

Effingham Health System	Operational Policy Title: BHG Patient Lending Financial Policy Department: Facility Wide Section: Finance	Implementation Date: 06/30/2021 Page 1 of 3
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Policy Statement

It shall be the policy of Effingham Health System (EHS) to offer financing to patients to pay for healthcare services. EHS shall refer patients that express a need or desire for financing for their healthcare services to Pinnacle Bank (Bank) and BHG Patient Lending, LLC (BHG PL) where they can apply to obtain a loan (BHG PL Loan). In an effort to facilitate BHG Loan originations, EHS will provide a credit enhancement for BHG PL applicants with a range of risk grades, as set by Controller and CFO, and will purchase any funded BHG PL Loans if they become 61 or more days delinquent. BHG PL will determine the applicant's risk grade using the BHG Risk Score (rScore). The rScore is BHG PL's proprietary risk scoring system, with scores ranging from 500-900. If approved and funded the BHG PL Loan is disbursed directly to EHS to help achieve its billing and revenue goals while still providing the best quality of care for its patients.

Purpose of Policy

It shall be the policy of EHS to refer patients to BHG PL solely to obtain financing BHG PL Loan for EHS healthcare services. A BHG Loan is a simple fixed-interest term loan, funded by the Bank, with an annual percentage rate (APR) determined by the applicant's risk grade. Loan amounts for referrals shall not exceed the expected cost of healthcare services, less any insurance coverage or other amounts already paid. Once referred to the BHG PL application portal, all patients in the risk grades accepted by EHS will be approved so long as they have a non-zero credit score and have no fraud or ID theft red flags. A minimum amount eligible for financing of no less than \$500.00 and the maximum amount eligible for financing of no greater than \$10,000.00. A minimum loan term of twelve (12) months and a maximum loan term of sixty (60) months is available for approved patients to select from. Patients who opt for automatic payments will receive a 1% reduction in the APR. EHS will not refer patients to the BHG PL for any purpose that would violate federal or state laws and regulations. The Bank will disburse all BHG PL Loan proceeds directly to EHS, less any agreed upon reserve amounts. The Bank will not provide any BHG PL Loan proceeds directly to the patient. Nothing in this policy shall contradict or supersede the EHS existing Financial Assistance policies or agreements or contractual obligations.

Procedures

A. Referrals

1. Referrals to the BHG PL application portal will generally occur during the discussion with the patient about payment options. When discussing a BHG PL application, EHS authorized personnel will request payments in the form of cash, credit card, or any other method that does not rely on a credit enhancement from EHS. EHS will obtain explicit verbal or written consent from the patient for referral to BHG PL.
2. EHS shall not refer any patient under the age of legal consent or any patient it believes is not in a state of competent mental capacity to make rational financial decisions, such as those under the influence of certain medications. EHS shall not refer any non-patients to

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BHG PL unless they are the legal guardian of the patient or are otherwise obligated to pay for the EHS healthcare services rendered to the patient.

3. Once EHS obtains consent from the patient, it will input certain required identifying information as well as the expected cost of healthcare services. EHS will, under no circumstances, provide BHG PL or the Bank with Personal Health Information (PHI).
4. Once the necessary information has been submitted to BHG PL, EHS will inform the patient that they will receive a link to the BHG PL application portal directly from BHG PL. At this point, it is the patients' responsibility to complete the application if they wish to obtain a BHG PL Loan.
5. EHS will notify BHG PL if they become aware of any changes to the expected cost of healthcare services, which would affect the loan amount. EHS shall provide documentation of the change in cost to BHG PL. BHG PL is responsible for notifying the patient of the update to the cost and its effect on the term of the BHG PL Loan.

