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 Owner: *Krista Zabreznik: Business Office Manager*
 Department: *Patient Accounts*
 Category:

Charity Care/Financial Assistance

POLICY:

In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, are established.

DEFINITIONS:

"Appropriate hospital-based medical services" is defined as those hospital services which are reasonably calculated to diagnose, correct, cure, alleviate or prevent the worsening of conditions that endanger life or cause suffering or pain or result in illness or infirmity or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction and there is no other equally effective more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. For purpose of this section "course of treatment" may include mere observation or, where appropriate, no treatment at all. (WAC 246-453-010).

"Indigent persons" is defined as those patients who have exhausted any third party payment, including Medicare and Medicaid, and whose income is equal to or below 300% of the current federal poverty standards, adjusted for family size or otherwise not sufficient to enable them to pay for the care or to pay deductibles or co-insurance amounts required by a third party payor. (WAC 246-453-010).

"Income" is defines as total cash receipts before taxes derived from wages and salaries. Examples such as, but are not limited to, welfare, payments, social security payments, strike benefits, unemployment or disability benefits, child support, alimony, and earnings from business and investment activities paid to the guarantor or responsible parties (WAC 246-453-010)

Charity care recipients would be allowed to retain the same non-exempt resources they would retain under the Medicaid program guidelines.

"Partial charity" is defined as a portion of medical charges that can be available under appropriate circumstances, even if a qualification for total charity care does not exist. In addition, "Medicaid liabilities" or share of cost and Medicare deductibles may be considered for charity eligibility.

PROCEDURE:

COMMUNICATIONS TO THE PUBLIC:

North Valley Hospital's charity care policy shall be made publicly available through the following elements:

1. A notice advising patients that North Valley Hospital provides charity care shall be posted in key areas of the hospital, including Admissions, the Emergency Department, Billing and Financial Services.
2. North Valley Hospital will concurrently distribute a written notice indicating the policy to patients at the time that North Valley Hospital requests information pertaining to third party coverage. This written information shall also be verbally explained at this time. If for some reason, for example in an emergency situation, the patient is not notified of the existence of charity care before receiving treatment; he/she shall be notified in writing or by telephone as soon as possible thereafter.
3. Both the written information and the verbal explanation shall be available in any language spoken by more than ten percent of the population in North Valley Hospital's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation. North Valley Hospital finds that the following non-English translation(s) of this document shall be made available in **Spanish**.
4. North Valley Hospital shall train front-line staff to answer charity care questions effectively or direct such inquires to the appropriate department in a timely manner.
5. Written information about North Valley Hospital's Charity Care Policy shall be made available to any person who requests the information, either by mail, by telephone or in person. The hospital's sliding fee schedule, if applicable, shall be made available upon request.

ELIGIBILITY CRITERIA:

Charity care is generally secondary to all other financial resources available to the patient, group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situations in which another person or entity may have a legal responsibility to pay for the costs of medical services.

The medically indigent patient will be granted charity care regardless of race, color, sex, religion, age, national origin, or immigration status.

In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under this hospital policy based on the following criteria:

1. The full amount of the hospital charges will be determined to be charity care for a patient whose gross family income is at or below 150% of the current federal poverty level.
2. The following sliding fee schedule shall be used to determine the amount that shall be written off for patients with incomes between 151% and 300% of the current federal poverty level.

INCOME AS A PERCENTAGE OF FEDERAL POVERTY LEVEL

3. Catastrophic Charity. North Valley Hospital may write off as charity care amounts for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between the hospital and the responsible party. The responsible party's account shall not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account, and there is no satisfactory contact with the patient ([See PA 8010 Private Pay Policy](#)).

North Valley Hospital shall not require a disclosure of resources from charity care applicants whose income is less than 150% of the current poverty level and does require a disclosure of resources from charity care applicants whose income is at or above 151% of the current federal poverty level.

