

Subject:	Originally <u>Issued</u>	Date of This <u>Revision</u>	<u>Page</u>	<u>No.</u>
FINANCIAL ASSISTANCE/CHARITY CARE POLICY	<i>original policy date</i>	4/29/16		

POLICY STATEMENT:

In order to serve the health care needs of our community, McKenzie-Willamette Medical Center will provide financial assistance/charity care to patients without financial means to pay for *Inpatient, Observation and Emergency Room hospital services.*

Financial Assistance/Charity care will be provided to all patients without regard to race, creed, color, or national origin and who are classified as financially indigent according to the hospital's eligibility criteria.

If there are state specific laws that conflict with any portion of this policy, those sections have been identified and edited to comply with said law. In addition, attached to this policy are copies of each law as verification of requirements.

PURPOSE:

To properly identify those patients who are financially indigent, who do not qualify for state and/or government assistance, and to provide assistance with their Inpatient and Emergency Room medical expenses under the guidelines for Financial Assistance/Charity Care.

ELIGIBILITY FOR FINANCIAL ASSISTANCE/CHARITY CARE

1. FINANCIALLY INDIGENT:

- A. A financially indigent patient is a person who is uninsured and is accepted for care with no obligation or a discounted obligation to pay for services rendered based on the hospital's eligibility criteria as set forth in this Policy.
- B. To be eligible for charity care as a financially indigent patient, the patient's total household income shall be at or below 100% of the current Federal Poverty Income Guidelines. The hospital may consider other financial assets and liabilities for the person when determining eligibility.
- C. The hospital will use the most current Federal Poverty Income Guideline issued by the U.S. Department of Health and Human Services to determine an

individual's eligibility for charity care as a financially indigent patient. The Federal Poverty Income Guidelines are published in the Federal Register in January or February of each year and for the purposes of this Process will become effective the first day of the month following the month of publication.

- D. In no event will the hospital establish eligibility criteria for financially indigent patients which sets the income level for charity care lower than that required for counties under the State Indigent Health Care and Treatment Act, or higher than 100% of the current Federal Poverty Income Guidelines. However, the hospital may adjust the eligibility criteria from time to time based on the financial resources of the hospital and as necessary to meet the charity care needs of the community.
- E. Patients covered by out of state Medicaid where the hospital is not an authorized provider and where the out of state Medicaid enrollment or reimbursement makes it prohibitive for the hospital to become a provider, will be eligible for charity upon verification of Medicaid coverage for the service dates, since they will be considered uninsured. No other documents will be required in order to approve the charity application. The patient will not be required to make a formal financial assistance/charity application. The hospital may submit the application and verification of Medicaid coverage as proof of qualification.

2. MEDICALLY INDIGENT:

- A. A medically indigent patient is a person whose medical bills after payment by third party payers exceed a specified percentage of the person's annual gross income and who is unable to pay the remaining bill.
- B. Patients covered under state Medical Assistance programs that owe copayments or have a 'spend down' amount are excluded from being considered for financial assistance/charity care. Payment of copayments and spend down amounts are a condition of coverage and should not be written off or discounted.
- C. Medically indigent patients are not eligible for charity care due to having third party coverage for their medical bills.

THE PROCESS

1. Identification of Charity Cases:

- A. The hospital maintains posted signs, in English, *Exhibit "A"* and Spanish, *Exhibit "B"*, one in each admitting offices and one in the emergency lobby that inform customers that charity care is available and what are the charity care criteria. **(SIGNS WILL BE POSTED ONLY IF STATE REQUIRES or if hospital has participated in the Hill Burton Program and will comply with hospital state laws which will be attached to this policy)**

