Purpose:

Consistent with its mission to provide excellent healthcare services and responding to the changing needs of the communities we serve, Charles Cole Memorial Hospital (CCMH) is committed to providing charity care to every person in need of medically necessary treatment even if that person is uninsured, underinsured, ineligible for other government programs, or unable to pay based on their individual financial situations.

Policy:

In order to provide the level of aid necessary to the greatest number of patients in need, and protect the resources needed to do so, the following guidelines apply:

1. Services are provided under charity care only when deemed medically necessary and after patients are found to have met all financial criteria based on the disclosure of proper information and documentation. This includes uninsured patients seeking non emergent care who do not have the ability to pay as determined by the financial guidelines in this policy.

2. Insured patients whose coverage is inadequate to cover catastrophic situations and do not have the ability to pay as determined by the financial guidelines in this policy.

3. All medically necessary emergent services of this facility will be available as uncompensated services to eligible patients because the hospital does not need to assess a patient’s financial situation when rendering medically necessary emergent care.

4. Patients are expected to contribute payment for care based on their individual financial situation, therefore each case will be reviewed separately.

5. Charity care is not considered an alternative option to payment and patients may be assisted in finding other means of payment or financial assistance before approval for charity care.

6. Charity Care does not include bad debt, contractual adjustments or unreimbursed costs. The financial status of each patient will be determined so that an appropriate classification and distinction can be made between charity and bad debt.

7. When determining patient eligibility, CCMH does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant status, or age of the patient’s account.
8. Charles Cole Memorial Hospital provides assistance with deductibles, co-insurance, or copayments in the form of free and/or discounted services.

9. This policy excludes cosmetic procedures and elective reproductive services.

10. A Charity Care budget will be established once a year during the annual budget process and be included in the presentation to the Board of Directors for approval.

11. CCMH will limit the amounts charged to individuals eligible for financial assistance to the amounts generally billed to individuals with insurance coverage that covers such care.

   a. Patients who can demonstrate their family income is at or below 100% of the federal poverty line are eligible for a 100% discount on any patient balance.

   b. Patients who can demonstrate their family income is between 100% and 150% of the federal poverty line are eligible for 100% discount with a $200 patient responsibility/deductible amounts.

   c. Patients who can demonstrate their family income is between 150% and 200% of the federal poverty line are eligible for 100% discount with a $500 patient responsibility/deductible amounts.

   d. Patients who can demonstrate their family income is between 200% and 300% of the federal poverty line are eligible for 65% discount, which is reflective of the average rate of payment we would receive from government-sponsored health programs including Medicare and Medicaid.

   e. Patients who can demonstrate their family income is between 300% and 400% of the federal poverty line are eligible for a 45% discount, which is reflective of the average rate of payment we would receive from third party commercial payers.

12. All discounted patient balances will be subject to the Hospital’s Credit and Collection Policy and Self-Pay Payment Plan Policy.

Definitions:

Charity - the demonstrated inability of a patient to pay in accordance with guidelines established by the Hospital.

Bad Debt - is defined as an unwillingness of the patient to pay.

Medically Necessary: hospital services or care rendered, both inpatient and outpatient, to a patient in order to diagnose, alleviate, correct, cure or prevent the onset or worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in overall illness or infirmity.

Emergency care: Immediate care which is necessary to prevent putting the patient’s health in serious jeopardy, serious impairment to bodily functions and serious dysfunction of any organs or body parts.

Uninsured: Patients with no insurance or third-party assistance to help remunerate their financial responsibility to healthcare providers.

Underinsured: Patients who carry insurance or have third-party assistance to help pay for medical services, but who accrue or have the likelihood of accruing out-of-pocket expenses which exceed their financial ability.

HHS Poverty Guidelines – The Department of Health and Human Services (HHS) published poverty guidelines.

Hospital: Charles Cole Memorial Hospital
**Spend Down:** Department of Public Welfare (DPW) assigned patient responsibility amount.

**Implementation:**

**Process:**

1. Registration, Physician Office or Patient Financial Services staff may initiate the application process.

2. The Hospital will consider the following factors when determining the amount of Charity Care discount for which a patient is eligible:

   2.1. Patient will reside in the hospital’s primary or secondary service area or have a primary care physician who is a member of the Hospital’s Medical Staff.

   2.2. Out of area patients are generally not eligible for a charity care discount except for true emergent care. However, the Director of Patient Financial Services may review and approve any out of area patient application based on the circumstances of the case.

