

Policy & Procedures

Title: Charity Care Program (Compassionate Care /Financial Assistance)

Affected Departments: Business Office, Lake Chelan Clinic, Specialty Clinic

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Approved By: Kevin Abel (Chief Executive Officer)

POLICY:

Lake Chelan Community Hospital and Clinics realizes the need to provide service to patients who cannot otherwise afford health care. This policy is to provide financial assistance to patients who have health care needs and are uninsured, under-insured, ineligible for a government program, and are otherwise unable to pay for medically necessary care based on their individual needs. A graduated schedule based on the annual HHS Poverty Guidelines, as well as assessment of the patient's monetary assets will be used to determine the qualifying income and asset levels of applicants. Guidelines are subject to change yearly based on the HHS Poverty Guidelines. Understanding this need, the hospital has chosen to fulfill their responsibility to the community by adopting the following Charity Care Policy.

PROCEDURE:

1. Standard Eligibility Criteria for Participation in the Charity Care Program:

- a. A patient qualifies for Charity Care if all the following conditions are met:
 - i. The patient does not have private health insurance (including coverage offered through the Washington Health Benefit Exchange), Medicare, or Medicaid as determined and documented by the hospital;
 - ii. The patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital;
 - iii. The patient's household income does not exceed 100% of the Federal Poverty Level; **and**
 - iv. The patient's allowable monetary assets do not exceed \$5,000;
 - 1. In determining a patient's monetary assets, the hospital **shall not** consider: retirement or deferred compensation plans qualified under the Internal Revenue Code; non-qualified deferred compensation plans; the first ten thousand dollars (\$10,000) of monetary assets, and fifty percent (50%) of the patient's monetary assets over the first ten thousand dollars (\$10,000).

2. Special Eligibility and Enrollment Exceptions:

- a. High Medical Costs/Medically Indigent
 - i. A patient whose family income does not exceed 350% of the federal poverty and their annual out-of-pocket medical expenses for non-elective/medically necessary services with Lake Chelan Community Hospital and Clinics and other health care providers exceed 10% of the patient's family gross income in the

prior 12 months, would then be considered as “Medically Indigent”.

1. For those who have been informally determined to be Medically Indigent, or have incurred high medical costs will be offered to complete a Charity Care application by the Financial Counselor.
 2. Supporting documentation to show what medical expenses have been paid in the prior 12 months are required to determine eligibility.
- b. Homeless/Indigent Patients
- i. Patients who are determined to be indigent/homeless by either clinical documentation or are unable to provide sufficient demographic information such as a mailing address, phone number, or residential address will/can be considered for Charity Care.
 1. No application will be required by a patient who has been determined to be indigent/homeless.
 2. Only emergent/medically necessary services will be considered. Should a patient who presents for outpatient services, financial counseling will be done at the time of service.
- c. Deceased No Estate
- i. Upon receipt of confirmation that a patient is deceased and who has no estate, third party coverage, or spouse, will be automatically eligible for Charity Care upon receipt of the following items.
 1. Notification from county in which patient expired in.
 2. Received copy of death certificate from patient family notifying Lake Chelan Community Hospital and Clinics of death and no estate exists.
 3. Confirmation that patient does not have a living spouse who would be liable for outstanding/unpaid debt.
 4. Confirmation from another facility of patients’ expiration and that no estate or pending probate exist.
 5. Upon notification from collections agency that collections accounts are being cancelled back due to deceased/no estate.
 6. Knowledge that patient has expired based on clinical documentation for services provided by Lake Chelan Community Hospital and Clinics.
- d. Administrative Charity Care
- i. In cases where medically necessary services are provided to a patient who has been screened by the financial counselor, and it has been determined that the patient is unable to complete the standard application process due to medical, social, or other documented circumstances, charges may be considered for Charity Care on a case by case basis.
 1. Account(s) should be written up for Charity Care adjustment with all supporting documentation attached and be presented to the Financial Director and Chief Executive Office for approval.
- 3. Standard Enrollment Process:**
- a. An informal determination of Charity Care eligibility will be determined by the Patient Financial Counselor, and the applicant may choose to fill out an application based on the recommendation of the Patient Financial Counselor; however, the recommendation of the Patient Financial Counselor is not required in choosing to fill out the Charity Care Application.

