

SOUTHERN HUMBOLDT COMMUNITY HEALTHCARE DISTRICT 733 CEDAR STREET GARBERVILLE, CA95542 (707) 923-3921 (X) POLICY (X) PROCEDURE									Financial Services	Page 1 of 4
									Effective Date: 01/01/08	
2008	2009	2010	2011	2012	2013	2014	2015	2016	Supersedes: All Previous	
New	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Approval:	
									Administration:	
									Medical Staff:	
SUBJECT: PRINCIPLES AND GUIDELINES FOR ASSISTING LOW-INCOME UNINSURED PATIENTS									Governing Board:	

POLICY:

It is the policy of the Southern Humboldt Community Healthcare District ("SHCHD") to provide emergency medical care to all patients regardless of their ability to pay.

PURPOSE:

The purpose of this policy and procedure is to define Charity Care and to distinguish Charity Care and Indigent Care from Bad Debts, and to establish policies and procedures to ensure consistent identification, accountability, and recording of such care.

DEFINITIONS:

Charity Care represents all healthcare services that are provided to patients who are financially unable to satisfy their debts resulting from a determination of a patient's inability to pay, not their willingness to pay. Hospital charges for patient accounts identified as Charity Care at the time of admission or service are not recognized by the facility as net revenue or net receivables. If patient accounts are identified as Charity Care subsequent to the facility recognizing the charges as revenue, an adjustment is required to appropriately restate the revenue and any bad debt expense previously recorded.

Charity Care will be classified into three categories:

- Charity Care – Statutory
- Charity Care – Non-Statutory
- Charity Care – Indigent

CHARITY CARE - STATUTORY:

Statutory Charity Care will be defined by facility participation in various federal, state, and/or county uncompensated care programs. Criteria for such Charity Care must comply with governmental guidelines and/or state or county regulations. Statutory Charity Care also includes any Charity Care obligations as defined in contractual agreements documenting the acquisition of the facility.

Each patient who appears eligible for Statutory Charity Care determination and who requests such determination must complete a Confidential Financial Statement (Application) (see Exhibits A, B & C). They must also provide necessary supporting documentation to verify the patient's financial condition.

CHARITY CARE – NON-STATUTORY:

Non-Statutory Charity Care is defined as patient Charity Care meeting Southern Humboldt Community Healthcare District's Charity Care criteria; however, there may not be state or county programs in which the facility participates or where the facility does not have specific obligations to provide Charity Care. SHCHD's Business Office ("BO") will determine eligibility for Non-Statutory Charity Care. The determination will be done after the completed Confidential Financial Statement (Application) ("CFS") (see Exhibit A) is submitted for processing. An effort will be made to secure a signed application, but this may not be possible in all cases and will not prevent an account from being qualified by the Business Office or re-classed as Indigent Care.

CHARITY CARE – INDIGENT:

Patients who meet Charity Care criteria, but for which the required applications and/or documentation are not completed (e.g., unable to contact, uncooperative, unable to provide sufficient documentation, etc.) will be re-classed as Indigent Care. In these cases, the patient (if possible) will be advised that unless they comply and provide the required information, no further consideration will be given for Charity Care processing. Such determination does not preclude a re-assessment in the future upon presentation of additional documentation to be re-classed to Charity Care.

PROCEDURE:

SHCHD will attempt to identify potential Statutory and Non-Statutory Charity Care at admission or while the patient is in-house. At the time of identification, the financial class will be changed to Charity Care and a 100% Charity Care Allowance should be taken for these patients

Factors to be considered in determining eligibility for Charity Care may include, but are not limited to, the following:

1. The patient's gross income should be within a pre-established range—usually; this is the annually published Federal Poverty Guidelines or an equivalent thereof. As of 2007, the Federal Poverty Guidelines for that is used determine patient eligibility for Charity Care is 150% (see Appendix A).
2. The patient's net worth and liquidity.
3. The patient's employment status and capacity for future earnings.
 - Patients who are unemployed and do not qualify for a government program
 - Patients that have no credit established and no bad debt collection accounts
 - Patients with a lack of revolving credit account(s) information
 - Patients with a lack of bank revolving accounts(s) information
 - Patients with delinquencies reported on open trade line accounts
4. Other living expenses and financial obligations.
5. The previous exhaustion of all other available resources.
6. Catastrophic illness.

