

## LH-ADM1.1.110 - Luminis Health Financial Assistance Policy

**Scope:** This Luminis Health, Inc. (LH) policy applies to hospital services provided at Luminis Health Anne Arundel Medical Center, Inc. (LHAAMC), Luminis Health Doctors Community Medical Center, Inc. (LHDCMC), J. Kent McNew Medical Center (MMC), and Luminis Health Medical Group, only. This policy does not cover other providers, including some providers who deliver emergency and medically necessary care at LHAAMC, LHDCMC, MMC, and Pathways that are not members of Luminis Health Medical Group.

### Purpose:

The purpose of this policy is to promote equitable access to medically necessary hospital-based services by identifying and supporting patients who are unable to pay due to financial hardship. Luminis Health is committed to removing financial barriers to care and ensuring that financial assistance is offered consistently, compassionately, and in accordance with all applicable federal and Maryland state regulations.

This policy ensures:

- That patients with limited ability to pay are identified early—prior to or at the point of service—whenever possible
- That financial assistance eligibility is determined using clear and fair criteria, including income, household size, and asset thresholds as required by law
- That all determinations are made without discrimination on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, gender identity, genetic information, citizenship, immigration status, or disability
- That Luminis Health complies with Maryland Health-General §19-214.1, COMAR 10.37.10, and federal requirements under Internal Revenue Code §501(r)

This policy applies exclusively to financial assistance and does not address billing, collections, or payment plan structures, which are governed under a separate Billing and Collections Policy.

### Definitions:

**Amounts Generally Billed (AGB):** The average amount Luminis Health bills to insured patients for medically necessary services, as required by IRS §501(r).

**Emergency Medical Condition:** A medical condition manifesting with acute symptoms such that the absence of immediate medical attention could place the health of the individual in serious jeopardy, consistent with EMTALA requirements.

**Family/Household Size:** Includes the patient, spouse (regardless of joint filing), biological/adopted/ stepchildren, and anyone claimed as a dependent on federal or State tax returns.

**Federal Poverty Level (FPL):** Income thresholds issued annually by the U.S. Department of Health and Human Services used to determine financial eligibility for assistance programs.

**Financial Assistance (FA):** Full or partial discount on medically necessary hospital-based services provided to patients who meet eligibility criteria under this policy.

**Financial Hardship:** Medical debt (including copayments, coinsurance, and deductibles) incurred within a 12-month period that exceeds 25% of annual household income.

**Insured Patient:** An individual who has active third-party health coverage at the time of service, including commercial insurance, Medicare, Medicaid, or other governmental or private health plans.

**Medicaid Managed Care Organization (MCO):** A health plan contracted with the Maryland Medicaid program to provide covered benefits to enrollees.



**Medically Necessary Care:** Care directly related to diagnostic, preventive, curative, palliative, rehabilitative, or ameliorative treatment of an illness, injury, disability, or health condition; is consistent with accepted standards of good medical practice; and is not primarily for the convenience of the patient, the patient’s family, or the provider.

**Presumptive Eligibility:** A financial assistance determination made using predictive scoring tools, enrollment in public benefit programs, or other objective indicators without requiring a full application.

**Third Party Liability Claims:** Claims a patient may have against non-health insurers, another individual or entity that is responsible for the patient’s medical services.

**Uninsured Patient:** An individual who does not have active third-party health coverage at the time of service.

**Voluntary Self-Pay Balance:** A balance created when a patient with active health insurance chooses not to use their insurance coverage and elects to be self-pay.

### Policy Statements:

Luminis Health provides Medically Necessary care regardless of a patient’s ability to pay. Patients may qualify for financial assistance based on household income, family size, and other indicators of financial hardship. Financial assistance is provided in accordance with Maryland Health-General § 19-214.1, COMAR 10.37.10, and IRS §501(r).

