COMMONSPIRIT HEALTH
GOVERNANCE POLICY ADDENDUM

ADDENDUM Finance G-003A-3 **EFFECTIVE DATE:** February 15 , 2024

SUBJECT: Financial Assistance - Washington

ASSOCIATED POLICIES

CommonSpirit Governance Policy	Finance G-003, *Financial Assistance Policy*
CommonSpirit Governance Policy	Finance G-004, *Billing and Collections*

This Washington addendum (Addendum) supplements CommonSpirit Governance Policy G-003, *Financial Assistance* (the Financial Assistance Policy), as necessary, in light of and to comply with Washington statutes and regulations regarding provision of Hospital Charity Care, in accordance with the "Coordination with Other Laws" section of the Financial Assistance Policy.

This Addendum applies to all CommonSpirit Health Direct Affiliates and Tax-Exempt Subsidiaries in the state of Washington, as defined in the Financial Assistance Policy. If any provision of this Addendum is in conflict with, or inconsistent with, any provision of the Financial Assistance Policy, this Addendum shall control.

References in the Financial Assistance Policy to Medically Necessary Care and Emergent Medical Care are to be interpreted consistently with the definitions of "Appropriate Hospital Based Medical Services" and "Emergency Care or Emergency Services" contained in WAC 246-453-010(7) and (11), respectively. However, this addendum shall use the terms "Appropriate Hospital Based Medical Services" and "Emergency Care or Emergency Services".

DEFINITIONS

A. "Family Income" means total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual, in accordance with WAC 246-453-010 (17).

B. "Appropriate Hospital-Based Medical Services" means those hospital services which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. For purpose of this section, "course of treatment" may include mere observation or, where appropriate, no treatment at all; WAC 246-453-010 (7).

C. "Emergency Care or Emergency Services" means services provided for care related to an emergency medical or mental condition; WAC 246-453-010 (11).

D. "Eligibility Qualification Period" means that Patients approved to be eligible shall be granted Financial Assistance for all eligible accounts incurred for services received twenty-

four (24) months prior to the determination date (plus the fourteen (14) day determination period), and prospectively for a period of six (6) months following the determination date. If eligibility is approved based on Presumptive Eligibility criteria, Financial Assistance will also be applied to all eligible accounts incurred for services received twenty-four (24) months prior to the determination date.

ELIGIBILITY FOR FINANCIAL ASSISTANCE

A. No minimum account balance shall be required for a patient to qualify for Financial Assistance.

B. Pursuant to the terms of the Financial Assistance Policy, unless eligible for Presumptive Financial Assistance, certain eligibility criteria must be met in order for a patient to qualify for Financial Assistance. This Addendum updates such eligibility criteria with the following:

- Any patient whose Family Income is at or below 300% percent of the FPL shall receive a full discount from their account balance for Appropriate Hospital Based Medical Services and Emergency Care or Emergency Services provided to the patient after payment, if any, by third-party payers or sponsors.
- Any patient whose Family Income is between 301% to 350% of the FPL shall receive discounted care up to 75%, which may be reduced from their account balance for Appropriate Hospital Based Medical Services and Emergency Care or Emergency Services provided to the patient after payment, if any, by third-party payers or sponsors, and any amounts reasonably related to assets considered as set forth in the Hospital Facility's Policy on Asset Testing.
- Any patient whose Family Income is between 351% to 400% of the FPL shall receive discounted care up to 50% from their account balance for Appropriate Hospital Based Medical Services and Emergency Care or Emergency Services provided to the patient after payment, if any, by any third-party payers or sponsors, and any amounts reasonably related to assets considered as set forth in the Hospital Facility's Policy on Asset Testing.
- In the event a Hospital Facility provides discounted care greater than what is required above (either through amounts generally billed ("AGB"), self-pay, or other discounts) the patient shall receive that greater discounted care amount.

C. With respect to those assets that may be taken into consideration, Hospital Facility will seek only such information regarding assets as is reasonably necessary and readily available to determine the existence, availability, and value of such assets.

