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Owner Krista Zabreznik:  
Business Office  
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## Charity Care/Financial Assistance

### 1. POLICY:

In order for North Valley Hospital ("NVH") to achieve the standards contained in its Mission and Vision and to fulfill its commitment to patient care, NVH has adopted the following procedures to ensure the provision of Charity Care / Financial Assistance ("CC/FA") that is consistent with the requirements of the [Washington Administrative Code, Chapter 246-4](#)

### 2. SCOPE:

This policy applies to all patients seeking care at North Valley Hospital for in-patient or out-patient care and includes charges for hospital-based physicians and providers (i.e. Emergency Room providers). This policy excludes patients who see physicians in the Hospital's Rural Health Clinic or who are residents in the District's Long-Term Care division.

### 3. RESPONSIBILITIES:

- I. Under the supervision of the Chief Executive Officer, the Patient Financial Services Manager and Chief Financial Officer are responsible for ensuring compliance with this policy.
- II. On its website, [www.nvhospital.org](http://www.nvhospital.org), North Valley Hospital will make available the current version of this policy, a plain language summary of this policy, and the North Valley Hospital Charity Care application.

#### III. 3.1. Notice and Language Requirements:

1. The written notices, the verbal explanations, the policy summary and the application form will be available in any language spoken by more than ten percent of the population in the North Valley Hospital service area. The Hospital's staff will make available interpreter services for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanations. The non- English translation of these documents is currently available

in Spanish.

2. A notice advising patients that North Valley Hospital provides Financial Assistance and Charity Care CC/FA will be posted in key public areas of the Hospital, including Admissions and/or Registration, the Emergency Department, the Hospital's clinics, the Billing and the Financial Services Department.
3. North Valley Hospital billing statements and other written communications concerning billing or collection of a hospital bill by North Valley Hospital will include the following statement on the first page of the statement in both English and Spanish:
  1. You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance representative at (509) 486-2151 or (877) 542-2877.

#### IV. **3.2. Staff Training Requirements:**

1. North Valley Hospital has established a standardized training program on its Financial Assistance and Charity Care CC/FA policy and the use of interpreter services to assist persons with limited English proficiency and non-English speaking persons in understanding the this policy. North Valley Hospital provides on-going training to staff who work in registration, admissions and billing, and any other appropriate staff. These staff members can answer questions about Financial Assistance and Charity Care, coordinate communications with necessary interpreter services, and direct inquiries to the appropriate department in a timely manner.
2. The training program includes information about: 1. The State of Washington's Charity Care law; 2. Eligibility based on patient's family size and income as compared to the Federal Poverty Level guidelines; 3. Eligibility for any medically necessary hospital health care; and, 4. Eligibility whether or not the patient has insurance.
3. The training explains the terms "charity care" and "indigent person". Additionally, the training explains how and when to provide information to patients and the availability of interpreters. It also educates staff on where staff, patients and the public can access the Hospital's charity care policy, a summary of the policy, the Hospital's Charity Care application and any other information the Hospital has prepared.

#### V. **3.3. Timing of Income Determinations:**

1. To be determined "eligible" for the discounts defined in the Hospital's Charity Care and Financial Assistance policy, the Hospital determines the patient's family income as compared to the Federal Poverty Level (FPL) for families having the same number of dependents. The patient's family income will be determined as of the time the North Valley Hospital services were provided, or at the time of the application for Charity Care or Financial Assistance. The application must be made within two years of the date when the medically appropriate medical services were provided, the applicant has been making good faith efforts towards payment for the services, and the applicant demonstrates eligibility for Charity Care and Financial Assistance

## 2. 3.3.1. DEFINITIONS:

### a. Charity Care:

- A. Charity Care and/or Financial Assistance means financial support (via free or discounted care) for patients who meet certain income and family size thresholds to allow the patient to pay for medically necessary hospital rendered to the patient.
- B. Charity Care and/or Financial Assistance is available to the qualifying patients (based on certain income and family size thresholds) when insurance coverage from a third- party insurance company, if any, has been exhausted, or, to the extent that the persons are unable to pay the deductible, coinsurance or denied (when an advanced beneficiary notice has been signed) amounts required by a third-party payer based on the criteria in this policy.
- C. Tier 1 and Tier 2 Hospitals are defined by State law. North Valley Hospital is classified as a Tier 2 hospital. The State law defines the parameters for free care and discounts for the patients of NVH.