Disclosure documents are:

1. **The previous or current years W-2 tax statements or completed income tax return.**
2. **3 months of bank statements showing direct income deposits.**
3. **Payroll check stubs showing income to date and hourly wages along with hours worked.**
4. **Completed financial statement sign and dated.**

PROCESS FOR ELIGIBILITY DETERMINATION:

1. North Valley Hospital start the eligibility process once a completed application is obtained. Emergency room follow up visits are also included in "Appropriate hospital based medical services" If the financial status is temporary, North Valley Hospital may choose to suspend payments temporarily rather than initiate further action.
2. Initial determination:
 - North Valley Hospital shall use an application process for determining eligibility for charity care, unless medical indigence has been established by the patients' qualifying for state Medicaid when the service was rendered Requests to provide charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel and the patient. If it is known by the processor that applicant is indigent no application is required.
 - During the patient registration process, pre-registration process or, after the patient has been notified of the existence and availability of charity care, the hospital will make an initial determination of eligibility based on verbal or written application for charity care.
 - Pending final eligibility determination, the hospital will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a final determination of sponsorship status.
 - If North Valley Hospital becomes aware of factors which might qualify the patient for charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as charity care.
3. Final Determination:
 - Prima Facie write-offs. In the event that the responsible party's identification as an indigent person is obvious to hospital personnel, and the hospital can establish that the applicant's income is clearly within the range of eligibility, North Valley Hospital will grant charity care. Additionally deceased patients that have no estate could be granted charity care based solely on this initial determination. In these cases North Valley Hospital is not required to complete full verification or documentation. (In accordance with WAC 246-453-030 (3)).

- Charity care forms, instructions, and written applications shall be furnished to patients when charity care is requested, when need is indicated, or when financial screening indicates potential need unless the initial determination was made by qualifying for state Medicaid. All applications, whether initiated by the patient or the hospital, should be accompanied by documentation to verify income amounts indicated on the application form. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
 - A W-2 withholding statement
 - Pay stubs from all employment during the relevant time period
 - An income tax return from the most recently filed calendar year
 - Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance.
 - Written statements from employers or DSHS employees.
- During the initial request period, the patient and North Valley Hospital may pursue other sources of funding, including Medical Assistance and Medicare. North Valley Hospital may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
- Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
- In the event that the responsible party is not able to provide any of the documentation described above, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person (WAC 246-453-030 (4)).

4. Time frame for final determination and appeals.

- Each charity care applicant who has been initially determined eligible for charity care shall be provided with at least 15 (15) calendar days or such time as may reasonably be necessary to secure and present documentation in support of his or her charity care application prior to receiving a final determination of sponsorship status.
- North Valley Hospital shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
- The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Patient Accounts Manager within thirty (30) days of receipt of notification.
- The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).

5. If the patient has paid some or the entire bill for medical services and is later found to have been eligible for charity care at the time services were provided, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be reimbursed within 30 days after receiving the charity care designation.

6. Adequate notice of denial:

- When a patient's application for charity care is denied, the patient shall receive a written notice of

denial which includes:

- The reason or reasons for the denial and the rules to support the hospital's decision;
- The date of the decision; and
- Instructions for appeal or reconsideration.

7. When the applicant does not provide requested information and there is not enough information available for North Valley Hospital to determine eligibility, the denial notice also includes:

- A description of the information that was requested and not provided, including the date the information was requested;
- A statement that eligibility for charity care cannot be established based on information available to the hospital; and
- That eligibility will be determined if, within thirty (30) days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.

8. The Chief Financial Officer and/or Administrator will review all appeals. If this review affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

DOCUMENTATION AND RECORDS:

- Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- Documents pertaining to charity care shall be retained for five (5) years and may be scanned into the patients electronic forms tab in CPSI.
- A copy of the application form is attached.

All revision dates:

11/2018, 11/2018, 02/2016, 01/2015, 12/2013, 03/2012

Attachments:

[2018 MONTHLY AND YEARLY.xlsx](#)

Approval Signatures

Approver	Date
Scott Graham: CEO	11/2018
Alan Ulrich: CFO	11/2018
Krista Zabreznik: Business Office Manager	06/2018