B. Patient Account

1. If the patient funds a BHG PL Loan, the Bank typically disburses BHG PL Loan proceeds to EHS, less any reserve amount deduction amount deductions, two business days after BGH PL Loan origination. If EHS has not received BHG PL origination proceeds by the third business day after BHG PL Loan origination, EHS shall contact BHG PL to determine status of the funds.
2. Once EHS receives the BHG PL Loan proceeds, it will apply the full loan amount, regardless of reserve amounts held by Bank, to the account receivable for the healthcare services provided to the patient. EHS will consider the account receivable pai-in-full, except in cases when an unexpected change of costs results in a BHG PL Loan amount insufficient to offset the cost of healthcare services.

C. Fair Lending

1. EHS must approach all aspects of the BHG PL referral process in a fair and non-discriminatory manner and in full compliance with the Federal Equal Credit Opportunity Act as well as all applicable state-based fair lending laws. EHS must not discriminate in any aspect of a credit transaction based on a patient's Race, Color, Religion, National Origin, Sex, Marital Status, Age, whether they receive Public Assistance Income, or have exercised their rights under the Consumer Credit Production Act, or any additional state-based prohibited bases.
2. Consistent with all other aspects of this policy, EHS will make the BHG PL available to all qualified patients, without regard to a patient's perceived chances of approval. The Bank will make its credit decision at its sole discretion, and EHS must not assume, imply, or infer any credit decision on its own.

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3. The Bank will provide declined patients with an Adverse Action Notice and declined patients must pay for EHS healthcare services through some other means.

D. Complaints and Issues

1. All complaints and issues about EHS received by BHG PL or the Bank will be forwarded to EHS. EHS will respond to the complaint according to its BHG Patient Leading Financial Policy.
2. EHS must forward all complaints and issues about BHG PL, the bank, the BHG PL application, or the BHG PL Loan to BHG PL immediately. EHS shall provide any information, consistent with this Policy, needed to resolve the complaint or issue. Upon, EHS 's request, BHG PL shall provide documentation of the complaint or issue status or resolution. Complaints and issues about BHG PL, the Bank, the BHG PL application, or the BHG PL Loan will be reported to EHS, who may elect to suspend referrals to BHG PL until such complaints or issues are corrected.

E. Privacy

1. EHS will, in accordance with HIPAA and all other applicable laws and regulations, safeguard patients' personal and health information. EHS will only share this information with BHG PL and the Bank if there is a permissible purpose and only to the extent necessary to facilitate the application referral. BHG PL or the Bank must safeguard patients' information to at least the same extent EHS does. If at any time EHS believes BHG PL or the Bank are not protecting patients' information sufficiently, EHS will cease referring patients to the BHG PL application portal until such time as the issue is resolved.

Original Implementation Date: 06/30/2021
Revision Date (s): 06/30/2021
Review Date (s): 06/30/2021
Cross Reference(s): Helping Hands Financial Assistance Policy, Catastrophic & Mega Balance Policy

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Policy Statement

It shall be the policy of Effingham Health System to provide a discount for employees or on-site contractors, and their eligible dependents, receiving healthcare services through the hospital, physician practices, or Care Center.

Policy Specifics

Discounts are applicable to patient responsibility balances only, not co-pays.

Dependents are considered eligible if they are immediate family members residing in the same household (immediate family is defined as spouse or children of employee or full-time, on-site contractor).

Full time classification is defined as regularly scheduled for work, 32 to 40 hours per week, and qualifies for a 55% discount on the patient responsibility balance, excluding co-pays.

Part time classification is defined as regularly scheduled for work at least 16 hours per week, not to exceed 32 hours per week, and qualifies for a 25% discount on the patient responsibility balance, excluding co-pays.

PRN classification is defined as utilized on an as-needed basis for an undefined period and qualifies for a 10% discount on the patient responsibility balance, excluding co-pays.

Employee/contractor status is verified with the Human Resources Department.

Original Implementation Date: 10/01/2007
Revised Date(s): 07/01/2008; 07/19/2013; 03/01/2015; 10/01/2015;
04/01/2016; 07/09/2021
Review Date(s): 04/01/2018; 03/26/2019; 03/26/2021

Cross Reference(s): HR Policies, Finance Policy
Attachment(s):