

**Current Status:** *Active* **PolicyStat ID:** 4319383



**Effective:** 01/2012  
**Approved:** 07/2018  
**Last Revised:** 05/2017  
**Expiration:** 07/2019  
**Policy Area:** [Section 13 - Finance](#)  
**References:**  
**Applicability:** *Rainier Springs*

## Financial Assistance

### Purpose:

To provide financial assistance to patients with no or insufficient third party payer source, and that do not have the independent financial means to pay for healthcare services.

### Policy:

It is the company policy to provide financial assistance based on the federal poverty guidelines to patients with no or insufficient health insurance coverage, no state/federal health assistance, or for whom the out of pocket expenses are significant. A copy of the hospital's written Notice of Charity Care will be provided to all patients at the time of registration. All financial assistance will be provided based on established protocols and completion of the **Financial Assistance Disclosure Form** (Attachment A) **and supporting documentation**. No attempts at collections are to be made until after the determination of financial assistance eligibility is finalized. In the event there is a significant change in the patient's ability to pay, the patient may request further consideration in the financial assistance process.

### Procedure:

As stated in policy entitled **Insurance Verification** , all facilities must perform verification of benefits for each patient and potential payer prior to or upon admission. If an admission occurs after normal business hours, the verification must be performed no later than the next business day. This insurance verification process should be completed to identify any potential resources for the patient's medical services, whether federal or state governmental health care program (Medicare, Medicaid, state or local government agency, Champus), private insurance company or other private, non-governmental third party payer source.

**Financial assistance is not considered to be a substitute for personal responsibility.** It is the responsibility of the patient/responsible party to actively participate in the financial assessment process and provide timely, accurate information as requested. This requested information may include information concerning actual or potential available benefits such as, but not limited to, Medicaid/state and local government agency coverage. Failure to provide accurate and timely information may subject the patient/responsible party to a denial of financial assistance.

Each facility must have a self-pay deposit schedule based on various estimated lengths of stay and the facility established self-pay rate. The facility's self-pay rate is established by their marketplace in conjunction with their average managed care reimbursement rate. The self-pay deposit schedule should be used to estimate the upfront payment that is required.

The Financial Counselor or Business Office Representative will meet with each patient expected to have an out of pocket liability to discuss payment arrangements and facilitate the completion of the **Financial Assistance Disclosure Form (Attachment A)** . Please see policy, **Financial Counseling**, for further guidance regarding the financial counseling for all patients.

#### *Financially or Medically Indigent Patients*

Financial assistance can be provided to financially or medically indigent patients (definitions provided at the end of this policy) according to the discount scales as outlined in this policy. The patient will be financially assessed during the pre-admission or admission process in accordance with policy entitled **Financial Counseling** . During the counseling session, the **Patient Responsibility Worksheet** (Attachment A) will be utilized by the facility to assist in determining the capacity of the patient/responsible party to pay their estimated liability.

#### *Determining Qualifications for Financial Assistance*

The **Patient Responsibility Worksheet** along with the **Financial Assistance Disclosure Form** will be reviewed by the Business Office and Hospital CFO. These completed forms are required for the qualification of patients for financial assistance. The Financial Counselor is responsible for ensuring the completion of the Financial Disclosure Form by the patient/responsible party during the financial counseling process to evidence their ability to pay. All supporting documentation should be attached to the Financial Disclosure Form such as insurance verifications and proof of income, etc.

The Financial Counselor **MUST** verify the income of the patient/responsible party via the review of one or more of the following. This information must be scanned into the patient's account as proof of income. Patients will have fourteen calendar days to secure and present the documentation listed below.

- Paystubs (from all employment during the relevant time period)
- W-2 withholding statement
- Income Tax Return (most recently filed calendar year)
- Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance
- Forms approving or denying unemployment compensation

- Written statements from employers of DSHS employees
- Gross income (before taxes) will be used in the determination
- Net earnings from business will be used in the determination

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.

#### *Approval and Recording of Financial Assistance*

Financial or medical indigence (categorized as charity or indigent care on the facility general ledger) must be identified prior to the patient's discharge and must be written off in the patient accounting system no later than the end of the month following discharge.

Upon identifying a patient as financially or medically indigent, the patient account must be setup as the Charity payer class in the patient accounting system and reserved at 100% at month end.