- b. Upon being submitted for consideration by the Patient Financial Counselor, all properly submitted applications will be reviewed and considered for implementation within 10 business days.
- c. All application packets must be filled out completely and accurately with each of the following required documentation attached, to be considered:
 - i. Documentation of non-coverage from Medicaid for the service on the date performed;
 - ii. Documentation of household income, as provided by:
 - 1. Current W-2 withholding form or Income Tax statement form from the previous year, **or**
 - 2. Pay stubs from the previous three months
 - iii. Documentation of monetary assets, to include:
 - 1. Most current bank statement, and any additional information or statements on all monetary assets
 - a. Statements on retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans **shall not** be included
 - 2. Signed waiver or release from the patient or the patient's family, authorizing the hospital to obtain account information from financial and/or commercial institutions, or other entities that hold or maintain monetary assets, to verify their value.
 - iv. Completed Medicare Secondary Payer (MSP) Questionnaire indicating the patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance
 - d. Any additional accounts with outstanding balances at time of application will be screened for Charity Care eligibility using the same information collected above.
 - e. Verification of accuracy of application information, including contacting employers for verification of employment, will be made.
 - f. A letter of either approval or denial will be submitted to each applicant.
 - i. The approval letter will include a demand statement for the service in question with adjustments and a balance of zero dollars (\$0), and contact information for any questions that may arise;
 - ii. The denial letter will include: reason for denial; indication of potential eligibility under the Discount Payment Program, Payment Plan Program, or other self-pay policy; and information and request to contact the Patient Financial Counselor as soon as possible.
 - g. Any additional services rendered up to a year after the submission date of an approved Charity Care Application will additionally require updated documentation of non-coverage for the service on the date performed; and a completed MSP Questionnaire indicating the patient's injury is not a compensable injury.
 - h. Any disputes regarding a patient's eligibility to participate in the Charity Care Program shall be directed to the Revenue Cycle Director and will be resolved within 10 business days.
 - i. If it is determined that the patient is ineligible to participate, the number of days spent on dispute resolution shall not be counted

toward the minimum 150 days prior to reporting any amount to a credit reporting bureau.

4. Participant Accounts Maintenance:

A folder for each Charity Care applicant will be created, and will include the following items:

- a. Patient information and application
- b. A copy of every correspondence between Lake Chelan Community Hospital and Clinics and the participant
- c. Detailed bills on all accounts to be included in the application
- d. Adjustment form with adjustments taken on accounts
- e. Any additional notations and pertinent information

5. Availability of the Charity Care Policy:

- a. Notice of the Charity Care Policy shall be posted clearly posted in locations visible to the public, including but not limited to:
 - i. Emergency department
 - ii. Billing office
 - iii. Admissions office
 - iv. Other outpatient locations
- b. In the event of the hospital providing service to a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, the hospital shall provide a notice to the patient that includes, but is not limited to:
 - i. A statement of charges for services rendered by Lake Chelan Community Hospital and Clinics; and
 - ii. A request that the patient inform Lake Chelan Community Hospital and Clinics if the patient has health insurance coverage, Medicare, Medicaid or other coverage, and if the patient does not, that the patient may be eligible for such coverage, and can obtain an application for such coverage from Lake Chelan Community Hospital and Clinics; and
 - iii. A statement that indicates the patient may qualify for Charity Care if they meet the eligibility criteria set forth in this policy; and
 - iv. The name and telephone number of the Patient Financial Counselor from whom the patient may obtain information about the Charity Care policy and other assistance policies, and about how to apply for that assistance.