



# PROCEDURE

## TITLE: Charity Care

<b>Issuing Department:</b>	Business Office
<b>Clinical Director Signature:</b>	
<b>Departments Involved:</b>	
<b>Effective Date:</b>	01/99
<b>Review Dates:</b>	04/02, 09/04, 12/04
<b>Revision Dates:</b>	03/03, 03/07, 05/07, 09/09, 04/12, 4/13, 07/13, 11/13, 02/14

### I. OBJECTIVE

Consistent with its mission to provide high quality healthcare services for its community, Pomerene Hospital 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 situation.

### II. POLICY

- A. 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.
  2. Patients are expected to contribute payment for care based on their individual financial situation; therefore, each case will be reviewed separately.
  3. 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 of charity care.
  4. Uninsured patients who are believed to have the financial ability to purchase health insurance may be encouraged to do so in order to ensure healthcare accessibility and overall well-being.

### III. DEFINITIONS

- A. **Charity Care:** Medically necessary healthcare services rendered at a discount or without expected payment to individuals meeting established criteria.
- B. **Medically Necessary:** hospital services or care rendered, to a patient both inpatient and outpatient 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 of

malfunction, threaten to cause or aggravate a handicap or result in overall illness or infirmity.

- C. **Emergency Care:** Immediate care which is necessary to prevent placing the patient's health in serious jeopardy, serious impairment to bodily functions, and serious dysfunction of any organs or body parts.
- D. **Urgent Care:** Services necessary in order to avoid the onset of illness or injury, disability, death or serious impairment or dysfunction if treated within 12 hours.
- E. **Uninsured:** Patients with no insurance or third-party assistance to help renumerate their financial responsibility to healthcare providers.
- F. **Underinsured:** Patients who carry insurance or have third-party assistance to help pay for medical services, but who accrue or have likelihood of accruing out-of-pocket expenses that exceed their financial ability to pay.
- G. **Family Size:** Includes the patient, patient's spouse, whether they reside in the home or not, and all of the patient's children, natural or adopted under the age of 18 who live in the home. If the spouse is still married, they should be included in the count for the family size regardless if they live in the home or not. Legally separated is not a recognizable status in the state of Ohio, therefore the spouse must still be counted. If the spouse cannot be located and their income cannot be verified, they should not be included in the count. Grandparents, step-parents and legal guardians cannot be counted as part of a minor patient's family. They need to be related by birth or formal adoption in order to be included in the minor patient's family count. Both parents should be counted for a minor, even if only one of them has been granted responsibility for the child. Siblings only that reside in the patient's home can be counted in the family size. If a patient is 18 years of age and living in the home they cannot be included in the patient's family size.
- H. **Liquid Cash Assets:** Patient assets and withdrawals from savings or brokerage accounts are not taken into consideration as income. Funds in a retirement account, distributions from a retirement account, interest and dividends on a non-retirement savings or brokerage account are all considered income.
- I. **Income:** Include all sources of income including alimony, child support and SSI. Child support, SSI, and disability can only be used as income if the applicant is the sole intended recipient designated to receive the support. Grants, scholarships or housing allowances that are paid directly to a student or patient, are considered income. If they are paid directly to the school or housing authority it is not considered income. Patients who are still married need to include the spouse's income into their income even if that spouse no longer lives in the home. If they are not able to obtain that figure, the reason needs to be documented on the application.

#### IV. PROCEDURES

##### A. Eligibility:

1. Services eligible for charity care that are non-elective and needed in order to prevent death or adverse effects to the patient's health include: emergency or urgent care,

services deemed medically necessary by Pomerene Hospital and the Medicaid Fee Schedule, and overall.

2. Patients who are uninsured, underinsured, ineligible for government assistance programs, or unable to pay based on their individual financial situation may be eligible for financial assistance. Determinations for eligibility are made on a case-by-case basis and may require appointments or discussion with hospital financial counselors. Patients will be required to apply for Medicaid (if applicable) and HCAP prior to applying for Pomerene Charity Care. Pomerene Hospital provides assistance for deductibles, co-insurance, or co-payments in the form of free and/or discounted services. When determining patient eligibility, Pomerene does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant status.
3. Additionally, Pomerene may refer to or rely on external sources and/or other program enrollment resources in the case of patients lacking documentation that supports eligibility or individual circumstance. Pomerene may provide free or discounted services when:
  - a. Patient is homeless
  - b. Patient is eligible for other state or local assistance programs that are funded
  - c. Patient is eligible for food stamps or subsidized school lunch program
  - d. Patient is eligible for assistance under the Crime Victims Act or Sexual Assault Act
  - e. Patient is eligible for a state-funded prescription medication program
  - f. Patient is deceased without an estate
  - g. Patient files bankruptcy
  - h. Patient's valid address is considered low income or subsidized housing
  - i. Patient is on military active duty
  - j. Patient receives free care from a community clinic and is referred to hospital for further treatment