### Procedures:

#### I. Eligibility Criteria

Patients may qualify for:

- **100% Financial Assistance (Free Care):** Luminis Health provides free Medically Necessary care to patients with household income at or below 200% of the Federal Poverty Level (FPL).
- **Reduce Cost Care:** Patients with income between 201% and 300% of the Federal Poverty Level (FPL) are eligible for a reduction in Medical Debt for Medically Necessary care as outlined below:
  - 201%-250% FPL - 75% Reduction
  - 251%-300% FPL - 60% Reduction
- **Financial Hardship Eligibility:** Patients with and without insurance having family income above 300 percent and up to 500 percent of the Federal Poverty Level (FPL) may qualify for financial assistance when the patient demonstrates Financial Hardship.
  - or purposes of this policy, Financial Hardship means that the patient or the patient’s family has incurred Medical Debt for Medically Necessary care within a 12-month period that exceeds 25 percent of the family’s gross household income.
  - When financial hardship is established, patients may be eligible for reduced-cost care according to the following minimum discount levels:
    - 301%-350% FPL- 50% reduction
    - 351%-400% FPL - 45% reduction
    - 401%-450% FPL -40% reduction
    - 451%-500% FPL - 35% reduction

If a patient is determined to be eligible for reduced-cost care due to financial hardship, the patient and any immediate family member living in the same household will remain eligible for reduced-cost medically necessary care at the same hospital for 12 months following the date of the initial qualifying service. Patients seeking Financial Assistance for Financial Hardship are required to submit documentation of expenses for review. Accounts meeting this definition will be considered for free or reduced-cost medically necessary care in accordance with Maryland Health-General §19-214.1.

- **Asset consideration:** Eligibility determinations may only consider household monetary assets exceeding \$100,000. Retirement accounts with IRS-recognized tax-preferred status, including qualified deferred compensation plans, shall be excluded.
- **Other Hardship Situations:** Financial assistance may also be provided for insured patients who demonstrate financial hardship, such as large balances after insurance or multiple cumulative medical bills.



- **Automatic Qualification:** Patients who have been determined eligible for Medicaid or another means-tested public assistance program are deemed to have met the income eligibility criteria for Financial Assistance. Financial Assistance may apply only to balances not covered by such programs and after required Medicaid screening has been completed, when applicable.
- **Payment Plans:** Interest-free payment plans are available to all patients, regardless of income, in accordance with Luminis Health’s Billing and Collections Policy.

Eligibility is subject to provider and service limitations outlined in Section XII.

### **Operational Addendums**

Detailed processes related to eligibility determinations, presumptive program criteria, and appeal workflows will be maintained in annual Financial Assistance Operational Addendums approved by Revenue Cycle leadership. These addendums are updated each fiscal year to reflect changes in federal poverty guidelines, state regulations, and internal practices. Staff must reference the current year addendums for specific procedures, asset evaluation guidance, program lists, and workflow steps.

### **Residency Requirement**

Financial Assistance is available to Maryland residents. At the discretion of Luminis Health, patients who are not Maryland residents may be considered for assistance only in the case of emergency medical conditions.

### **Immigration Status**

Eligibility for Financial Assistance will not be denied based on immigration status. Luminis Health complies with EMTALA and Maryland charity care laws and provides medically necessary emergency care without regard to immigration status.

## **II. Presumptive Eligibility**

Presumptive eligibility may be determined prior to, at the point of service, and/or before an account advances to a collection agency. Consideration is based on:

- Enrollment in means-tested public benefit programs as outlined below.
- Homelessness.
- Deceased patients with no estate.
- Predictive scoring tools using publicly available data to estimate income and household size.

### **Public Benefit Programs**

In accordance with Maryland Health-General §19-214.1, presumptive eligibility for free medically necessary care shall be granted to patients who are not eligible for Medicaid or CHIP and participate in one of the following programs:

- Free or reduced-price school meals (based on household income);
- Federal Supplemental Nutrition Assistance Program (SNAP);
- State Energy Assistance Program;
- Federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC);
- Any other social service program designated by the Maryland Department of Health or the Health Services Cost Review Commission (HSCRC).

### **Special Programs and Initiatives**

The following populations and programs are also covered:

- Prenatal diagnostic testing for uninsured, unregistered immigrants ineligible for Medicaid
- Referrals from the LHAAMC Outreach Free Clinic
- Patients approved under REACH or other local Department of Health initiatives

Patients meeting these criteria will be deemed presumptively eligible for free Medically Necessary care without requiring a completed financial assistance application.

## **III. Medicaid Screening Requirement**

If presumptive data or application responses suggest a patient is likely eligible for Medicaid, financial counseling staff must assist or refer the patient for screening. Patients found to be ineligible for Medicaid after the screening process is complete, may then qualify for Luminis Health financial assistance under this policy.