- B. All uninsured patients will be provided the income and family size criteria for qualifying for charity and if they meet the income requirements will be asked to complete the Financial Assistance form "FA", *Exhibit "C"*, during the registration or financial counseling process.
- C. Where required by state law, (copy attached if applicable) hospital will provide written information about the availability of financial assistance/charity care during the registration process.
- D. Where required by state law, (copy attached if applicable) hospital will post information regarding the availability of charity care on the hospital's web site.
- E. Where required by state law, (copy attached if applicable) hospital will provide information on all billing notices about the availability of financial assistance/charity care.
- F. All uninsured patients will be screened for potential Medicaid eligibility as well as coverage by other sources, including governmental programs. During this screening process an "FA" will be completed if it is determined that the patient does not appear to qualify for coverage under any program.
- G. The "FA" will be sent to the Business Office for final determination by the Financial Counselor or Business Office Manager.
- H. If the Financial Counselor determines through the application and documented support that the patient qualifies for financial assistance/charity care she/he will give the completed and approved "FA" to the Business Office Director for approval authorization, prior to write off.
- I. The following documents will be required to process the application: current monthly expenses/bills, previous year's income tax return, current employers check stub, proof of any other income, bank statements for prior 3 months, and all other medical bills. The hospital has the option to pull a credit report to verify information and determine if there are credit cards with available credit that the balance, or portion thereof, could be charged to the credit card. Where patient/guarantor indicates no income, no bank account or does not file taxes, a credit report is required and must be reviewed to determine if there is conflicting information that indicates income. However, if the patient is covered by Medicaid or other similar State or Federal programs (such as Family Planning) a credit report would not be required since income verification has already been validated in order for the patient to be covered under such program. Unless the patient can explain why the credit report reflects conflicting information such as open lines of credit that are current, mortgage loans that are current, credit cards that are current (any one or combination), or credit scores above 600, the charity care application will be denied. Acceptable explanations such as recent loss of employment must be supported through documentation such as termination letter or a letter from prior employer stating that the patient/guarantor is no longer employed as of (date). Low credit scores (below 500) will be indication of support for statements such as 'do not file taxes or have no bank account'. Where the patient/guarantor indicates they do not file federal tax returns, the hospital will

request that the patient/guarantor complete IRS form 4506-T (Request for Transcript of Tax Return). The patient/guarantor should complete lines 1-5 after the hospital has completed lines 6-9. Hospital will complete line 6 by entering '1040', will check boxes 6(a) and box 7. In box 9, hospital will enter prior year and prior 3 years. (Exhibit F-example and a blank form).

- J. The Financial Counselor will contact any vendor who may be working the account, to stop all collection efforts on the account.
- K. Once approved for Financial Assistance/Charity, the account will be moved to the appropriate financial class until the adjustment is processed and posted/credited to the account. After the adjustment is posted, if there is a remaining balance due from the patient, the financial class will be changed to self pay.
- L. If the "FA" is incomplete it will be the responsibility of the Financial Counselor to contact the patient via mail or phone to obtain the required information.
- M. Applications that remain incomplete after 30 days of 'request of information', and determination has been made that patient does not qualify for Medicaid, may be denied or submitted to the CFO for their consideration/approval. (see # 4 on Page 5)
- N. The application may be reopened and reconsidered for financial assistance/charity once the required information is received.
- O. The Business Office Director, Assistant BOM or Patient Access Manager is responsible for reviewing every application to make sure required documents are attached, prior to submitting to CFO or CEO for review and approval. All fields on the application must be completed properly. Drawing lines through fields such as income is not appropriate. If the income is zero, zeros must be entered.
- P. Medicaid patients who receive covered IP and ER services that meet Medicare medical necessity, but have exhausted state benefit limits (IE limited IP days or limited annual ER visits, for example), limits or have limited Medicaid coverage, such as family planning, will not be required to provide any supporting documents providing verification of Medicaid coverage for the service dates is completed.
- Q. Once an account has been written off to bad debt, the patient will not be allowed to apply for Financial Assistance/Charity Assistance.