Patient Screening

Indigent Care Screening

Patients who meet SHCHD's Charity Care criteria but are unable or unwilling to complete the required applications and documentation and/or have a potential change in future circumstances and recovery, will not be recommended for a charity allowance.

Utilizing Credit Bureau Reports and other data sources (such as the Charity Care Packet), the BO will process patients who have one or more of the following for Indigent Care:

- Skilled and professional individuals temporarily unemployed due to a temporary disability who do not qualify for a government program
- Students who have a likelihood to be able to pay in the future
- Commissioned and self-employed persons with a likelihood to be able to pay in the future
- Patients with a credit history too new to score
- Patients that have no credit established and no bad debt collection accounts
- Patients with a lack of revolving credit account(s) information
- Patients with a lack of bank revolving account(s) information
- Patients with delinquencies reported on open trade line accounts

Documentation

Application

In order to qualify for Charity Care, SHCHD requires each patient or family complete the CFS (*see Exhibits A, B & C*). This application allows for the collection of information about income and the documentation of the other requirements defined below. Pending the completion of the application, the patient should be treated as a Charity Care patient in accordance with SHCHD's Charity Care Policy as set forth here. The patient's account will have the financial class changed to Charity Care on the facility HIS system.

- **Family Members:** SHCHD will require patients to provide the number of family members in their household.
- **Adults:** In calculating the number of family members in an adult patient's household, include the patient, the patient's spouse and/or legal guardian, and all of their dependents.
- **Minors:** In calculating the number of family members in a minor patient's household, include the patient, the patient's mother/father and/or legal guardian, and all of their other dependents.
- **Income Calculation:** SHCHD requires patients to provide their household's yearly gross income.
 - Adults: The term "yearly income" on the application means the sum of the total yearly gross income of the patient and the patient's spouse.
 - Minors: If the patient is a minor, the term "yearly income" on the Financial Assistance Application means income from the patient, the patient's mother/father and/or legal guardian, and all of their other dependents.

Income Verification

SHCHD requires patients to verify the income set forth in the Application in cases where documentation is available. In determining a patient's total income, SHCHD may consider other financial assets and liabilities of the patient as well as the patient's family income when assessing the ability to pay. If a determination is made that the patient has the ability to pay their bill, such determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation. Any of the following documents are appropriate for verifying income and assets.

- **Income Documentation:** Income documentation may include: IRS Form W-2, Wage and Earnings Statement, Paycheck Stub, Tax Returns, telephone verification by employer of the patient's income, bank statements, or other appropriate indicators of income as mentioned in the "Documentation Unavailable" section below.
- **Participation in a Public Benefit Program:** Public Benefit Program documentation showing current participation in programs such as: Social Security, Workers' Compensation, Unemployment Insurance, Medi-Cal, County Indigent Health, AFDC, Food Stamps, WIC, or other similar indigence-related programs.
- **Assets:** All liquid assets should be considered as a possible source of repayment for services rendered. For patients with no source of regular income (employment, SSI, disability, etc.) other than liquid assets, those assets would be the patient's income source and should be measured against the Federal Poverty Guidelines. All other assets should be considered as a possible source of repayment for services rendered.
- **Expired Patients:** Expired patients may be deemed to have no income for purposes of the calculation of income. Although no documentation of income is required for expired patients, the patient's financial status will be reviewed at the time of death by FAC to ensure that a Charity Care adjustment is appropriate.

Documentation Unavailable

If the BO representative has exhausted all efforts for those patients who meet Government Programs or Charity Care criteria, but are unable to complete the required applications and documentation (e.g., unable to contact, uncooperative, unable to provide sufficient documentation, etc.) and/or have a potential change in future circumstances and recovery, the patients will not be recommended for a Charity Care allowance.

Information Falsification

Falsification of information will result in denial of the Application. If, after a patient is granted financial assistance, the District finds material provision(s) of the Application to be untrue, Charity Care status may be revoked and the patient's account will be forwarded for normal collection processes.

Reservation of Rights

It is the policy of SHCHD to reserve the right to limit or deny financial assistance at their sole discretion.