### b. Third Party Coverage:

- A. Third-party coverage means an obligation on the part of an insurance company, health care service contractor, health maintenance organization, group health plan, government program (Medicare, Medicaid or medical assistance programs, workers compensation, veteran benefits), tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others (for example, auto accidents or personal injuries) which have resulted in the medical condition for which the patient has received hospital health care services.

### c. Federal Poverty Level ("FPL")

- A. A measure of income issued every year by the Department of Health and Human Services (HHS). The 2023 FPL scale is presented in Appendix A.

### d. Dates of Service when Calculating Eligibility for Charity Care

- A. The State of Washington regulations do not define a period of time before which the patient can apply for Charity Care /Financial Assistance.
- B. The patient must apply for Charity Care / Financial Assistance within two years of the date of service.

C. When applying for Charity Care/Financial Assistance, the Hospital will request information about the patients family size and its income from various sources. Income information from the current period will not be used for medical services provided in the prior one or two calendar years. Example: The patient applies in March 2023 for Charity Care for medical services received in October 2022. The Hospital will request income information relevant to the period when the medical service was provided.

e. Tiers and Related Free/Discounted Care Requirements

A. In compliance with State laws, NVH has established three (3) tiers for computing Charity Care:

B. Tier 1~ 0-200% FPL; Tier 2~ 201-250% FPL; and, Tier 3~ 251-300% FPL.

C. The discount rates are: Tier 1~ 100%; Tier 2~ 75%; and, Tier 3~ 50%.

D. The Chief Executive Officer and Chief Financial Officer can approve discounts greater than these guidelines on a case-by-case basis.

f. Consideration of Asset Information

A. Medicare requires the Hospital to obtain information about the patient's (guarantor's) financial assets.

B. The State allows NVH to consider the patient's (or guarantor's) non-exempted financial assets that, after consideration, could reduce the discount percentage for patients that are at or above 200% of the FPL. These assets are described in this Charity Care and Financial Assistance policy.

C. Specific assets are exempt from consideration including:

- The first \$5,000 in monetary assets for an individual, \$8,000 for a family of two, and \$1,500 of monetary assets for each additional family member;
- 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)
- Prepaid burial contracts or burial plots
- Life insurance policies with a face value of \$10,000 or less.

D. The Hospital will not place an "unreasonable burden" on the responsible party in seeking information.

- g. Application for Medicaid and the Washington State Health Benefit Exchange
  - A. The State law requires NVH to adopt procedures to identify patients and guarantors eligible for medical assistance programs under Medicaid or the Washington State health benefit exchange and to assist patients in applying for available coverage.
  - B. If a patient or guarantor is eligible for retroactive Medicaid or other coverage, NVH may choose not to provide charity care to any patient or guarantor who does not make reasonable efforts to cooperate with NVH in the application process.
- h. Indigent Person
  - A. State law defines indigent person as an individual who meets the FPL thresholds and who has exhausted any third-party coverage.