   2.3. The following factors will be considered when assessing an application for a charity discount. In determining a reasonable and fair level of assistance, the Hospital applies a sliding scale that includes both free and discounted care. If a patient’s income and assets combined are below 400 percent of the federal poverty guidelines, the patient will receive some form of financial assistance as outlined in the Charity Care Income Guidelines schedule.

      2.3.1. Consider the patient’s individual or family income, as appropriate, using the income guidelines in this policy. Income guidelines will be based on the most recent published HHS Poverty Guidelines and will be updated accordingly as the rates are changed.

      2.3.2. Consider employment status along with future earnings potential and access if it is sufficient to meet the obligation within a reasonable period of time.

      2.3.3. Consider family size and configuration.

      2.3.4. Consider the amount(s) and frequency of hospital and other healthcare/medication bills (i.e., cancer treatment, rehabilitation services, etc.) in relation to all of the factors outlined above.

      2.3.5. Consider the amount of cash assets available such as checking accounts, saving accounts, certificate of deposits, IRAs, etc.

   2.4. The patient must provide supporting documentation of income which can include:

      2.4.1. Recent Federal Income Tax Return, paycheck, General Relief, Social Security, pension, unemployment or disability check stubs, or other proof of income.

   2.5. If a patient does not already have Medical Assistance he/she must cooperate with the Hospital and submit an application to Medical Assistance. If the application is denied or the patient has a Spend Down amount, only then will the patient be considered for a charity care discount under this policy.

3. Determine eligibility for charity care discount at the time of admission/pre-registration, or as soon as possible thereafter. In some cases, it can take an investigation to determine eligibility, particularly when
a patient has limited ability to provide needed information. Also, because of complications unforeseen at the time of admission, the patient may need to be reclassified as a full or partial charity.

4. Determine the appropriate amount of charity care discount in relation to the amounts due after applying all other resources. The Hospital will apply all other resources first, including Medicare, third-party payers, Victims of Crime and Medical Assistance.

5. A patient who can afford to pay for a portion of the services will be expected to do so. For example, part of an account might be paid by a third party, part by the patient, part might meet charity services. If the patient does not pay the amount deemed to be his/her responsibility, the uncollectible balance would become bad debt and will be subjected to the normal collection process used by the Hospital.

6. Ensure patients are notified in writing regarding approval, denial or pending of charity care applications.

7. The patient’s qualification for a charity care discount will be reevaluated when the following occur:

   7.1. Subsequent rendering of significant healthcare services
   7.2. Income change
   7.3. Family size change
   7.4. When any part of the patient’s account is written off as a bad debt or is in collections.
   7.5. At least every 6 months

8. With the patient’s permission, the Hospital may send letters to the Hospital Physician groups who bill privately for their professional services, describing the extent to which the patient qualified for a charity care discount at the hospital.

Monitoring:

1. The Patient Financial Director shall retrospectively review all completed applications for charity care and determine eligibility based on established criteria.

2. Applications will be deemed incomplete unless the patient has applied for Medical Assistance and such application has been processed by the Office of Medical Assistance.

3. The application will be deemed incomplete if the patient has provided incomplete information.

4. Applicable staff will determine the write-off amount based on the aforementioned guidelines. If the patient does not meet the financial criteria but has extenuating circumstances such as catastrophic illness, the account will be referred to the Patient Financial Services Director. Charity Care approval is as follows:

   a. Write-offs from $.01 to $9,999 require approval by the Patient Financial Services Director.
   b. Write-offs of $10,000 and over require review by the Patient Financial Services Executive Leader and approval by the CFO or the Controller.

5. Patients may appeal denials to the Chief Executive Officer with the following documentation:

   a. Appeal letter from the patient or guarantor requesting revaluation.
   b. Provide additional information about the financial hardships faced.
6. The Chief of Patient Support Services will review the appeal; the process used in the original determination and any additional information and will make a recommendation to the Chief Executive Officer or his designee for final approval.

7. The Hospital will retain charity care applications and documents for the period prescribed by federal or state law.

**Communication of Charity Care Program:**

CCMH communicates the availability and terms of its charity care program to all patients through means which include, but are not limited to the following:

1. Notifications on patient bills or statements
2. Posted policies on the organization’s website
3. Posted signs within registration areas
4. Designated staff knowledgeable on the charity care policy to answer patient questions or who may refer patients to the program.
5. Advertisement of program in public relations material

**Related Documents:** Request for Charity Care
Charity Care Income Guidelines
Credit and Collections Policy
Self-Pay Payment Plan Policy

| Procedures: None |
| Job Aids: None |

**Authoritative Reference(s):** N/A

**Approval Signature(s):**

[Signature]