



# Charity Care

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 2 of 16

Charity Care/Discount

POLICY STATEMENT

The hospital shall contribute appropriate resources, advocacy and community support to promote the health status of the community, which it serves, within its economic ability to do so. Charity care will be provided to patients with a demonstrated inability to pay. The purpose of this policy is to establish criteria for determining if a patient's account qualifies for a charity care discount. The amount of charity care to be made available, as well as any other changes to this policy shall be assessed and determined by the hospital's Chief Executive Officer on an annual basis, and will adhere to state guidelines for non-profit facilities, if applicable. The amount of charity care as well as the other terms of this policy may be changed by the hospital's Chief Executive Officer, subject to the approval of Community Hospital Corporation.

PROCESS

1. Non-Discrimination. The hospital is a non-profit corporation offering a charity care program. The hospital will not discriminate on the basis of race, ancestry, religion, national origin, citizenship status, age, disability or gender in its consideration of a patient's qualification for charity care.
2. Patient Classification. The classification of a patient as being eligible for charity care shall occur at the time sufficient information has been obtained to verify the patient's inability to pay for needed medical services, and as soon as possible after the patient first presents for services or indicates an inability to pay for services.
3. Time of Qualification. Hospital personnel shall attempt to identify all cases that qualify as charity patients at the time of pre-registration or admission. Patients identified as possible charity care patients will be given an application and policy guidelines, together with directions on completing the paper work and any additional documentation needed to consider the application. The patient will also be given contact information for the appropriate personnel to whom they should return the application.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 3 of 16

4. Other Payor Sources. Applicants must fully cooperate and comply with eligibility requirements for any other healthcare program(s) for which they may be qualified prior to their evaluation for charity care. Federal and/or State assistance may be available to those who meet qualifications. Before charity care is considered, all available avenues of assistance from third-party payors must be exhausted.
  
5. Medical Necessity. All services must be medically necessary in order to qualify for a charity care discount (e.g., elective services such as cosmetic surgery do not qualify for a charity designation). Eligible services will be based on those services for which Medicare provides coverage.
  
6. Income Verification. Patients or the responsible party must verify the income reported on the Financial Assistance Application in accordance with the Documentation Requirements set forth below.
  - a. Required Documentation. In order to be considered for charity care, credit report and income information must be obtained regarding the patient. The hospital will obtain a credit report on every patient to confirm the income documentation patient provides. Eligibility documentation must be maintained in the patient's financial file. In addition to the credit report, the hospital may obtain, for each patient, one or more of the following documents in order to determine income and assets of the patient.
    - i. IRS Form W-2;
    - ii. Wage and earnings statement;
    - iii. Paycheck remittance;
    - iv. Individual tax returns
    - v. Unemployment insurance;
    - vi. Social Security award letter, or copy of Social Security check;
    - vii. Telephone verification by employer of the patient's income;
    - viii. Veterans Administration letter, or copy of VA check;

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 4 of 16

- ix. Physician disability statement listing term of disability and documentation or proof of three or more months with no income for the period of disability;
  - x. Bank accounts and records; or
  - xi. other appropriate indicators of yearly, monthly, weekly or hourly income.
- b. Participation in a Public Benefit Program. By the provision of documentation showing current participation in a public benefit program such as Workers Compensation, Medicaid, County Indigent Health Program, WIC, Children's Health Insurance Program, Unemployment Compensation, or other similar indigency-related programs. Proof of participation in any of the above programs indicates that the patient has been deemed Financially Indigent and therefore, is not required to provide his or her "Gross Monthly Income" on the Financial Assistance Application, or provide any of the income documentation verification listed in Section 6.
- c. Documentation Unavailable. In cases where a patient is unable to provide documentation verifying income, the hospital may verify the patient's income by providing an explanation of why the patient is unable to provide documentation verifying income and:
- i. Obtaining the Patient's Written Attestation. By having the patient or the responsible party sign the Financial Assistance Application attesting to the veracity of the income information provided; or
  - ii. Obtaining the Patient's Verbal Attestation. Through the written attestation of hospital personnel completing the Financial Assistance Application that the patient verbally verified the hospital's calculation of the income reported on the Financial Assistance Application.
- d. De minimis Accounts. If the patient's account is of de minimis value, not to exceed \$500.00, the hospital may verify the patient's income reported by the patient on the Financial Assistance Application by:
- i. Obtaining the Patient's Written Attestation. Obtaining a Financial Assistance Application signed by the patient attesting to the veracity of the income information provided; and