## 4. PROCEDURE:

- I. North Valley Hospital's Charity Care/Financial Assistance policy shall be made publicly available:
  - A. A notice advising patients that the Hospital provides financial assistance and charity care will be posted in key areas of the hospital, including Admissions, the Emergency Department, the Hospital's out-patient clinics, Billing and the Financial Services department.
  - B. The Hospital will provide a written summary of the policy to patients at the time the hospital staff requests information pertaining to third party coverage, or, upon intake, or, at the time of discharge. The information found on the written summary of the policy shall also be verbally explained to the patient, his/her caregiver, the patient's Power of Attorney or guarantor. The patient must then sign the Charity Care/Financial Assistance Policy notice, indicating that he/she was duly informed of the availability of CC/FA. A copy of the signed notice will be archived in the patient's file. If for some reason (for example, an emergency situation) the patient is not notified of CC/FA before receiving treatment, he/she shall be notified in writing as soon as possible thereafter.
  - C. Both the written information and the verbal explanation shall be available in any language spoken by more than ten percent of the population in the Hospital's service area, and interpreted for other non- English speaking or Limited-English speaking patients and for other patients who cannot understand the written documents and/ or explanation. The hospital will make this document available in Spanish.
  - D. As detailed above, the hospital will train all appropriate staff to answer CC/FA questions effectively or will direct such inquiries to the appropriate department in a timely manner. This training will comply with State of Washington directives and regulations.
  - E. The Hospital's Charity Care/Financial Assistance Policy will be made available to any

person who requests the information, either by mail, telephone or in person. The Hospital's discount schedule will be posted and made available.

- II. In accordance with the State of Washington regulations, the Hospital will provide guidance, actively assist the patient to obtain healthcare coverage or make referrals to the appropriate organization or entity if it determines that the patient could be eligible for insurance through a government insurance program (i.e., Medicare, Medicaid, Indian Health Services, etc.) or if the patient could enroll in an insurance program through the State's health benefit exchange.
  - A. If a patient does not apply for this alternative insurance, the Hospital is not required to provide a discount per its Charity Care/Financial Assistance policy.
- III. Application for Charity Care/Financial Assistance is 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 priority legal responsibility to pay for the cost of medical services – even retroactively.
- IV. Patients will be granted Charity Care/Financial Assistance regardless of race, color, sex, sexual orientation, religion, age, national origin, or immigration status.
- V. Charity Care/Financial Assistance shall be limited to "appropriate, medically-necessary hospital-based medical services as defined in WAC 245-453-010(7)".
- VI. Services that are eligible for payment from any other sources are not eligible for inclusion under qualified CC/FA. The CC/FA policy, though, does enable the patient to receive a discount for those services or portions of services not paid by the primary payor. Examples of remaining balances include deductibles, co-pays and those services not paid by the primary payor as they are medically unnecessary unless the patient has signed an acknowledgement beforehand that documents his/her understanding the insurance company might deny the claim for the services.

In those situations where appropriate primary payment sources are not available, the patient will be considered for CC/FA under this policy based on the following criteria:

- A. The full amount of uncovered, unreimbursed hospital charges will be determined to be charity care for a patient whose gross family income is at or below 200% of the current Federal Poverty Level (consistent with WAC 246-435).
- B. The following schedule shall be used to determine the discount that will be applied to the patient's eligible balances.
  - a. The hospital will also provide a discount to any uninsured or under-insured patients with incomes below 300% of the federal poverty level unless modified by the Hospital's policy for consideration on non-exempt assets.  
Percentage of FPL Discount Percentage:  
0–200% ~100%  
201–250% ~75%  
251–300% ~50%
- C. Available assets may be used to determine eligibility for CC/FA if the family income is greater than 200% of the federal poverty guidelines. This analysis will be completed consistently for all patients exceeding the 200% threshold.