2. FACTOR TO BE CONSIDERED FOR CHARITY DETERMINATION

- A. The following factors are to be considered in determining the eligibility of the patient for charity care:
 - 1. Gross Income
 - 2. Family Size

3. Employment status and future earning capacity
 4. Other financial resources
 5. Other financial obligations
 6. The amount and frequency of hospital and other medical bills
- B. The income guidelines necessary to determine the eligibility for charity are attached on *Exhibit "D"*. The current Federal Poverty Guidelines are attached as *Exhibit "E"* and they include the definition of the following:
1. Family
 2. Income

3. FAILURE TO PROVIDE APPROPRIATE INFORMATION

- A. Failure to provide information necessary to complete a financial assessment within 30 days of the request may result in a negative determination.
- B. The account may be reconsidered upon receipt of the required information, providing the account has not been written off to bad debt.

4. EXCEPTION TO DOCUMENTATION REQUIREMENTS

The CFO may waive the documentation requirements and approve a case for Financial Assistance/Charity Care; at his/her sole discretion based on their belief the patient does/should qualify for charity. The amount or percentage of charity care discount will be left to the CFO's discretion. Waiver of the documentation requirements should be noted in the comments section on the patient's account, as well as the percent or dollar amount approved for Charity adjustment, printed out and attached to the Financial Assistance (FA) form.

5. TIME FRAME FOR ELIGIBILITY DETERMINATION

A determination of eligibility will be made by the Business Office within 30 working days after the receipt of all information necessary to make a determination.

6. DOCUMENTATION OF ELIGIBILITY DETERMINATION AND APPROVAL OF WRITE-OFF

Once the eligibility determination has been made, the results will be documented in the comments section on the patient's account and the completed and approved "FA" will be filed attached to the adjustment sheet and maintained for audit purposes. The CEO, CFO, BOM will signify their review and approval of the write-off by signing the adjustment sheet/form or the electronic adjustment routing and approval process. The signature requirements will be based on the QHC financial policy for approving adjustments.

7. REPORTING OF CHARITY CARE

Information regarding the amount of charity care provided by the hospital, based on the hospital's fiscal year, shall be aggregated and included in the annual report filed with the Bureau of State Health Data and Process Analysis at the State Department of Health. These reports also will include information concerning the provision of government sponsored indigent health care and other county benefits. (Only for those states that require).

8. POLICY REVIEW AND APPROVAL

The below individuals have read and approved this policy:

 _____ Hospital CEO	<u>5/22/16</u> Date
 _____ Hospital CFO	<u>5/22/16</u> Date
 _____ Corporate VP, Patient Financial Services	<u>6-6-16</u> Date
 _____ Division VP, Finance	<u>6-6-16</u> Date

Exhibit A
Example of 'Availability of Charity Care" Sign-English Version

CHARITY CARE POLICY

This hospital will provide care to persons who are unable to pay for their care.

In order to be eligible for charity care, you must:

- **Have no other source of payment such as insurance, governmental assistance or savings; or**
- **Have hospital bills beyond your financial resources; and**
- **Provide proof of income and income resources; and**
- **Complete an application and provide information required by the hospital.**

Forms and information about applying for charity care are available upon request.

Exhibit B
Example of 'Availability of Charity Care' Sign-Spanish Version

REGLAS PARA SERVICIOS DE CARIDAD

El hospital ofrece servicios gratuitos a personas que no pueden pagar por su atención médica.

Para obtener derecho a servicios caritativos, se necesita tener los siguientes requisitos:

No tener otro medio de pagar, por ejemplo, seguro médico, asistencia del gobierno federal, o sus propios ahorros o bienes

Tener cuentas de hospital que estén más allá de sus recursos económicos.

También hay que:

Presentar pruebas de sus ingresos y recursos económicos

Completar la solicitud de servicio y dar la información que le pide al hospital.

Formularios con información y datos tocante a la solicitud de servicios caritativos se proveerán. A aquellos individuos interesados.

