patient or patient's responsible party resulting from treatment for services provided to a patient and for whom the patient and/or patient's responsible

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party, having the requisite financial resources to pay for the treatment services, has demonstrated an unwillingness to pay a bill.

- **Contractual adjustments.** Contractual adjustments are the differences between the charge for services provided at the established rates and the amounts that will be collected for the services provided from an insurance company under the unique terms of the contract with the insurance company. The amounts that will be collected can differ for each third-party payor and are defined in the contract between Glenbeigh and the third-party payor.
- **Family.** A family shall include the patient, the patient's spouse (regardless of whether they live in the home), and all of the patient's children, natural or adoptive, under the age of eighteen who live in the home. If the income of a spouse or parent who does not live in the home cannot be obtained, or the absent spouse or parent does not contribute income to the family, determination of eligibility shall proceed with the available income information.
- **Financial assistance.** Financial assistance is that portion of a patient's bill for which the patient and/or patient's responsible party is legally required to pay to Glenbeigh and is forgiven by Glenbeigh based upon the patient and/or patient's responsible party providing documented evidence of a lack of ability to pay for the services provided. Financial assistance may provide for all or a portion of the patient's bill incurred for residential and/or outpatient treatment programs provided by Glenbeigh for which a third-party payor is not responsible and for which a patient (and/or the patient's responsible party is legally required to pay) has an inability to pay. Amounts considered as financial assistance do not include contractual adjustments or bad debts. Financial assistance may also be approved for unpaid coinsurance, deductibles and non-covered services if the patient meets the Glenbeigh financial assistance eligibility criteria. Financial assistance may be provided from funds that have been received by Glenbeigh from third parties and specifically designated for "financial assistance" or be provided from the operating cash flow of Glenbeigh.
- **Means Testing.** The determination of a patient's eligibility for financial assistance is made based upon a combination of four factors. A point value is assigned to each factor based upon the information provided. The amount of the financial assistance is based upon the sum of the point values for all four factors. The four factors are family income, equity in primary residence, other net assets and the number of dependents.
 - **Income.** Income shall be defined as total salaries, wages and cash receipts before taxes; receipts that reflect reasonable deductions for business expenses shall be counted for both farm and non-farm self-employment. Income can be calculated by either:
 - Multiplying by four the family's income for the three months preceding the date hospital services were provided; or
 - Using the family's income for the twelve months preceding the date hospital services were provided.

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- **Equity in primary residence.** Equity in primary residence shall be defined as the current market value of the primary residence less the sum of amounts due on all loans for which the primary residence is the collateral for the loan. The loans could include first mortgages and second mortgages (including, home equity loans and lines of credit).
- **Other net assets.** Other net assets shall be defined as the current account or market value of all other assets less outstanding loan amounts. The other assets include; however, are not limited to:
 - **Cash and cash equivalents.** Such as checking account(s), savings account(s), money market account(s), certificate of deposit account(s) and non-retirement investment account(s) – including stocks, bonds and mutual funds.
 - **Amounts due from others.** Such as income tax refunds, amounts loaned to others with the expectation of repayment and amounts due from others as a result of the sale of assets.
 - **Business and farm assets.** Such as the current value of investment property including farm land, rental property, and ownership interests in businesses.
 - **Collections.** Such as the current value of art, coin, stamps and antiques.

The other net assets are the sum of the above less outstanding loans for the acquisition of the above assets and outstanding unsecured loans (such as credit card debts).

- **Dependents.** The number of dependents within the patient's household includes the patient, spouse (or significant other), and dependent children.

Based on the sum of the points assigned to the patient specific information for each of the four factors, the patient financial assistance classification is determined.

Because of the disruptive impact on family income that can result from the behavior of alcoholics and addicts, Glenbeigh management will review all applications for financial assistance. Glenbeigh management can override financial assistance conclusions resulting from the above four factors for those patients with a history of significantly higher earnings or with the significantly higher earnings potential. Glenbeigh management may also make inquiries of credit reporting services and employers to confirm the information provided on the application.