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 5 of 16

- ii. Documenting Efforts to Obtain Documentation. Documenting two attempts by the hospital to obtain documentation from the patient verifying income.
  
- e. Verification Procedure. In determining a patient's total income, Hospital staff will determine an applicant's gross annual household income as well as the applicant's gross monthly household income from one or more sources of documentation (listed in 6. (a) above) the applicant provides. The applicant's gross annual household income will provide the basis for determining eligibility according to the process provided in the Financial Assistance Approval Worksheet. The hospital may also consider other financial assets and liabilities of the patient, as well as the patient's family income and the ability of the patient's family to pay. If a determination is made that a patient has the ability to pay the remainder of the bill, that determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation.
  
- f. Classification Pending Income Verification. During the verification process, while the hospital is collecting the information necessary to determine a patient's income, the patient may be treated as a private-pay patient in accordance with the hospital's policies. However, the hospital may classify the account as bad debt only after 150 days from the date of admission and only if the hospital has been unable, after following the document collection polices detained in section 16. below, to obtain the documentation necessary to verify patient's eligibility for charity care, except that if hospital receives proof that patient is eligible for participation in a public benefit program (as referenced in section 6(b) above), after 150 days from the date of admission have passed, the hospital may classify the account as charity at that point, even though 150 days from the date of admission have elapsed.
  
- g. Information Falsification. Falsification of information may result in denial of the Financial Assistance Application. If, after a patient is granted financial assistance, the hospital finds material provision(s) of the Financial Assistance Application to be untrue, charity care status may be revoked and financial assistance may be withdrawn.
  
- 7. Administrative Approval. All charity care applications shall be forwarded to the appropriate personnel or designee for approval adhering to this policy. The Director of Revenue Cycle shall review and approve all charity care

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 6 of 16

application files. Any files involving write-off amounts over \$5,000 shall be reviewed and approved by the CEO for accuracy of eligibility determination and write-off amount, as well as completeness of documentation required to verify income. Charity care application files are to be reviewed and approved per the hospital's signature authorization policy. The Director of Revenue Cycle shall complete a final review and approval of all charity care applications, regardless of write-off amount, before final classification and write-off of account to charity.

8. Notification Process. The process of application review, approval or denial, and patient notification of decision shall not take more than thirty (30) days from the date that the application is received with all required information. All patients that request charity care shall receive a letter stating if the patient was approved or denied for a charity care designation, and if approved, the amount of charity care discount the patient will receive as well as conditions for the charity care.
9. Patient Account Adjustment. Once a favorable determination is made to provide charity care to the patient, an adjustment should be made to the patient's account accordingly. If an account is found to be with a collection agency subsequent to a patient's becoming eligible for charity care, the account will be recalled and all records on the patient's credit report will be adjusted for the accounts approved for a charity care discount.
10. Guidelines. Eligibility for free or discounted care shall be provided according to the attached addendums:
  - a. Eligibility Guidelines.
  - b. Approval Period.
  - c. Remaining Charity Care Balances.
11. Automatic Qualification. The following categories of patients are deemed to have no annual household income and shall automatically qualify for charity care and receive a 100% discount on charges: patients who are deceased with no estate in probate and patients determined to be homeless. Documentation of "Yearly Income" on the Financial Assistance Application is not required for expired patients.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 7 of 16

