



Charity Care/Financial Assistance

PURPOSE

Ashe Memorial Hospital (AMH) recognizes our responsibility as a non-profit organization to assist low-income, uninsured patients who do not otherwise have the ability to pay fully for medically necessary healthcare. An important part of our mission is to be responsive to the health care needs of the community, including those that are unable to pay for part or all of the care they receive at AMH. As part of AMH's vision, we strive to maintain the hospital's financial ability to support quality health care at reasonable cost, in accordance with community needs and regulatory authority. With the patient's and/or guarantor's active and timely participation in the charity care screening process, we can provide consideration that is beneficial to both the patient's need for assistance and the hospital's desire to support our community with charitable services.

DEFINITIONS

The following definitions are defined in terms applicable to AMH's Charity Care/Financial Assistance policy and may not be transferable elsewhere.

Charity care: uncompensated medical care for which AMH is not reimbursed. Charity care and financial assistance are used interchangeably in this policy.

Financial assistance: the act of helping a patient/guarantor with the fulfillment of debt. Financial assistance and charity care are used interchangeably in this policy.

Guarantor: a person who is responsible for, or who guarantees to pay for a debt. A patient and a guarantor may be the same person. In general, parents are guarantors of their children's debts until the child reaches the age of 18. Husbands and wives not legally separated are guarantors of each other's debts. Guarantor and responsible party are used interchangeably in this policy.

Household/family members: any persons living in the same house (unity) for the purpose of shelter, whether or not they are legally responsible for incurred debt, who may or may not be related by marriage, blood, or adoption who share in household expenses.

Patient: a person who is under medical care or treatment at Ashe Memorial Hospital or Mountain Family Care Center.

POLICY

It is the policy of AMH to respond to patient requests for charity eligibility with dignity, respect, and confidentiality. AMH maintains the responsibility to offer criteria for which a patient's ability to pay can be gauged by their household income, household/family size, assets, future earning capacity, and amount of patient balances from health care bills. The patient's and/or guarantor's responsibility in this process is to provide full disclosure of requested information accurately, truthfully, and on a timely basis so that we are able to make a determination regarding the patient's financial status. The responsibility for determining charity levels (e.g., annual budgetary provisions) and the need to maintain a careful balance between the need for fiscal stewardship and our bias toward a charitable mission rests with AMH's Board of Trustees.

Charity approval will affect all accounts (except Segraves Care Center accounts) for which the approved guarantor is responsible and the approved charity percentage will be applied to all non-bad debt accounts with patient balances. Accounts may be returned from Bad Debt status if financial circumstances warrant and charity may be applied. Patients requesting charity may be required to apply for Medicaid benefits. If Medicaid, Medicare, or other third-party insurance eligibility is established for dates of service covered under charity, those charity adjustments will be reversed and the services will be billed to the appropriate insurance company/program for processing.

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To encourage prudent use of healthcare services, all patients are asked to pay co-payments of at least \$15 per clinic visit, \$50 per Emergency Department and/or out-patient visit, and \$100 per admission. Hospital financial aid/charity care is not a substitute for employer-sponsored, public, or individually purchased insurance. Hospital financial aid/charity care is secondary to all other financial resources available to the patient including insurance, governmental programs, third-party liability, and assets.

A patient's and their family's personal and financial information are kept fully confidential and this information will only be used to assist in enrollment for health coverage or for evaluating for financial assistance. The hospital may, at its own expense, request a credit report or asset listing to further verify the information on the charity application.

Incomplete applications may be denied and returned to the guarantor with a statement of what information is missing and how to re-apply. Depending upon the patient's/guarantor's situation, full reapplication may be required upon submission of the missing information. A responsible party choosing not to apply for charity care will not be automatically considered for assistance.

These are generally accepted guidelines; however, each individual situation will be reviewed independently. Allowances may be made for extenuating circumstances.

Eligibility Requirements

- Eligibility shall be based on financial need at the time of application.
- All resources of the household/family (related or unrelated) are considered together. Examples of unrelated family include partners and foster children who share the home with the applicant. College children can be counted as part of the household if those children are claimed on the applicant's tax filing. Income and resources for each person counted in the household must be fully disclosed.
- Charity care discounts commence at 150% of current Federal Poverty Guidelines (100% write-off excluding copays as stated above) and slide up to a cap 250% of current Federal Poverty Guidelines. (See attached Charity Percentage Sliding Scale).
- Family assets will exclude the family's principal residence and necessary motor vehicles required for employment, access to treatment, or for transport of a disabled person. Cash asset limitations will adhere to the current limitations of North Carolina's Division of Medical Assistance (DMA).
- Documentation will be requested and in most cases will be required to establish eligibility for charity care; however, the absence of documentation in certain circumstances deemed reasonable and understandable (e.g., homeless person) will not necessarily require a charity denial.
- In the absence of income, a letter of support from individuals providing for the patient's basic living needs will be accepted.
- Patients outside Ashe County will be eligible to apply for charity approval in emergency situations. Routine and/or non-emergent services for patients residing outside of Ashe County will be permitted to apply for charity care only in extenuating situations and should be approved prior to services being rendered.
- The hospital's goal is to ensure that patients will return to the hospital to receive care when necessary, regardless of their ability to pay. As a result, underinsured and uninsured patients with potentially catastrophic hospital bills are addressed on a case-by-case basis, depending upon each patient's specific circumstances and ability to pay.
- Non-covered services (such as non-covered pharmacy for out-patients) for "dual-eligibles" (i.e., patients with Medicare and Medicaid health benefits) automatically qualify for charity write-off. These services are not claimed on cost reports and the patient has already proven indigence via his or her Medicaid status.