- D. Catastrophic Charity: The hospital may offer a discount for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss. The Chief Financial Officer and the Chief Executive Officer will make these decisions after consideration of the balance, the patient's income and the amount of non-exempted assets.
- VII. The responsible party's financial obligation which remains after the application of any discount shall be payable in no more than 12 equal monthly installments per Hospital policy, without interest or late fees, as negotiated between the Hospital and the responsible party. The responsible party's account shall not be turned over to a collection agency unless negotiated (agreed to) payments are missed or there is a period of inactivity on the account. Inactivity includes the failure of the patient to provide timely communication with NVH's Business Office staff or if the patient declines to respond to NVH written or verbal communications. North Valley Hospital reserves the right to use an outside agency to manage any negotiated payment installments.
- VIII. If at any time after said arrangements are made, the patient makes known to North Valley Hospital an extenuating circumstance or a change in their current financial situation that creates a financial hardship resulting in their ability to pay over an extended period, North Valley Hospital will make arrangements for the account to be put in a "hold" status where collections will cease until such time that North Valley Hospital can perform a timely review of the current account balance and make an additional determination. If the change in financial status is temporary, the Hospital may choose to suspend payments temporarily before proceeding with further collection activities.
- IX. In such cases where the responsible party's financial obligation cannot be paid in no more than 12 equal monthly installments, North Valley Hospital reserves the right to refer the outstanding balance to a third party collection agency.
- X. North Valley Hospital shall not require a disclosure of resources from CC/FA applicants whose income is less than 100% of the current Federal Poverty Level, but will request a disclosure of non-exempted assets (a/k/a resources) from applicants whose income is at or above 101% of the current Federal Poverty Level.
- XI. Initial determination for eligibility shall occur as follows:
  - A. The hospital shall ask the patient to complete its application to determine eligibility for CC/FA. Applications for CC/FA will be accepted from sources knowledgeable about the patient's financial condition, such as community or religious groups, social services, financial services personnel, the patient's Power of Attorney, the guarantor, the patient's caregiver and the patient, provided 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 Hospital's policies. All requests shall identify the party that is financially responsible for reimbursing the hospital for the patient's portion of the cost of services (the "responsible party").
  - B. The initial determination of eligibility for CC/FA shall be completed as early in the patient's admission process as possible. Patients who are referred to North Valley Hospital for medical services will be contacted prior to the date of service to determine eligibility for Charity Care. The Hospital will not withhold medical services while a Charity Care/Financial Assistance application is processed.

- C. During the patient registration process, intake, or as soon as possible following initiation of services and after the patient has been notified of the existence and availability of CC/FA, the Hospital will make an initial determination of eligibility based on a verbal or written application.
- D. Pending final eligibility determination, the Hospital will not initiate collection efforts or request monetary deposits, provided that the individual(s) responsible for the unpaid portion of the medical bill is cooperative with the Hospital's efforts to reach a final determination of status.
- E. If the Hospital becomes aware of factors which might qualify the patient for assistance 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 CC/FA.

XII. Final determination for eligibility shall occur as follows:

- A. Prima Facie Write-Offs. In the event the responsible party's identification as an indigent person is obvious to Hospital personnel, and the Hospital can establish that the applicant's income is clearly within the range of eligibility, the Hospital will grant Charity Care based solely on this initial determination. In these cases, the Hospital is not required to complete full verification or documentation. (In accordance with WAC 246-453-030 (3).)
- B. Charity Care and Financial Assistance forms, instructions, and written applications will be furnished to patients or the responsible party when requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the Hospital, will be accompanied by documentation that verify income amounts indicated on the application form. Any one of the following documents will be considered sufficient evidence upon which to base the final determination of Charity Care eligibility:
  - 1. A "W-2" withholding statement;
  - 2. Pay stubs from all employment during the relevant time period;
  - 3. An income tax return from the most recently filed calendar year;
  - 4. A document that approves or denies eligibility for Medicaid and/or state-funded medical assistance;
  - 5. A document that approves or denies unemployment compensation; or
  - 6. Written statements from the patient's employers or from DSHS employees.
- C. During the initial request period, the Hospital will assist the patient (or responsible party) to apply for other sources of funding, including insurance coverage through Medical Assistance, Medicare or the State's health benefit exchange when the Hospital believes the patient (or responsible party) is eligible for alternative insurance coverage. If the Hospital believes the patient or the responsible party is eligible for alternative insurance coverage, the patient (or responsible party) will be asked to confirm that (s)he completed the application for alternative insurance coverage by providing the insurance payor's documentation of the payor's acceptance or rejection of the patient's (or responsible party's) application for coverage.. The Hospital will not require that a patient applying for a determination of



indigent status seek bank or other loan funding.