12. Denial of Services. Denial of future non-emergent services may also be considered for patients who refuse to cooperate and/or habitually access the acute care system for non-acute care episodes.
13. Publication of Policy. The hospital's Charity Care Discount Policy must be available to the public. In addition to the prominent posting of a charity care notice in the admissions and emergency room area, a copy of the Charity Care Discount Policy should be disseminated to all patients who request it.
14. Approval Procedures. The hospital will complete a Financial Assistance Approval Worksheet (Attachment B) for each patient granted status as Financially Indigent or Medically Indigent. The Financial Assistance Approval Worksheet allows for the documentation of the administrative review and approval process utilized by the hospital to grant financial assistance.
15. Document Collection and Retention Procedures. The hospital will maintain documentation sufficient to identify each patient granted status as Financially Indigent or Medically Indigent, the patient's income, the method used to verify the patient's income, the amount owed by the patient, and the person who approved granting the patient status as Financially Indigent or Medically Indigent. At the time of patient registration, immediately after a patient is provided a charity care application as a potential candidate for charity care, Hospital staff will create a patient file with patient's first and last names and patient account number clearly labeled on the file. As soon as practicably possible, the following items should be placed in the file:
  - a. completed charity care application;
  - b. completed Financial Assistance Approval Worksheet, signed by the preparer as well as the reviewer authorizing the write-off eligibility and amount;
  - c. documentation providing proof of household financial income information; and
  - d. any other information to substantiate the write-off eligibility and amount if documentation does not suffice to verify income.

Hospital staff will review files on an annual basis to ensure files related to accounts eligible for or written-off as charity are complete.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 8 of 16

If the patient has not provided all required documentation within ten (10) days of preadmission or admission, Hospital staff will contact patient to obtain missing documentation, and follow-up periodically thereafter until patient file is complete. If the patient file is not complete and the hospital cannot determine eligibility within thirty (30) days, the hospital will transfer file to designated third party contractor who will manage the account by attempting to obtain the information to verify the patient's income and to assist the patient in completing the charity care application.

16. Reservation of Rights. The hospital reserves the right to limit or deny financial assistance at its sole discretion.
17. Non-covered Services. The hospital reserves the right to designate certain services that are not subject to this Charity Care Policy.
18. No Effect on Other Hospital Policies. This Policy shall not alter or modify other Hospital policies regarding efforts to obtain payments from third-party payers, patient transfers, or emergency care.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 9 of 16

Charity Care/Collection of Accounts

POLICY STATEMENT

The hospital is committed to treating all patients equitably, with dignity, respect, and compassion. The hospital shall pursue its collection policy fairly and consistently in compliance with the Federal Fair Debt Collection Practice and state collection laws. All patients will be treated with dignity and respect in regards to collection activities. This policy shall apply to the hospital's collection process and to outside agencies performing collection activities on behalf of the hospital.

PROCESS

1. Financial Counseling and/or Payment Plans. The hospital will review patient's financial record prior to initiation of collection activities to determine whether a payment plan has already been arranged with the patient pursuant to financial counseling at admission or discharge. If the patient is uninsured and such an offer has not been made, the hospital shall present to the patient the option of financial counseling and work with patient to determine whether the patient is eligible for charity care under the Charity Care Discount Policy or establish a reasonable payment plan pursuant to the Discounts and Payment Arrangement Policy.
2. Staff Education. The hospital's billing and collection staff will be trained to administer this policy and provide assistance to the patient. Medicare and non-Medicare patients will be treated in a similar manner.
3. Timeliness. A bill shall be issued in a timely manner after discharge or death to the party responsible for the patient's financial obligations.
4. Future Services. The patient shall not be denied future emergency services at the hospital based on outstanding account balances.
5. Documentation of Collection Effort. The hospital shall document all collection efforts in the patient's financial record including:
  - a. Subsequent billing records;

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 10 of 16

- b. Collection letters
- c. Correspondence communicating the availability of financial counseling to patients unable to meet their debt obligation;
- d. Correspondence evidencing subsequent attempts at collection; or documentation on individual patient accounts
- e. Logs or documentation on individual patient accounts of all telephone calls to patients; and
- f. Logs or documentation on individual patient accounts of all personal contacts with patients.