Exhibit C
Financial Assistance Form
(Hospital Name)
Charity Care/Financial Assistance Program Application

Page 1 of 2

Patient Account Number: _____ Date of Application _____

PATIENT INFORMATION

PARENT/GUARANTOR/SPOUSE

Name _____

Name _____

Address _____

Address _____

City _____

City _____

State/Zip _____

State/Zip _____

SS# _____

SS# _____

Employer _____

Employer _____

Address _____

Address _____

City _____

City _____

State/Zip _____

State/Zip _____

Work Phone _____

Work Phone _____

Length of Employment _____

Length of Employment _____

Supervisor _____

Supervisor _____

RESOURCES

Checking: yes___ no___ Vehicle 1: Yr _____ Make _____ Model _____

Savings: yes___ no___ Vehicle 2: Yr _____ Make _____ Model _____

Vehicle 3: Yr _____ Make _____ Model _____

Cash on hand: \$ _____

**Exhibit C (continued)
Charity Care/Financial Assistance Program Application**

INCOME

Patient/Guarantor: Wages(monthly): _____	Spouse/Second Parent: Wages(monthly): _____
Other Income: Child Support: \$ _____	Other Income: Child Support: \$ _____
VA Benefits: \$ _____	VA Benefits: \$ _____
Workers' Comp: \$ _____	Workers' Comp: \$ _____
SSI: \$ _____	SSI: \$ _____
Other: \$ _____	Other: \$ _____

LIVING ARRANGEMENTS

Rent _____ Own _____ Other (explain) _____

Landlord/Mortgage Holder: _____

Phone Number _____ Monthly payment \$ _____

REQUIRED DOCUMENTS

The following documents must be attached to process your application for Charity Care/Financial Assistance:

Proof of Income: Prior year income tax return, last 3 months bank statements, last 4 pay check stubs, if applicable, or a letter from employer, or letter from Social Security, etc. Other documents as requested.

Proof of Expenses: Copy of mortgage payment or rental agreement, copies of all monthly bills (including credit cards, bank loans, car loans, insurance payments, utilities, cable and cell phones). Other documents as requested.

The information provided in this application is subject to verification by the hospital and has been provided to determine my ability to pay my debt. I understand that any false information provided by me will result in denial of any financial assistance by the hospital.

The Hospital reserves the right to pull a copy of your credit report.

Signature of Applicant _____

Hospital Representative Completing Application: _____

The below signatures is indication of your review of the application and supporting documentation and that you find the information to meet policy requirements.

Approval/Authorization of Charity Write-Off _____ **Amount Approved \$** _____

BOM _____

CEO _____
CFO _____

Exhibit D
(EXAMPLE-remove this line from your final approved policy)
Income Guidelines for Determining % of Charity Care Discount
(For Financially Indigent Patients)

Based on Current Year's Federal Poverty Income Guidelines

<u>% of Poverty Income</u>	<u>Discount from charges</u>
Equal to or Below Poverty	100%

The above is intended to provide an example of what a hospital might want to consider and is not the standard income or charity discounts suggested. Hospitals should discuss with their Division VP of Finance Hospitals should remove this paragraph from their final approved policy.

**Exhibit E
Federal Poverty Income Guidelines 2016**

**2016 Federal Poverty Income Guidelines for the
48 Contiguous States and the District of Columbia**

Persons in family/household	Poverty Income Guideline
1	\$11,770
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,890
For families/households with more than 8 persons, add \$4,160 for each additional person.	

**2016 Federal Poverty Income Guidelines for
Alaska**

Persons in family/household	Poverty Income Guideline
1	\$14,840
2	20,020
3	25,220
4	30,380
5	35,560
6	40,740
7	45,920
8	51,120
For families/households with more than 8 persons, add \$5,200 for each additional person.	

**2016 Federal Poverty Income Guidelines for
Hawaii**

Persons in family/household	Poverty Income Guideline
1	\$13,670
2	18,430
3	23,190
4	27,950
5	32,710
6	37,470
7	42,230
8	47,010
For families/households with more than 8 persons, add \$4,780 for each additional person.	

EXHIBIT F

(Attach IRS Form 4506-T blank form and example of completed form)