For scheduled procedures, if the Medicaid eligibility determination cannot be completed prior to the date of service, the patient will be screened for financial assistance to allow the service to proceed and Medicaid screening will continue concurrently. If the patient is subsequently determined to be eligible for Medicaid, any financial assistance adjustments will be retracted and the account will be billed to Medicaid.

#### **IV. Application-Based Financial Assistance**

Patients that do not qualify for Financial Assistance under the presumptive criteria may submit a Uniform Financial Assistance Application for consideration along with:

- Proof of income (e.g., pay stubs, tax returns)
- Proof of household size
- Supporting documentation of medical hardship, if applicable

#### **Processing Requirements**

- Eligibility determinations will be made within 14 days of receipt of a completed application.
- Billing and collection actions will be paused during the review of any completed application.
- Approved patients will have Financial Assistance will be applied to eligible services provided within 12 months before and 12 months following the approval date
- If amounts exceeding \$25 have been collected from a patient later found eligible for Financial Assistance, a refund shall be completed within 30 days of that determination.

Financial assistance will not be granted prospectively if the patient's financial condition materially improves (e.g., gain of insurance or employment). Luminis Health may conduct follow-up reviews or request updated information before applying financial assistance to future accounts.

All determinations will comply with Internal Revenue Code §501(r) requirements.

#### **V. Notification and Communication**

Luminis Health ensures that patients are informed of this policy in compliance with Maryland and federal requirements.

#### **Financial Assistance Information Sheet (Notice of Rights and Policy)**

- Luminis Health provides patients with a standardized Financial Assistance Information Sheet, which serves as both the required notice of the availability of financial assistance and the information sheet required under Maryland law.
- The Information Sheet:
  - Summarizes the hospital's financial assistance policy;
  - Describes patient rights and obligations with respect to hospital billing and collections;
  - Provides contact information for hospital staff available to assist patients and for the Maryland Medical Assistance Program;
  - States that physician services may be billed separately;
  - Informs patients of the right to request and receive a written estimate of charges for nonemergency services; and
  - Provides instructions for applying for financial assistance and appealing denials.
- The Information Sheet is provided:
  - Before discharge;
  - With each hospital bill;
  - With each written communication related to collections; and
  - Upon patient request.

#### **Acknowledgment of Receipt**

Prior to discharge, the hospital will obtain a signed and dated acknowledgment from the patient, the patient's family, or the patient's authorized representative confirming receipt of the Information Sheet.



- If the patient chooses not to apply at that time, the acknowledgment must state that they may still apply within 240 days of receiving the initial hospital bill.
- The acknowledgment is retained in accordance with recordkeeping requirements.

### Language Access

All notices will be in simplified language, in at least 10-point type, and provided in the patient's preferred language. If no preference is specified, notices will be provided in each language spoken by a limited-English-proficient population constituting at least 5% of the jurisdiction's population, as measured by the most recent census.

### VI. Appeals

Patients or their authorized representatives who disagree with a Financial Assistance eligibility determination may request a reconsideration of the decision by submitting an appeal.

Appeals should be submitted in writing within 30 days of the date of the eligibility determination notice. Patients may also submit a new Financial Assistance application at any time if new information becomes available.

Appeals may be submitted through one of the following methods:

- Written correspondence mailed to the Financial Assistance Office
- Email or secure electronic submission where available
- Submission of documentation with assistance from a Financial Counselor.

Upon receipt of an appeal, Luminis Health will conduct a secondary review of the Financial Assistance determination.

The appeal will be reviewed by an individual who was not involved in the original eligibility determination. Additional documentation may be requested if necessary to complete the review.

A written determination will be provided to the patient within 30 days of receipt of the appeal, unless additional information is required to complete the review.

Appeal determinations will be based on:

- Verification of household income and household size
- Review of documentation previously submitted
- Newly submitted supporting documentation
- Consideration of medical financial hardship when applicable

Possible outcomes of an appeal include:

- Approval of Financial Assistance
- Modification of the original Financial Assistance determination
- Confirmation of the original determination

The determination following appeal represents the final internal review of the specific eligibility determination under appeal.