#### **B. Ineligible Services**

1. Contractual adjustments associated with Medicare, Medicaid, HMO/PPO or any other Hospital Managed Care program are not allowed under Charity Care.
2. Cosmetic procedures are not covered under the Charity Care Program.
3. Physician services are not covered by HCAP. If a patient is eligible for HCAP for the hospital portion the patient can then apply for charity care for the physician portion.
4. Patient convenience items.

5. Elective procedures
6. Pomerene Package Services
7. Dental Services
8. Patients with Church Fund

**C. Determining Discount Amount:**

1. The hospital will use a sliding scale mechanism based on income, ranging from a 100% discount if at or below the federal poverty level to a 25% discount if at 175% of poverty level.
2. **Hospital Care Assurance Program (HCAP).** The government of the State of Ohio, in collaboration with the United States federal government, has sponsored, funded, and implemented an Expanded Hospital Care Assurance Program, which was effective May 22, 1992. According to this program, “hospitals that receive payments under the provision of Chapter 51212 of the Ohio Revised Code shall provide, **without charge** to the individual patient, basic, medically necessary, hospital-level services to the individuals who are residents of this State, are not recipients of the Medicaid program, and whose income is at or below the federal poverty line.” Pomerene Hospital, which receives funds under this federal/state government program, is required by law to participate in the *Care Assurance Program*.
3. **Pomerene Hospital Charity Care Program (PHCC).** Pomerene Hospital is also concerned with the health of our community and will provide a reasonable amount of care either at no charge or at a reduced charge to individuals who are residents of Holmes County and eligible under the Pomerene Hospital *Charity Care Program*.

The 2014 federal poverty income guidelines for HCAP:	
Family Size	
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090

The 2014 Charity Care Guidelines for PHCC:		
Family Size	FROM:	TO:
1	\$11,670	\$20,423
2	\$15,730	\$27,528
3	\$19,790	\$34,633
4	\$23,850	\$41,738
5	\$27,910	\$48,843
6	\$31,970	\$55,948
7	\$36,030	\$63,053
8	\$40,090	\$70,158

- a. Add \$4,060 for each additional person if the family unit has more than 8 members.
- b. If the patient's total annual gross family income from all sources falls within or below the figures listed for their size family, they may be eligible for free or reduced charges under one of these programs.

**D. Applying for Financial Assistance:**

1. Services will be screened at the request of the patient or as identified by Pomerene Hospital. To be considered eligible for charity care, patients must cooperate with the hospital to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for a discount, HCAP, charity care, or other private or public payment programs. In addition to completing an application, documentation that needs to be provided:
  - a. Proof of income for applicant (and spouse if applicable); three most recent pay stubs, unemployment insurance payment stubs, or sufficient information on how patients are currently supporting themselves. Take those three months and calculate the annual income of the applicant.
  - b. Income tax return, only if the patient cannot produce any of the items in item a.) or their three most recent pay stubs. Bank statements and a letter from the employer are acceptable as well.
  - c. Payment history of any outstanding accounts for prior hospital services
  - d. Insurance card including Amish Fund or Amish Aid
  - e. Available assets or other financial resources: (Reference requirements in Definition Section of this Policy)
    - i. Liquid asset levels up to \$5,000 will not be considered toward payment of the hospital bills. Assets over this amount will be required to be utilized towards any bills up to 50% of the total asset on hand over the \$5,000 limit. Any remaining hospital bills will be considered for the Pomerene Charity Care Program.
  - f. Family size: (Reference requirements in Definition Section of this Policy)
    - i. Patient or legal representative, parent(s), spouse, and children under the age of 18 living in the same household.
  - g. Reside in Holmes County in order to apply for Pomerene Hospital Charity Care. Any resident of Ohio is eligible to apply for HCAP.
  - h. Patients with a bill totaling \$100 or less will not be eligible for Pomerene Charity Care. They may apply for HCAP.
2. Patients will be screened via the Patient Financial Planning Questionnaire. In cases where a potential payment source has been identified, the patient or guarantor is expected to comply with those requirements of that payment source. The application process will be delayed until the payments from the identified source have been applied to the account.
3. If a patient is potentially eligible for Medicaid, they will be asked to complete a Medicaid application in addition to completing the charity care forms. The Medicaid

application must be completed before the patient will be processed for charity care. All patients will be processed through the HCAP program first. If the patient is not eligible via the HCAP Program, Pomerene Charity Care will be utilized secondary. Patients who fail to complete the required application(s) will automatically be disqualified from the charity care program.