Evaluation Process

- Patients and/or guarantors will be evaluated for charity care approval prior to services being rendered, at the time of service, or as soon as practical after service has been provided to the patient.

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- Patients will be screened for third-party payment sources, Medicaid benefits, and/or Medicare benefits. Failure to apply for such resources may result in a denial of the charity application.
- Patients and/or guarantors will be given 14 days to provide any required documentation for charity determination. While AMH will not impose any unreasonable burden upon the patient to provide relevant information when considering the application for charity care, AMH may require the patient to validate the accuracy of any information provided.
- Any of the following documents will be considered sufficient evidence upon which to base a determination of eligibility for charity care: last 3 months of pay notices/stubs, last 3 months of bank statements, income tax filing from the previous year, W-2 statements from the previous year, unemployment compensation forms, forms approving or denying Medicaid or written statements from employers or welfare agencies.
- AMH will notify the patient and/or guarantor of the organization's decision (approval or denial) via letter and will attempt to contact via telephone.
- In general, approved charity discounts will be good for one year from the date of initial application providing that income status and household size have not changed during that time. Depending upon the patient's situation, AMH may require the patient to reapply for charity care more frequently than as stated above. Honest and full disclosure of a patient's financial status is expected from the patient/guarantor. If dishonesty is discovered, the application and/or approved charity discount become null and void.
- AMH will allow a patient and/or guarantor to apply for charity care at any point from pre-admission to final payment of the bill so long as the account has not been forwarded to a collection agency.
- We recognize that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the change in financial status is temporary, the organization can choose to suspend payments temporarily rather than initiate charity care.

Communication to the Public

- AMH will post notices regarding the availability of financial assistance to low-income uninsured patients. These notices will be posted in visible locations throughout the hospital such as admitting/registration, financial counseling office, and other outpatient and/or emergency settings.
- Notices or brochures will also be provided to uninsured patients at time of registration and will include brief instructions on how to apply for financial assistance or a discounted payment and a contact telephone number that a patient or family member can call to obtain more information.
- Information regarding financial assistance will be included with the patient's bills and statements.
- Business cards notifying patients of financial assistance programs and where to telephone for assistance should be located throughout the hospital.
- Our charity policy and charity application will be available on the hospital's website.
- Information regarding charity application will be provided in English and in Spanish.
- AMH will share its charity care policies with appropriate community health and human services agencies and other organizations that assist such patients.

Staff Education

To ensure that the Charity Care Policy are disseminated to all appropriate levels of hospital management and staff, access and communication of the policy is essential. The goal of this staff education is to share information with front-line staff to equip them with the skills, resources, and tools available to effectively address customer questions and concerns regarding the bills associated with the patient's visit. Focus is placed on increasing awareness of AMH's charity commitment, guidelines, and processes to ensure that front-line staff understand AMH's commitment to providing financial assistance to patients in need and to ensure that employees consistently communicate this commitment to patients and consumers.



Charity Care/Financial Assistance

- Staff will be required to read the Charity Care/Financial Assistance policy annually.
- Information will be available via various means (e.g., department inservices, orientation, skills fairs, management meetings, newsletters, email, paycheck inserts, and Patient Financial Services staff evaluations).

PROCEDURE

1. The financial counselors are the main liaison between the patient and the hospital and will provide charity care applications to both uninsured and underinsured patients/guarantors.
 - a. Interview the patient/guarantor to determine that no third-party coverage exists to pay the account(s). If a determination is made that the patient may qualify for public assistance, refer the patient/guarantor to that agency and request proof of denial.
 - b. Provide the patient/guarantor with a charity application and explain that the patient may be eligible for indigent/charity care write-off if certain criteria are met.
 - c. Explain the requirements for the application such as deadlines and documentation (this information should also be provided to the patient on paper).
 - d. Offer to assist the patient/guarantor in completing the application, if needed. Advise the patient/guarantor of who to notify once the form is completed and requested documentation available.
2. Once the charity care application is received by the financial counselor, the counselor will review the application and submitted documentation for completeness. If the application and/or documentation are incomplete, the counselor will contact the patient and/or guarantor for the additional information.
3. Determine if the patient/guarantor meets indigent/charity care criteria using the financial analysis worksheet. Sign and date the worksheet.
4. The financial counselor forwards the charity application, all supporting documentation, and the financial analysis worksheet to the Patient Financial Services Director (PFSD) for approval.
5. The financial counselor changes the self-pay collector to "PBD" to prevent the account from being forwarded to any other agency.
6. The PFSD reviews all documentation and verifies the charity care discount. The financial counselor is notified of the approval/denial.
7. The financial counselor notifies the patient/guarantor of the charity care determination via telephone and letter. Information communicated to the patient will include:
 - a. approval/denial status
 - b. amount of discount (if any)
 - c. payment terms of balances owed
 - d. reapplication timeframe and steps to take should any other accounts be incurred during the timeframe, and
 - e. contact information for questions or additional information.

Each contact with the patient/guarantor and/or each action with the charity care application should be documented in the patient accounting computer system.



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CHARITY PERCENTAGE SLIDING SCALE

<u>% of Federal Poverty Guidelines</u>	<u>Adjustment/Discount</u>
≤ 150%	100%
155%	95%
160%	90%
165%	85%
170%	80%
175%	75%
180%	70%
185%	65%
190%	60%
195%	55%
200%	50%
205%	45%
210%	40%
215%	35%
220%	30%
225%	25%
230%	20%
235%	15%
240%	10%
245%	5%
250%	0%