Patients may also file a complaint with the Maryland Health Services Cost Review Commission or jointly with the Health Education and Advocacy Unit (HEAU) of the Maryland Attorney General's Office if they believe the hospital did not comply with applicable laws:

- Phone: 410-576-6300 | Email: [heau@oag.state.md.us](mailto:heau@oag.state.md.us)
- Mailing Address: 200 St. Paul Place, 16th Floor, Baltimore, MD 21202
- Website: <https://www.marylandattorneygeneral.gov/Pages/CPD/HEAU/default.aspx>

### VII. Record Retention

Documentation of all presumptive and application-based determinations will be retained for at least 7 years.

### VIII. Provider and Service Limitations

This policy applies only to hospital-based services billed by Luminis Health facilities. Financial assistance is not available for:

- Services provided by non-employed physicians or external providers who bill separately.
- Cosmetic or other non-medically necessary services.
- Voluntary self-pay balances for patients who have active insurance coverage but elect not to use it.



- Out-of-Network Insurance Coverage (Commercial and Medicaid MCOs): Financial assistance is not available for elective or non-emergent services provided to patients who have active health insurance coverage but seek care at Luminis Health that is not covered due to non-participation with their insurer. This includes patients enrolled in a Medicaid Managed Care Organization (MCO) for which Luminis Health is not a contracted provider. Such patients are expected to obtain care from in-network providers covered by their plan. Emergency services will be provided and billed in accordance with state and federal requirements.

Third Party Liability Claims

## IX. Oversight

This policy, together with the Luminis Health Debt Collection Policy, will be reviewed and approved by the Luminis Health Board of Directors at least every two years, or more frequently as required by law.

## XI. Annual Reporting

Luminis Health will continue to submit required annual Financial Assistance and Charity Care data to the Maryland Health Services Cost Review Commission. Reporting will include the number of financial assistance applications received, completed, approved, and denied; associated patient demographic data; and the total cost of free and reduced-cost care, as required under Health-General §19-214.1(j).

## XII. Federal Compliance - §501(r) Requirements

In accordance with Section 501(r) of the Internal Revenue Code, and as a condition of maintaining tax-exempt status under Section 501(c)(3), Luminis Health complies with all federal requirements related to financial assistance, billing, and collections for medically necessary care. These requirements apply in addition to Maryland State regulations and are outlined as follows:

### A. Financial Assistance Policy (FAP) Availability

The Financial Assistance Policy (FAP), application form, and a plain-language summary are publicly available:

- On the Luminis Health website in printable format
- At all hospital registration areas, Emergency Departments, and patient access points
- By mail, upon request

Materials are provided in English and other languages as required by federal limited English proficiency thresholds.

### B. Application Period

Patients may submit a financial assistance application up to 240 days from the date of the first post-discharge billing statement for the care received.

Applications submitted during this period will be reviewed, and eligible balances will be reduced in accordance with the policy.

### C. Billing and Collection Compliance

Luminis Health ensures compliance with §501(r)(5) and §501(r)(6) regarding charges and collection actions through a separate Billing and Collections Policy.

That policy includes:

- Limitations on charges for FAP-eligible individuals to no more than Amounts Generally Billed (AGB) to insured patients
- Prohibition of Extraordinary Collection Actions (ECAs) prior to completing reasonable efforts to determine financial assistance eligibility

Patients may request a copy of the Billing and Collections Policy or obtain it from the Luminis Health website or Financial Counseling Department.

## References:

### Maryland Law

- Health-General Article, Title 19, Subtitle 2, §19-214.1 - Financial Assistance Policies (as amended by Chapter 693, House Bill 268, effective October 1, 2025).
- Health-General Article, Title 19, Subtitle 2, §19-214.2 - Hospital Debt Collection Policies (as amended by Chapter 693, House Bill 268, effective October 1, 2025).

**HSCRC Regulations**

- Code of Maryland Regulations (COMAR) 10.37.10.26 - Charity Care.
- HSCRC Guidelines on Reporting of Financial Assistance and Charity Care.

**Federal Requirements**

- Internal Revenue Code §501(r) - Requirements for Charitable Hospital Organizations.
- IRS Regulations: 26 CFR §1.501(r)-1 through §1.501(r)-7.

**Cross References:**

- Luminis Health Billing and Collections Policy (LH-ADM1.1.91).
- Detailed processes, including asset evaluation criteria, presumptive eligibility programs, and appeals workflows, will be maintained in annual Financial Assistance operational addendums approved by Revenue Cycle leadership. These addendums are updated as regulations, federal poverty guidelines, or hospital practices evolve and will be available for staff reference

**Attachments:** None