- **Non-Covered Services:** It is the policy of SHCHD to reserve the right to designate certain services that are not subject to SHCHD's Charity Care Policy.
- **No effect on other Hospital Policies:** This Policy shall not alter or modify other SHCHD policies regarding efforts to obtain payments from third party payers, patient transfers, emergency care, state-specific regulations, state-specific requirements for Statutory Charity Care classification, or programs for uncompensated care.

Federal Poverty Guidelines (All States except Alaska and Hawaii) and the District of Columbia 2007 Federal Poverty Guidelines (FPG), which is updated annually and is as follows:

Appendix A

Family Size	Annual Income 150% of FPG
1	\$15,315
2	\$20,535
3	\$25,755
4	\$30,975
5	\$36,195
6	\$41,415
7	\$46,635
8	\$51,855
Each additional person, add	\$3,480

REVIEWED BY:

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New	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Approval:	
									Administration:	
									Medical Staff:	
	SUBJECT: COMMUNITY ASSISTANCE PROGRAM									Governing Board:

POLICY:

It is the policy of the Southern Humboldt Community Healthcare District ("SHCHD") to process all patient accounts fairly and consistently. The discounts described in this policy will be extended to uninsured or underinsured patients receiving medically necessary services.

PURPOSE:

SHCHD is dedicated to serving the Northern Mendocino and Southern Humboldt region with a full range of health care from prevention through treatment to wellness. SHCHD is committed to providing financial assistance to those patients with limited or no health insurance to pay for medically necessary care. The purpose of this policy is to define the framework within which these community service discounts will be determined, evaluated and applied.

Eligibility Criteria for Community Service Discounting:

1. Any uninsured patient receiving medically necessary services.
2. Any medically necessary services for underinsured patients which are deemed non-covered by their health insurance.
3. Community service discounts are not intended to offset share of cost obligations, deductibles or coinsurance amounts under government or private health insurance programs.
4. In the event the patient and/or their family unit is determined to have assets exceeding \$50,000, excluding the primary residence and any retirement funds, the patient may not be eligible for community service discounting or may qualify for a reduced amount.
5. Community service discounts are applied only in conjunction with full payment of the patient's portion.
6. Extended payment terms may be available at the discretion of SHCHD. Granting of such payment terms shall be free of interest but may result in a lower discount amount.
7. If any patient feels they may qualify for greater discounting based on income guidelines, they may apply for SHCHD's Financial Assistance and would thereby be governed by processes and documentation requirements outlined in that policy. Failure to qualify for Financial Assistance may still qualify the patient for the previously quoted community service discount amount.
8. Patients whose outstanding balance is greater than 50% of their family unit's gross annual income may also qualify for greater discounts under SHCHD's catastrophic allowances detailed in its Financial Assistance Policy. Patient's falling into this category should be validated through SHCHD's Financial Assistance process.
9. Patient's wishing to dispute charges on an account may do so for up to 60 days from the date of service and/or discharge. Quoted community service discount amounts will be valid from the date of the patient's inquiring for up to 45 days.

SHCHD Inpatient and Outpatient Discounting Matrix:**If the charges or estimate of charges exceeds \$500 the following discounting tier is applicable.**

Please note that if there are late charges on an account or if the charges exceed the estimated amount, the original discount of 50% will remain effective if the balance is paid in full upon receipt of the itemized statement and prior to 30 days from date of service and/or date of discharge.

Balance or Estimate of Acct: Age of Acct from Discharge: Discount Percentage:

> \$500	Prior to or at time of service	20%
> \$500	1-30 Days	18%
> \$500	31-60 Days	15%
> \$500	61-90 Days	13%
> \$500	91-120 Days	10%
> \$500	121-150 Days	5%

**Note: These percentages are subject to review and change each fiscal year.*

***If the combined balances of smaller accounts exceed \$500 these patients will be considered eligible under the above discounting matrix. Note however the discount percentage will vary depending on the age of each individual account.*

If the charges or estimate of charges is less than \$500 the following discounting tier is applicable. Please note that if there are late charges on an account or if the charges exceed the estimated amount, the discount of 10% will remain effective if the balance is paid upon receipt of the itemized statement and prior to 30 days from the date of service and/or date of discharge.

Balance or Estimate of Acct: Age of Acct from Discharge: Discount Percentage:

< \$500	Prior to or at time of service	10%
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**Note: These percentages are subject to review and change each fiscal year.*

****Greater discount amounts may be available at SHCHD's discretion.*

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