6. Referral to Collection Agency.

- a. The referral of an account to a collection agency shall be limited to situations where the patient has ignored the hospital's offer of financial counseling or has violated the payment plan established to address the individual needs of the patient. The Chief Financial Officer or designee must approve the referral of any account to a collection agency.
- b. Prior to the engagement of any collection agency, the hospital shall ensure that a written agreement is in place. Such agreement shall require the agency to abide by the hospital's collection policy. Any agencies whom the Hospital has contracts with must be appropriately bonded and insured.
- c. The hospital shall only refer patient account to collection agencies, that the hospital has a valid agreement in place.
- d. Collection efforts must allow the patient appropriate time to dispute their obligation. Collection agency shall cease collection efforts while a patient's balance is in dispute. All disputed accounts shall undergo an appropriate investigation. Under no circumstances will a collection agency make a report to a credit agency without disclosing that the patient has disputed their obligation to the hospital.
- e. Pursuant to the agreement, the hospital shall have the right to withdraw any account from the agency at any time and for any reason.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 11 of 16

7. Legal Action.

- a. The hospital recognizes its right to initiate legal action where there is evidence that the patient or responsible third party has income or assets to meet his or her obligation.
- b. If the hospital chooses to engage a law firm, the hospital shall enter into a written engagement agreement prior to referring any matter to the firm for collection.
- c. A lawsuit may be filed against a responsible party only in those situations where there is evidence that the responsible party has or will likely have in the future income or assets to meet his/her debt obligation.
- d. Prior to the filing of any lawsuit, the law firm shall send written notice to the responsible party of its intent to institute legal action to collect the account.
- e. The hospital's chief financial officer shall have final authority to approve any settlement of a lawsuit.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 12 of 16

Charity Care/Discount/Payment Plan

POLICY STATEMENT

The hospital shall offer discounts, payment plans and/or loans to patients unable to pay their hospital charges in full. This policy shall apply to all persons receiving financial counseling at any point in the admission, discharge, or collections process. The hospital shall train its employees providing financial counseling to patients regarding the process for discounts and payment arrangements. Employees providing financial counseling to current and discharged patients will follow this Discount and Payment Plan Policy in conjunction with the Financial Counseling Policy to determine the appropriate action regarding a patient's payment arrangement.

PROCESS

1. Cash Discounts. Discounts shall be offered to uninsured patients who are willing to either pay their balances in full or under a payment plan. Patients that are willing to pay by cash or credit card at the point of service will receive a pre-approved discount off of total charges. Unanticipated charges not quoted at time of service will also be billed to the patient with the pre-approved discount. Using financial counseling protocols the hospital will encourage payments on the patient's remaining balance within thirty days of discharge. If the patient is unable to pay the remaining balance within thirty days of discharge, the patient may enter into a payment plan, with no additional discount. Patients that cannot pay at time of service will follow the payment arrangements outlined in the Financial Counseling Policy.
2. Eligibility for Payment Plan. Patients participating in a payment plan will receive a discount based on the attached addendum. Patients who have already received a discount for cash or prompt payment shall not be eligible for additional discounts. The monthly payment shall be determined by dividing the total balance by the number of months in the plan as represented in the addendum. Patients wishing to establish payment plans for their total charges will be given the opportunity utilizing the attached addendum.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 13 of 16

3. Payments. Patients shall pay the first payment upfront. Payments are due on an established schedule after the first of the month. If a patient fails to make two or more payments, at thirty (30) day intervals from the first payment date, the hospital has the option to terminate the payment plan and place the remaining balance of the patient's account in the collections process.
  