- Hospital Facility will consider assets and collect information related to such assets as required by the Centers for Medicare and Medicaid ("CMS") for Medicare cost reporting. Such information may include reporting of assets convertible to cash and unnecessary for the patient's daily living.
- Duplicate forms of verification will not be requested and only one current account statement is required to verify monetary assets.
- If no documentation for an asset is available, a written and signed statement from the patient or guarantor is sufficient.

- Asset information will not be used for collection activities.
- The following types of assets shall be excluded from consideration:
    - The first $5,000 of monetary assets for an individual or $8,000 of monetary assets for a family of two, plus an additional $1,500 of monetary assets for each additional family member. The value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid;
    - Any equity in a primary residence;
    - Retirement plans other than 401(k) plans;
    - One motor vehicle and a second motor vehicle if it is necessary for employment or medical purposes;
    - Any prepaid burial contract or burial plot; and
    - Any life insurance policy with a face value of $10,000 or less.

D. "Patient Cooperation Standards," as defined in the Financial Assistance Policy, shall only apply to the extent they:

- allow the Hospital Facility to pursue reimbursement from any third-party coverage that may be identified to the Hospital Facility, in accordance with WAC 246-453-020(1);
- allow the Hospital Facility to make every reasonable effort to determine the existence or nonexistence of third-party sponsorship that might cover in full or in part the charges for services provided to each patient, in accordance with WAC 246-453-020(4); and
- do not impose application procedures for charity care sponsorship which place an unreasonable burden upon the responsible party, taking into account any physical, mental, intellectual, or sensory deficiencies or language barriers which may hinder the responsible party's capability of complying with the application procedures, in accordance with WAC 246-453-020(5).

E. Eligibility for Financial Assistance shall not be based on a person's residency.

THE METHOD FOR APPLYING FOR FINANCIAL ASSISTANCE

A. For the purposes of reaching an initial determination of sponsorship status, Hospital Facilities shall rely upon information provided orally by the responsible party. The Hospital Facility may require the responsible party to sign a statement attesting to the accuracy of the information provided to the Hospital Facility for purposes of the initial determination of sponsorship status, in accordance with WAC 246-453-030(1). In accordance with WAC 246-453-020(1), if the initial determination of sponsorship status indicates that the responsible party may meet the criteria for classification as an indigent person, collection efforts directed at the responsible party will be precluded pending a final determination of that classification, provided that the responsible party is cooperative with the Hospital Facility's reasonable efforts to reach a final determination of sponsorship status.

B. In accordance with WAC 246-453-030(2), in addition to the documents listed in the Financial Assistance Policy, any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care sponsorship status, when the income information is annualized as may be appropriate:

- Forms approving or denying eligibility for Medicaid or state-funded medical assistance;
- Forms approving or denying unemployment compensation; or
- Written statements from employers or welfare agencies.

C. If there is indication that due to the patient's mental, physical or intellectual capacity, or due to a language barrier, completing the application procedure would place an unreasonable burden on the patients, the Hospital Facility will take reasonable measures to facilitate the application process, including engaging an interpreter to assist the patient through the application process if necessary.

D. Hospital Facilities shall make every reasonable effort to reach initial and final determinations of eligibility for financial assistance in a timely manner. Nevertheless, Hospital Facilities shall make those determinations at any time, even after the Application Period, upon learning of facts or receiving the documentation described herein, indicating that the responsible party's income is equal to or below three hundred percent (300%) of the federal poverty guidelines as adjusted for family size. The timing of reaching a final determination of eligibility for financial assistance shall have no bearing on the Hospital Facility's identification of charity care deductions from revenue as distinct from bad debts. WAC 246-453-020(10).

E. Any responsible party who has been initially determined to meet the criteria for receiving financial assistance shall be provided with at least fourteen (14) calendar days or such time as the person's medical condition may require, or such time as may be reasonably necessary to secure and to present documentation described within WAC 246-453-030 prior to receiving a final determination of sponsorship status.

F. In accordance with WAC 246-453-030(4), in the event that the responsible party is not able to provide any of the documentation described above, the Hospital Facility shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person.