- D. Usually, the relevant time period for which documentation will be requested will be the full calendar year before the date of service. The Hospital might request documentation for the three months prior to the date of application to reflect the applicant's current financial situation. The Hospital will apply its Charity Care discount to the remaining balance due the Hospital as of the date when the patient's (responsible party's) financial situation changes.
- E. Income will be annualized from the date of application based upon documentation provided and upon verbal information provided by the patient. The annual income will be determined by the Hospital and will take into consideration seasonal employment and temporary increases and/or decreases of income.
- F. In the event the responsible party is not able to provide any of the documentation described above, the Hospital will 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))

XIII. The time frame for final determination and appeals is as follows:

- A. Each applicant who has been initially determined eligible will have at least thirty (30) 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 status.
- B. The Hospital will notify the applicant of its final determination within fourteen (14) days of receipt of the completed application and supporting documentation.
- C. The responsible party may appeal the determination of eligibility by providing additional verification of income or family size to the Patient Financial Services Manager within thirty (30) days of receipt of the Hospital's final determination. If the responsible party appeals the denial, North Valley Hospital will not initiate collection efforts until the patient's appeal has been reviewed with a second determination.
- D. 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).

XIV. Adequate notice of denial:

- A. When a patient's application is denied, the patient shall receive a written notice of denial which includes:
  - 1. The reason or reasons for the denial and the State's regulatory rules to support the Hospital's decision;
  - 2. The date of the decision; and
  - 3. Instructions for appeal or reconsideration.
- B. When the applicant does not provide requested information and there is not enough information available for the Hospital to determine eligibility, the denial notice will also include:
  - 1. A description of the information that was requested and the patient has

- not provided, including the date the information was requested;
2. A statement that eligibility for Charity Care cannot be established based on the limited information available to the Hospital; and
  3. 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.
- XV. The Chief Financial Officer or Chief Executive Officer will review all appeals. If this review affirms the previous denial of Charity Care, written notification will be sent to the patient/ guarantor and the Department of Health in accordance with State law.
- XVI. The hospital will allow a patient to apply for CC/FA within two years after the discharge date, recognizing 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 CC / FA consideration that did not exist at the initial time of service. Any determination will be applied to the current account balance at the time of said documented notification and any future payments. If the change in financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate a revised CC/FA.
- XVII. If the patient has paid a portion or all of the bill for medical services and, within twenty four months of the date of service, is found to have been eligible for charity care at the time services were provided, he/she shall be reimbursed for any payments in excess of the amount determined to be appropriate in accordance with WAC 246-453-040. The patient will be reimbursed within thirty (30) days of receiving the charity care designation.
- XVIII. If a patient has been found eligible for CC/FA care and continues receiving recurring services such as physical therapy or IV therapy/infusion services for an extended period of time without completing a new application, the Hospital shall re-evaluate the patient's eligibility quarterly to confirm that the patient is still eligible. The Hospital may require the responsible party to submit a new application and documentation.
- XIX. If a patient has multiple visits for different eligible services within the same calendar quarter of three months and has been found eligible for CC/FA, the Hospital may combine multiple visits on one application. After a period of twelve months and the twelve-month anniversary thereafter, the Hospital shall re-evaluate the patient's eligibility to confirm that the patient is still eligible. The Hospital may require the responsible party to submit a new application and documentation.
- XX. If more than one family member in the same household receives services at North Valley Hospital that qualify for CC / FA, each family member must complete a separate application. Only qualifying services received by the same person may be combined on a single application.

## All Revision Dates

11/2023, 04/2023, 08/2022, 07/2022, 11/2019, 11/2018, 02/2016, 01/2015, 12/2013, 03/2012

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## Attachments

[2023 NVH Charity Care Application\(English\).pdf](#)

[Charity Care Plain Language Summary 2023.pdf](#)

[Federal Poverty Level Table 2023.pdf](#)

## Approval Signatures

Step Description	Approver	Date
	John McReynolds: CEO	11/2023
	Matthew Matthiessen: CFO [JM]	11/2023
	Krista Zabreznik: Business Office Manager	11/2023

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