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|  | Procedure Number: PR060-222 |
|   | Effective Date: 3/1/2017    |
|   | Title: Charity Care         |

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| <p><b>SCOPE</b> (choose from: District wide, Family Medicine, Home Health Hospice, Hospital):<br/> <b>District Wide</b></p>  |  |
| <p><b>LEVEL</b> (any departments within service areas that the procedure applies to):<br/> <b>Patient Financial Services Dept.</b></p>   |  |
| <p><b>PURPOSE:</b> To establish the criteria by which Charity Care will be determined and to comply with the Department of Health’s rules and the requirements of State regulations.</p>   |  |
| <p><b>PROCEDURES:</b></p> <p>Klickitat Valley Health (District) is committed to the provision of health care services to all persons in need of medically necessary care regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of financial assistance and charity care, consistent with the requirements of the Washington Administrative Code (WAC), Chapter 246-453, are established. These criteria will assist staff in making consistent objective decisions regarding eligibility for financial assistance and charity care while ensuring the maintenance of a sound financial base.</p> <p><b>COMMUNICATIONS TO THE PUBLIC</b></p> <p>Information about the District’s financial assistance and charity care policy shall be made publicly available as follows:</p> <p>A. A notice advising patients that the District provides financial assistance and charity care shall be posted in key public areas of the hospital, including Admissions, the Emergency Department, Billing and Financial Services.</p> <p>B. The District will distribute a written notice about the availability of financial assistance and charity care to all patients. This is done at the time that the District requests information pertaining to third party coverage. The written notice also shall be verbally explained at this time. If for some reason, for example in an emergency situation, the patient is not notified of the existence of financial</p> | <p><b>POSITION(S) RESPONSIBLE</b></p> <p>PFS Director</p> <p>Patient Acct Reps.</p> <p>Business Office Staff</p> <p>Registration Staff</p> <p>Director of Finance</p> <p>CEO</p> |



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assistance and charity care before receiving treatment; he/she shall be notified in writing as soon as possible thereafter.

- C. Both the written notice and the verbal explanation shall be available in any language spoken by more than ten percent of the population in the District's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation. The District finds that the following non-English translation(s) of the notice shall be made available: Spanish.
- D. The District shall train front-line staff to answer financial assistance and charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
- E. Written notice about the District's financial assistance and charity care policy shall be made available to any person who requests the information, either by mail, by telephone or in person. The District's sliding fee schedule, if applicable, shall also be made available upon request.

**ELIGIBILITY CRITERIA**

- A. Financial assistance and charity care are generally secondary to all other financial resources available to the patient, including group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.
- B. Patients will be granted financial assistance and charity care regardless of race, creed, color, national origin, sex, sexual orientation, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a disabled person



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C. Financial assistance and charity care shall be limited to “appropriate hospital-based medical services” as defined in WAC 246-453-010(7).

D. In those situations where appropriate primary payment sources are not available, patients shall be considered for financial assistance and charity care under this policy based on the following criteria:

- The full amount of uncovered hospital charges will be determined to be charity care for a patient whose gross family income is at or below 100% of the current federal poverty level (consistent with WAC 246-435).
- The District shall provide a sliding scale discount for patients with incomes between 101 and 200 % of the current federal poverty level. At the upper end of the sliding scale, the discount will be calculated using the prior year’s ratio of costs to charges, such as the one calculated from fiscal information filed with the Washington State Department of Health.
- The District shall also provide a discount to any uninsured patient with incomes between 201 and 300 percent of the federal poverty level. At the upper end of this income level, the discount will be using the prior year’s ratio of costs to charges, such as the one calculated from fiscal information filed with the Washington State Department of Health.