4. HCAP applications, per OAC 5101:3-2-07.17, will be accepted three years from the date a first-time statement is sent to the patient. Pomerene Charity Care applications will be accepted one year from the time a first-time statement was sent to the patient. If it is greater than one year, a patient will not be able to apply for Pomerene Charity Care services.
5. The applications must be filled out in its entirety and returned to Pomerene Hospital within 30 days to be processed for either program.
6. Incomplete documentation will be considered an application denial.
7. The application needs signed by the patient, the patient's spouse, or legal patient representative to be valid. For deceased patients, an application must always be attested to by someone who is legally able to speak for the patient. The executor of the estate should apply; however, if there is no estate, the patient's next of kin could sign and attest to the validity of the information on the application. Parents cannot sign an application for anyone 18 years of age or older.
8. Patients found to be eligible for HCAP:
  - a. Outpatient eligibility is effective for 90 days from the initial date of service.
  - b. Inpatient needs determined for each admission, unless the patient is readmitted with the same underlying condition within 45 days.
  - c. An inpatient application can be used to cover related outpatient services for the patient in the 90-day period immediately following the first day of the inpatient admit.

**E. Collection Practices for Charity Care Patients:**

1. Internal and external collection policies and procedures will take into account the extent to which a patient is qualified for charity care or discounts. In addition, patients who qualify for partial discounts are required to establish a payment plan with Pomerene hospital. Pomerene is committed to working with patients to resolve their accounts, and at its discretion, may provide extended payment plans to eligible patients. As long as patient's meet the established payment terms, their account will remain at Pomerene and will not be forwarded to a collection agency. Patients who default on their agreed payment plans will have their charity adjustment reversed and the account will be turned over to a collection agency. Reporting to credit agencies and legal action, such as the garnishing of wages, liens and any and all action to the extent of limit of law may be taken in order to enforce terms of an outstanding balance.
  - a. The Extended Business Office will screen patients to determine their eligibility for charity care based on ability to pay. If there is a remaining patient

responsibility payment arrangements will be made. As stated above, if the patient defaults on the payment arrangements the charity adjustment will be reversed and the patient will be responsible for the full amount. The account will then be turned over to a collection agency.

- b. The Collection Agencies will screen patients to determine their eligibility for charity care based on ability to pay, if it has not been previously screened. Any amounts deemed to be charity care will be removed from bad debt and reclassified as charity care. If there is a remaining patient responsibility, that amount will remain with the Collection Agency until the balance is resolved.
  - c. Patients are only eligible for one charity care adjustment per account. If a patient has received an adjustment for charity on an account, they cannot reapply for an additional adjustment on that account. This applies to all accounts not matter the current status (i.e., with Extended Business Office or Bad Debt).
2. **Patient expectations for receiving preferential treatment under collections:**  
To retain preferential treatment under collection practices as described above, patients will have qualified for a discount under the Pomerene Hospital Charity Care Policy by providing all necessary information and documentation, cooperating with the hospital in establishing a reasonable agreement and/or payment plan, and communicating any changes in their financial situation that may further affect their ability to pay any discounted bills or agreed upon monthly payments. Patients will be asked to certify all information provided is true. If any information is determined to be false, all discounts afforded to the patient may be revoked, making them responsible for the full charges for services rendered.
- a. **NOTE:** For more information on Pomerene Hospital's collection practices, please refer to the Collections Policy.

**F. Communication of Charity Care Program:**

1. Pomerene Hospital communicates the availability and terms of its charity care program to all patients, through means which include, but are not limited to:
  - a. Posted signs within the waiting rooms, registration areas, as well as emergency rooms and financial services departments.
  - b. Notifications on patient statements.
  - c. Applications and contact numbers on Pomerene's website.
  - d. Designated staff knowledgeable on the charity care policy to answer patient questions or who may refer patients to the program.
  - e. Brochures and packets that can be handed to patients in the admitting areas.
2. Requests can be made by a patient, their family members, friend or associate, but will be subject to applicable privacy laws.

3. Patient's concerned about their ability to pay for services or would like to know more about financial assistance should be directed to the Patient Financial Services Department at (330) 674-6694.
4. In implementing this policy, Pomerene Hospital shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

**G. Storage and Retention**

1. Records will be retained for 6 years from the date of receipt of payment based upon those records or until any audit initiated within the 6 year period.