G. In accordance with WAC 245-453-030(5), information requests from the Hospital Facility to the responsible party for the verification of income and family size shall be limited to that which is reasonably necessary and readily available to substantiate the responsible party's qualification for charity sponsorship, and may not be used to discourage applications for such sponsorship. Only those facts relevant to eligibility may be verified, and duplicate forms of verification shall not be demanded.

H. The Hospital Facility shall notify persons applying for financial assistance of their final determination of sponsorship status within fourteen (14) calendar days of receiving information in accordance with WAC 246-453-020(7); such notification shall include a determination of the amount for which the responsible party will be held financially accountable.

I. In the event that the Hospital Facility denies the responsible party's application for financial assistance, the Hospital Facility shall notify the responsible party of the denial within fourteen (14) days and provide the basis for the denial.

J. In the event that a responsible party pays a portion or all of the charges related to Appropriate Hospital Based Medical Services and Emergency Care or Emergency Services, and is subsequently found to have met the financial assistance 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 (30) days of achieving the charity care designation. WAC 246-453-020(11).

K. In accordance with WAC 246-453-020(6), Hospital Facilities shall not require deposits from those responsible parties whose income is equal to or below three hundred percent (300%) of the federal poverty guidelines as adjusted for family size, as indicated through an initial determination of sponsorship status.

L. For services provided to patients on or after July 1, 2022, the following procedures will apply for identifying patients or their guarantors who may be eligible for health care coverage through Washington medical assistance programs or the Washington Health Benefit Exchange:

- As a part of the application process for determining eligibility for Financial Assistance and charity care, Hospital Facility will query as to whether a patient or their guarantor meets the criteria for health care coverage under medical assistance programs under chapter 74.09 RCW or the Washington Health Benefit Exchange.
- As part of the Financial Assistance process, Hospital Facility staff will also work with patients/families who do not have applicable third-party coverage to assess whether such patients/families may be eligible for Medicaid or health care coverage through Washington's Health Benefit Exchange (RCW 43.71). Staff will provide assistance with Medicaid and Qualified Health Plan applications and including but not limited to providing the patient/family with information about the application process, assisting patients through the application process, providing necessary forms that must be completed, or connecting the patient/family with other agencies or resources who can assist the patient/family in completing such applications.
- In providing assistance to the application process, Hospital Facility will take into account any physical, mental, intellectual, sensory deficiencies or language barriers which may hinder either the patient or their guarantor from complying with the application procedures and will not impose procedures on the patient or guarantor that would constitute an unreasonable burden.
- If the patient or guarantor fails to make reasonable efforts to cooperate with Hospital Facility in applying for coverage under chapter 74.09 RCW or the Washington Health Benefit Exchange, Hospital Facility is not obligated to provide charity care to such patient.
- The Hospital Facility shall not require a patient to apply for any public or private programs where the patient is categorically ineligible or has been deemed ineligible in the prior 12 months.

PRESUMPTIVE ELIGIBILITY

In the event the responsible party's identification as an indigent person is obvious to Hospital Facility personnel, and the Hospital Facility personnel are able to establish the position of the

income level within the broad criteria described in RCW 70.170.060, based on the individual life circumstances contained within the Financial Assistance Policy or otherwise, the Hospital Facility is not obligated to establish the exact income level or to request documentation from the responsible party, unless the responsible party requests further review.

APPEALS

A. All responsible parties denied financial assistance shall be provided with, and notified of, an appeals procedure that enables them to correct any deficiencies in documentation or request review of the denial and results in review of the determination by the Hospital Facility's chief financial officer.

B. Responsible parties shall be notified that they have thirty (30) calendar days within which to request an appeal of the final determination of their eligibility for financial assistance. Within the first fourteen (14) days of this period, the Hospital Facility shall not refer the account at issue to an external collection agency. If the Hospital Facility has initiated collection activities and discovers an appeal has been filed, it shall cease collection efforts until the appeal is finalized. After the fourteen (14) day period, if no appeal has been filed, the hospital may initiate collection activities.

C. If the final determination of the appeal affirms the previous denial of financial assistance, the Hospital Facility shall send written notification to the responsible party and the Department of Health in accordance with state law.

All other terms set forth in CommonSpirit Governance Policy Finance G-003, *Financial Assistance*, remain unaltered.