4. Notice to Patient. The hospital's billing office or patient access staff shall make available and offer the Discount and Payment Plan Policy and Financial Counseling Policy to patients during the registration process and/or during the collection/financial counseling process.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 14 of 16

Charity Care/Financial Counseling

POLICY STATEMENT

The hospital shall take appropriate measures to counsel all patients regarding the patient's financial obligation for scheduled procedures and/or inpatient admissions. The hospital shall make the earliest possible contact with patients to 1) provide financial counseling to patients at the time of admission; 2) identify and collect appropriate point of service co-payments and/or deductibles at the time of admission or prior to discharge; and 3) where applicable, enter into a contract for repayment of the patient's balance.

PROCESS

1. Scheduled Procedures/Scheduled Admissions. Patients scheduled in advance for procedures or admission will be given instructions to contact the financial counselor prior to admission. If the patient does not make contact prior to the scheduled procedures, the financial counselor will call the patient's residence to advise the patient of anticipated charges for the procedure or admission. The financial counselor shall further advise the patient of applicable discounts or payment options. If attempts to reach the patient at home are unsuccessful, then the financial counselor may contact the patient at work. If the patient is reached at work, the financial counselor should ask for permission to discuss the scheduled procedure or admission at that time or ask the patient to return the call at a more convenient time.
2. Admitted Patients. The financial counselor will visit the patient's room to discuss financial arrangements before the patient is discharged. If the patient is unable to discuss financial arrangements when the financial counselor visits the patient, then the financial counselor should notify the nurse's station and care management that they need to speak with the patient before discharge.
3. Emergency Room Patients. Patient access staff in the emergency room will serve as financial counselors for patients that are being discharged from the emergency room, and/or after being medically screened. The patient access staff will use the payment arrangements discussed in this policy to collect co-payment, deductibles, and estimated emergency room charges. Payment

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 15 of 16

plans for emergency room patients, will be made by collectors in the business office after final charges.

4. Financial Information. The hospital shall to the extent possible clearly present to each patient the anticipated charges expected to be incurred in connection with the admission and/or procedure. Admission documentation shall clearly indicate:
  - a. The patient or responsible party shall be responsible for all charges incurred even though those charges are not known at time of admission.
  
5. Payment Arrangements. Patients shall be advised of the following:
  - a. Eligibility for Charity Care. The financial counselor will determine whether the patient qualifies under the Charity Care Discount Policy for free or discounted care. Reasonable efforts shall be made to make such a determination prior to admission, however the hospital recognizes that not all patients will have sufficient documentation at the time of admission to verify their eligibility for charity care. Accordingly, discharged patients wishing to be considered for charity care may submit necessary documentation within ten (10) days of discharge.
  - b. Point of Service Discounts. If the patient can pay cash at point of service, they will be offered a cash discount in accordance with the "Discount and Payment Plan Policy."
  - c. Payment Plans. Patients needing additional time to repay their financial obligation may be eligible for a payment plan in accordance with the "Discount and Payment Plan Policy."
  
6. Financial Agreement. After determining and documenting the patient's financial status, the financial counselor shall have the patient or responsible party, enter into a contract for the patient, which incorporates the agreed payment arrangement. The contract shall be prepared on a pre-approved hospital form and signed by the patient or patient's legal representative as well as a third party witness. The contract and supporting documentation shall become a permanent part of the patient's financial record.

<b>SPONSOR:</b> General Counsel	<b>AREA:</b> Legal
<b>SUPERCEDES:</b> 2/16/06	<b>DESCRIPTION:</b> Charity Care
<b>APPROVED:</b> 6/01/11	<b>REFERENCE:</b> LAW004
<b>EFFECTIVE:</b> 6/01/11	<b>PAGE:</b> 16 of 16

7. Discharged Patients

- a. Walk Up Patients: When a discharged patient presents in person to the business office or admitting department to discuss payment arrangements for billed charges, the financial counselor will work out the payment arrangements according to the “Discount and Payment Plan Policy.”
- b. Telephone Inquiries. Telephone calls from patients wishing to make or discuss payments shall be forwarded to the business office where a financial counselor will discuss options with the patient.

Policy Attachments

Attachment A – Financial Assistance Eligibility Discount Guidelines

Attachment B – Application for Financial Assistance