

POLICY

Financial Assistance (Charity Care)

Version: 2

Category: Non Clinical; Organizational

Sub-category: Revenue Cycle

Document Type: Policy

Status: Approval

Last Reviewed: 07/27/2022

PURPOSE: In furtherance of its charitable purpose, Yakima Valley Memorial Hospital Association (“YVMH”) is committed to providing emergency and Medically Necessary Care to all persons in need of such care regardless of their ability to pay. YVMH shall provide financial assistance to eligible patients in conformance with federal and state law.

SCOPE: This policy applies to YVMH hospital and eligible clinic services. For information on eligible clinic services, visit www.yakimamemorial.org or call Business Services at (509) 575-8255.

POLICY:

1. Financial Assistance shall be available and without discrimination as to race, color, creed, national origin, religion, sex, sexual orientation, disability, age, source of income, or any other class protected by federal or Washington state law.
2. Financial assistance-eligible patients will be charged less than gross charges for Medically Necessary Care using the AGB “look-back” method.
3. Patients with primary residency in Yakima, Kittitas, or Klickitat Counties and with gross family Income at or below three hundred percent (300%) of the federal poverty guidelines adjusted for family size may be eligible for Financial Assistance at a 100% discount. YVMH does not consider assets as part of the final determination for Financial Assistance.
4. Notice advising patients that YVMH provides Financial Assistance shall be posted and prominently displayed in admitting and registration areas of the YVMH hospital and clinic locations, including the Front Desk areas and the Emergency Department. For purposes of this policy, “admitting and registration” means those areas where a patient’s Third-Party Coverage and/or payment information is requested in connection with the provision of Medically Necessary Care. Written information about Financial Assistance, including YVMH’s Financial Assistance policy, plain language summary of the policy, and/or its Financial Assistance application, shall be made available to patients at admitting or registration, on YVMH’s website, and any time upon request, as required by state and federal law. Notice concerning Financial Assistance is also available in YVMH’s patient brochures regarding fees and billing. Notices and written information concerning Financial Assistance shall be provided in the primary language of any population that constitutes more than five percent (5%) or 1,000 of the residents of the community served by YVMH, whichever is less, and interpreted for other patients who cannot understand the notices, written information, and/or verbal explanations thereof.
5. YVMH patient billing statements and other written communications to patients concerning billing or collection for Medically Necessary Care shall include a statement about the availability of Financial Assistance prominently displayed on the first page of the statement in both English and the second most spoken language in YVMH’s service area.

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6. Patients must first exhaust all Third-Party Coverage and other funding sources for which they may be eligible before they will be eligible for Financial Assistance. YVMH reserves the right to require confirmation that a patient is ineligible for Third-Party Coverage and other alternative funding sources, including, without limitation, written denials (or oral denials followed by documentation) from applicable Third-Party Coverage and other funding sources.
7. Financial Assistance eligibility excludes persons coming from outside Yakima, Kittitas, or Klickitat Counties solely seeking medical services. For purposes of this policy, patients are considered eligible if, prior to the beginning of their course of care, their primary residence is located within Yakima, Kittitas, or Klickitat Counties. Exceptions to the residency requirement in this Financial Assistance policy are:
 - (a) All patients who have an emergency medical condition, consistent with applicable federal and state laws and regulations
 - (b) Refugees, asylees, and those seeking asylum who possess and can present United States Citizenship and Immigration Services (USCIS) documentation.
8. YVMH staff shall make an initial determination of a patient's eligibility for financial assistance based on oral information provided by the patient prior to admission, at the time of patient appointment, as soon as possible following the initiation of services to the patient, or at any time upon learning facts that would indicate a patient's inability to pay for Medically Necessary Care.
9. YVMH will identify patients who may be eligible for coverage, including retroactive coverage for Medicaid or the Washington Health Benefit exchange. YVMH will assist Medicaid eligible patients in applying for coverage.
10. Business Services staff will make a final determination of a patient's eligibility for Financial Assistance based on information provided by the patient in the form of a Financial Assistance Application and Income verification. All information regarding a patient's Financial Assistance application will be kept confidential. In the event that the patient is not able to provide certain documentation requested on the Financial Assistance application, YVMH may rely upon a written and signed statement from the patient specifying the necessary information to make a final determination of eligibility for Financial Assistance.
11. Only Medically Necessary Care will be eligible for Financial Assistance. Financial Assistance eligibility excludes treatments provided under experimental and/or investigational protocols and outpatient pharmacy, equipment and supplies which are unrelated to medical services. Any questions regarding the Medical Necessity of care will be referred to YVMH's Chief Medical Officer or designee for final determination.
12. YVMH will make a final eligibility determination and notify the patient within fourteen (14) days of receipt of all required financial information. YVMH shall include information on appeal procedures for those denied Financial Assistance.

