

 <p>CHARLES COLE MEMORIAL HOSPITAL REGIONAL MEDICAL CARE</p>	Manual/Location: Patient Financial Services	
	Title: Charity Care Policy	
	Department/Unit: Patient Financial Services	
Policy Administrator: Director PFS	Original Date: 04/2004	Review Cycle: Every 2 years
Policy Sponsor: Administration	Review Date:	
	Revision Date: 03/25/09	
Regulation/Standard: Section 501 (c)(3) of the Internal Revenue Code, 10 P.S. 371 (Institutions of Purely Public Charity); 35 P.S. 5701.101 (Tobacco Settlement Act)		

Purpose:

It is the Policy of Charles Cole Memorial Hospital (“the Hospital”) to provide services without charge or at a reduced charge to eligible patients who meet certain income parameters.

All medically necessary emergent services of this facility will be available as uncompensated services to eligible patients.

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.

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.

Scope of Policy:

Charity Care includes services provided to:

1. 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. Emergency patients, because the hospital does not need to assess a patient’s financial situation when rendering medically necessary emergent care.
4. Persons with generally adequate incomes who are suddenly faced with catastrophic large medical bills.

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.

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

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:
 - 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 all ready have Medical Assistance, he/she must cooperate with the Hospital and submit an application to Medical Assistance. If the application is denied, only then may 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 reevaluation.
 - 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.

Related Documents: Request for Charity Care
Charity Care Income Guidelines

Procedures: None

Job Aids: None

Authoritative Reference(s): N/A

Approval Signature(s):