F. Catastrophic Charity. The District may write off as charity care, amounts for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

G. The responsible party’s financial obligation which remains after the application of any sliding fee schedule shall be payable as negotiated between the District and the responsible party. The responsible party’s

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| <p>account shall not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account, and there is no satisfactory contact with the patient.</p> <p>H. The District shall not require a disclosure of the existence and availability of family assets from financial assistance and charity care applicants whose income is less than 100% of the current federal poverty level but may require a disclosure of the existence and availability of family assets from financial assistance and charity care applicants whose income is at or above 101% of the current federal poverty level.</p> <p><b>PROCESS FOR ELIGIBILITY DETERMINATION</b></p> <p>A. Initial Determination:</p> <ol style="list-style-type: none"> <li>1. The District shall use an application process for determining eligibility for financial assistance and charity care. Requests to provide financial assistance and charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel, and the patient, provided that any further use or disclosure of the information contained in the request shall be subject to the Health Insurance Portability and Accountability Act privacy regulations and the District’s privacy policies. All requests shall identify the party that is financially responsible for the patient (“responsible party”).</li> <li>2. The initial determination of eligibility for financial assistance and charity care shall be completed at the time of admission or as soon as possible following initiation of services to the patient. This includes a verbal statement from the patient.</li> <li>3. Pending final eligibility determination, the District will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the District’s efforts to reach a final determination of sponsorship status.</li> </ol> |  |
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4. If the District becomes aware of factors which might qualify the patient for financial assistance or charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as qualified to receive financial assistance or charity care.

**B. Final Determination:**

1. Prima Facie Write-Offs. In the event that the responsible party's identification as an indigent person is obvious to District personnel, and the District can establish that the applicant's income is clearly within the range of eligibility, the District will grant charity care based solely on this initial determination. In these cases, the District is not required to complete full verification or documentation. (In accordance with WAC 246-453-030(3)).
2. Financial assistance and charity care forms, instructions, and written applications shall be furnished to the responsible party when financial assistance or charity care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the District, should be accompanied by documentation to verify information indicated on the application form. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
  - a. A "W-2" withholding statement;
  - b. Pay stubs from all employment during the relevant time period;
  - c. An income tax return from the most recently filed calendar year;
  - d. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
  - e. Forms approving or denying unemployment compensation;or



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f. Written statements from employers or DSHS employees.

3. During the initial request period, the patient and the District may pursue other sources of funding, including Medical Assistance and Medicare. The responsible party will be required to provide written verification of ineligibility for all other sources of funding. The District may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
4. Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
5. In the event that the responsible party is not able to provide any of the documentation described above, the District shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person. (WAC 246-453-030(4)).

C. Time frame for final determination and appeals.

1. Each financial assistance and charity care applicant who has been initially determined eligible for charity care shall be provided with at least fourteen (14) calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her charity care application prior to receiving a final determination of sponsorship status.
2. The District shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
3. The responsible party may appeal a denial of eligibility for



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charity care by providing additional verification of income or family size to the Patient Financial Services Office within thirty (30) days of receipt of notification. During this time collection efforts will cease in accordance with WAC 246-453-020(9)(b).

4. The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020(10).

D. If the patient or responsible party has paid some or all of the bill for medical services and is later found to have been eligible for financial assistance or charity care at the time services were provided, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be reimbursed within thirty (30) days of receiving the financial assistance or charity care designation.

E. Adequate notice of denial:

1. When an application for financial assistance and charity care is denied, the responsible party shall receive a written notice of denial which includes:
  - a. The reason or reasons for the denial;
  - b. The date of the decision; and
  - c. Instructions for appeal or reconsideration.
2. When the applicant does not provide requested information and there is not enough information available for the District to determine eligibility, the denial notice also includes:
  - a. A description of the information that was requested and not provided, including the date the information was requested;
  - b. A statement that eligibility for charity care cannot be established based on information available to the District; and



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c. That eligibility will be determined if, within thirty days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.

3. The Director of Finance will review all appeals. If this review affirms the previous denial of financial assistance and charity care, written notification will be sent to the responsible party and the Department of Health in accordance with state law.

G. If a patient has been found eligible for financial assistance or charity care and continues receiving services for an extended period of time without completing a new application, the District shall re-evaluate the patient's eligibility for financial assistance and charity care at least annually to confirm that the patient remains eligible. The District may require the responsible party to submit a new financial assistance and charity care application and documentation.


H. In accordance with WAC 246-453-020(11) in the event that a responsible party pays a portion or all of the charges related to appropriate hospital-based medical care services, and is subsequently found to have met the charity care criteria at the time that services were provided, any payments in excess of the amount determined to be appropriate shall be refunded to the patient within thirty days of achieving the charity care designation.

#### DOCUMENTATION AND RECORDS

A. Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.

B. Documents pertaining to financial assistance and charity care shall be retained for five (5) years.



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