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13. Should care be determined as qualifying for Financial Assistance under this policy after payment has been made by the patient, any payments in excess of the amount determined to be appropriate under this policy shall be refunded to the patient within 30 days of Financial Assistance determination.
14. The patient/guarantor may appeal a denial of eligibility within 30 days of the determination by correcting any deficiencies in documentation or requesting review of the denial by YVMH's Financial Assistance Appeal team. Billing and collection efforts will be suspended pending the final determination of eligibility and during the appeal process, provided the patient is cooperative with YVMH's efforts to reach a final determination of Financial Assistance eligibility. If the appeal determination affirms the previous denial of Financial Assistance, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.
15. Full or partial discounts may be provided to patients who are not otherwise eligible for Financial Assistance. Such discounts may be provided to patients with catastrophic costs or conditions when circumstances as determined by YVMH indicate that full payment may cause extraordinary financial hardship to the patient or the patient's family. YVMH shall determine, on a case-by-case basis, whether a patient qualifies as Medically Indigent pursuant to this policy and shall, through Patient Financial Services, determine the amount of the discount, if any. Determinations shall be made expeditiously after submission of financial information by the patient but shall not be subject to any appeal rights.
16. In the event of non-payment, YVMH reserves the right to engage 3rd party collection agencies to collect on unpaid amounts owed in accordance with its billing and collection policies. For information on YVMH's billing and collections policies, please contact Business Services at (509) 575-8255 for more information and to receive a free copy.
17. Some physicians or similarly credentialed medical providers rendering care to YVMH patients in the hospital may offer financial assistance but are not obligated to do so under this policy. Patients may obtain information concerning which providers are or are not covered by this policy by visiting YVMH's website at www.yakimamemorial.org or by calling Business Services at (509) 575-8255 to receive a free copy.

DEFINITIONS:

- **Amounts Generally Billed (AGB):** Financial assistance-eligible patients will not be charged more for emergency, or Medically Necessary Care than the amounts generally billed to individuals who have insurance covering such care by using the AGB "look-back" method described in Treas. Reg. Section 1.501(r)-5(b)(3). This look-back method bases AGB on fully paid hospital claims allowed under Medicare fee-for-service and by commercial payers (including both the amount that would be reimbursed by Medicare or a commercial payer and the amount the beneficiary would be personally responsible for paying in the form of co-payments, co-insurance, and deductibles) during the 12-month period from January 1 through December 31 of each year. YVMH divides the sum of total payments made by these payers by the sum of total hospital charges to identify the "AGB percentage" that is used

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once calculated but not more than 120 days after the end of the 12-month lookback period. Information on the AGB percentage used by YVMH and how the percentage is calculated can be obtained by calling Business Services at (509) 575-8255 to request a free copy.

- **Family Unit:** a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as member of one family (WAC 246-453-01).
- **Financial Assistance:** Financial Assistance is provided in the hospital or clinic setting for no fee or a discounted fee, based on the patient's demonstrated inability to pay, when Third-Party Coverage and other funding sources, if any, have been exhausted. With the exception of emergency and urgent care, this care should be planned for and approved before the delivery of care. YVMH reserves the right to limit Financial Assistance to hospital services in accordance with state and federal law.
- **Financial Assistance Application form (aka Confidential Financial Statement):** A confidential disclosure of patient financial status to permit YVMH to make a final determination of a patient's eligibility for Financial Assistance.
- **Income:** Defined per WAC 246-453-010(17) as total cash before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony and net earnings from business and investment activities.
- **Medically Indigent:** Persons who are generally not eligible for free or discounted care under this Financial Assistance policy but who YVMH may determine to have catastrophic costs or conditions which may cause extraordinary financial hardship to the patient or the patient's family.
- **Medically Necessary Care:** Medically necessary hospital or clinic health care services or supplies that are determined by YVMH to be:
 - Consistent with the illness, injury or condition of the patient;
 - The most appropriate supply or level of service which can safely be provided;
 - There is no other equally effective, more conservative or substantially less costly course of treatment available or suitable to the person requesting the services;
 - In accordance with generally accepted medical or surgical practice guidelines;
 - Not primarily cosmetic, purely elective or primarily for the convenience of the patient; and
 - Not considered experimental and/or related to investigational protocols or research studies/services.
- **Residency:** For the purposes of Financial Assistance eligibility, patients must be able to provide proof of residency within Yakima, Kittitas, or Klickitat Counties.

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- **Should/May:** Indicates that staff may use his/her own judgment regarding compliance with actions described or defined.
- **Staff, Staff Member:** Employees of YVMH to whom YVMH issues IRS Forms W-2, including employed professional staff.
- **Third-Party Coverage:** An obligation on the part of an insurance company, health care service contractor, health maintenance organization, group health plan, government program, tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A, to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received Medically Necessary Care. The pendency of such settlements, judgments, or awards may not stay YVMH’s obligations to consider an eligible patient for Financial Assistance. Examples of Third-Party Coverage include:
 - Group or individual medical plans
 - Worker’s compensation plans
 - Medicaid program (patient should have proof of denial)
 - Medicare
 - Other state, federal or military programs
 - Third party liability (i.e., auto accidents, personal injury)
 - Any other persons or entities who have legal responsibility to pay for the medical service
 - Health saving account (HSA) funds. YVMH may require a responsible party to fully utilize any available funds from HSA to satisfy outstanding balances.
- **Will:** Indicates that staff must comply with action(s) described or defined.

REFERENCES:

Regulatory Source(s): DOH & Internal Revenue Service

Regulatory Citation Number(s): RCW 70.170.060; WAC 246-453; Internal Revenue Code §501(r) and Treasury Regulations thereunder; SHB 1616

Citation Title: Charity Care; Hospital Charity Care; Additional Requirements for Certain Hospitals

KEYWORDS: Financial Assistance, Charity Care

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Sponsor:	Susan Sauder, VP, CFO		
Authored By:	Jamon Rivera, Sr. Dir. Rev Ops	Date:	11/1/2016

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Revised By:	Danielle Lyzanchuk, Director Revenue Cycle	Date:	7/7/2022
Approved By:	YVMH Executive Leadership Policy Committee YVMH Board of Directors WA State Department of Health	Date:	9/20/2018; 7/27/2022 7/19/2022 11/27/2018; TBD 10/30/2018; TBD
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Approved