Indigent accounts pending Medicaid approval should not be immediately written off as Charity. Patients who are in process of being qualified for Medicaid eligibility should be included in the Medicaid payer class and reserved at the Medicaid reimbursement rate. If it is determined after discharge that the patient is not eligible for Medicaid coverage; however, the patient meets indigent criteria for the facility, the patient accounts may be written off as charity after discharge as long as supporting documentation is verified and included.

Hospital CFO approval is required for Financial Assistance. If Financial Assistance is greater than \$5,000, it will require approval by the Hospital CEO and Hospital CFO.

A form letter provided, **Notification of Determination of Eligibility for Financial Assistance** (Attachment B) can be used as a notification letter to inform patient/responsible parties of the facility's determination of financial assistance.

All documentation for financial assistance must be maintained in the patient file. The amount of financial assistance will only be applied after recovery from all third party payers has been verified.

#### **Method for the Calculating of the Amount of Financial Assistance (Discounts)**

The method below can be used as a guide for facilities in conjunction with the completion of the Financial Assistance Disclosure Form for determination of any financial assistance:

- This method uses the Federal Poverty Guideline ("FPG") Schedule. This schedule is attached for your reference and is updated each year for current poverty level guidelines.
  - First, find the number of the guarantor's dependents under the column labeled "Family Size". Then, locate the guarantor's annual income on the same row as the Family Size. In most cases, the guarantor's income will fall between two percentage categories (much like the tax schedule individuals use each year in determining how much they owe the government).

- With this information, determine the discount percentage based on the discount scale included herein. Example: Mr. Jones is uninsured and has met the criteria for the financially indigent. According to his state income tax return, Mr. Jones earned \$20,000 and has 4 dependents. Mr. Jones's total charges are \$30,000. In this example, Mr. Jones's income level is less than 200% of the FPG and would therefore be eligible for a 100% discount or \$30,000. Mr. Jones will be responsible for a remaining balance of \$.00.

**DISCOUNT SCALE**

Income Level	% of Discount on Total Charges
Equal or less than 200% of FPG	100%

**Definitions:**

**Financial Assistance** also known as Charity Care or Discount is defined as a reduction in the cost of health care services granted to patients based on their capacity to pay their estimated liability.

**Financially Indigent** is defined as those patients who have exhausted any third party sources, including Medicare and Medicaid and whose income is equal to or below 200% of the federal poverty standards, adjusted for family size or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance required by third-party payor.

**Medically Indigent** is defined as those patients who incur severe or catastrophic medical expense but are unable to pay and/or payment would require substantial liquidation of assets critical to living or would cause undue financial hardship to the family support system.

**Attachments:**



[1.jpg](#)

[Attachment C - Charity Grid/Federal Poverty Level 2018.pdf](#)

[Financial Disclosure Form](#)

[Notification of Approval/Denial for Financial Assistance](#)

[Patient Responsibility Worksheet](#)

## Approval Signatures

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<b>Approver</b>	<b>Date</b>
Jodi Reilly: Executive Administrative Assistant	07/2018
Chris Corrigan: Assistant General Counsel	07/2018
Jim Schnuck: VP and Chief Financial Officer	07/2018
stacey banks: Corporate Controller	06/2018
Roger Rohall	05/2018
Roger Rohall	04/2018
Laura Brown: VP of Finance	04/2018
Rebecca Cain: Director of Revenue Cycle	03/2018

### [Older Version Approval Signatures](#)

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Jodi Reilly: Executive Administrative Assistant	07/2018
Chris Corrigan: Assistant General Counsel	07/2018
Jim Schnuck: VP and Chief Financial Officer	07/2018
stacey banks: Corporate Controller	06/2018
Roger Rohall	05/2018
Roger Rohall	04/2018

Laura Brown: VP of Finance	04/2018
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Rebecca Cain: Director of Revenue Cycle	03/2018
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stacey banks: Corporate Controller	03/2017
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Rebecca Cain: Director of Revenue Cycle	03/2017
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Roger Rohall	02/2017
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Laura Brown: VP of Finance	02/2017
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Barbara Walls: Director of Clinical Operations	02/2016
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Chris Corrigan: Assistant General Counsel	02/2016
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Rebecca Cain: Director of Revenue Cycle	01/2016
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Angela Ferguson: Admin Application Support Analyst	04/2015
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Chris Corrigan: Assistant General Counsel	02/2015
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Suzan Winters: Director of Revenue Cycle	02/2015
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Angela Ferguson: Admin Application Support Analyst	12/2014
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## Applicability

Rainier Springs