Subject:	Originally Issued	Date of This Revision	Page	No.
CHARITY CARE POLICY	*09/08*	*06/12*		

POLICY STATEMENT:

In order to serve the health care needs of our community, and in accordance with RCW 70.170 And WAC 246-453, **Deaconess Hospital ("Hospital")** will provide "Charity Care" to patients or the "Responsible Party" without financial means to pay for "Appropriate hospital-based medical services" (see defined terms below).

As used herein, "Charity Care" means appropriate hospital-based medical services provided to Indigent Persons. Charity Care will be provided to all persons without regard to race, creed, color, sex, age, disability, or national origin who are classified as "Indigent Persons" according to the Hospital's eligibility criteria.

As used in this Policy, "Indigent Persons" means those patients (or the "Responsible Party," as defined below) who have exhausted any third-party sources, including Medicare and Medicaid, and whose income is equal to or below 300% of the federal poverty standards, adjusted for family size or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payor. As used in this Policy, "Responsible Party" means the individual who is responsible for the payment of any Hospital charges which are not covered by a third-party payor.

As used in this Policy, "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. "Course of treatment" may include mere observation or, where appropriate, no treatment at all.

PURPOSE:

To properly identify those persons who are Indigent, who do not qualify for state and/or government assistance, and to provide assistance with their medical expenses under the guidelines for Charity Care.

ELIGIBILITY FOR CHARITY CARE

Eligibility determinations regarding Charity Care and decisions regarding collection of amounts owed to Hospital by Responsible Parties shall be made in accordance with this Policy and the Procedures contained in this Policy. Hospital will not impose unreasonably burdensome application procedures for Charity Care eligibility upon the Responsible Party, and will take 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. Hospital will make every reasonable effort to determine the existence or nonexistence of any available third-party coverage that might cover in full or in part the charges for services provided to each patient. Hospital may deny Charity Care to any person who is uncooperative with Hospital in the Charity Care eligibility determination process including, without limitation, any Responsible Party's failure to apply for applicable third party coverage that may be available. Responsible Parties will be considered for Charity Care on the following basis:

1. **FINANCIALLY INDIGENT:**

   A. To be eligible for charity care as a financially indigent patient, the patient's total household income shall be at or below 300% of the current Federal Poverty Income Guidelines (see Exhibit D).

      Hospital will use the most current Federal Poverty Income Guideline issued by the U.S. Department of Health and Human Services to determine an individual's eligibility for charity care as a financially indigent patient (see Exhibit E). Exhibit E shall be updated annually in accordance with the Federal Poverty Guidelines published in the Federal Register.

   B. All Responsible Parties with family income equal to or below one hundred fifty percent of the federal poverty standard, adjusted for family size, shall be determined to be Indigent Persons qualifying for Charity Care for the full amount of Hospital's charges related to appropriate hospital-based medical services that are not covered by private or public third-party coverage.

   C. Responsible Parties with family income between one hundred fifty and three hundred percent of the federal poverty standard, adjusted for family size, shall be determined to be Indigent Persons qualifying for discounts from charges related to Appropriate hospital-based medical services in accordance with the sliding schedule contained in Exhibit D, and such additional amounts as Hospital may determine in its sole discretion, depending on individual financial circumstances.

   D. The Hospital may classify Responsible Parties, whose income exceeds three hundred percent of the federal poverty standard, adjusted for family size, as an Indigent Person eligible for a discount from charges based upon the Responsible Party's individual financial circumstances, as described in the following section.

2. **MEDICALLY INDIGENT:**

   A. Hospital, in its sole discretion, may classify any individual Responsible Party whose income exceeds 300% of the federal poverty standard, as adjusted for family size, as "Medically Indigent" and eligible for Charity Care, as described in this section.

B. A Medically Indigent patient is a person whose medical bills after payment by third party payers exceed a specified percentage of the person's annual gross income as defined herein and who is unable to pay the remaining bill.

C. To be eligible for charity care as a Medically Indigent patient, the amount owed by the patient on the bill from Hospital, after payment by third party payers, must exceed 50% of the patient's annual gross income and the patient must be unable to pay the remaining bill.

D. A determination of the patient's ability to pay the remainder of the bill, or portion of the bill, will be based on whether the patient reasonably can be expected to pay the account, or portion thereof, over a 3-year period.

E. If a determination is made that a patient had the ability to pay the remainder of the bill, such a determination does not prevent a reassessment of the patient's ability to pay at a later date should there be a change in the patient's financial status.

F. Hospital may consider other financial assets and liabilities of the person when determining ability to pay.

G. Responsible Parties receiving discounts under this Charity Care Policy shall remit the balance of the discounted charges in accordance with Hospital's ordinary billing and collection practices

THE PROCESS

1. Identification of Charity Cases:

A. Notice of this Charity Care Policy shall be posted or prominently displayed within public areas of Hospital, and shall be provided to the Responsible Party and explained at the time that Hospital requests information with regard to the availability of any third-party coverage. The Policy will be displayed and explained in any language spoken by more than ten percent of the population in Hospital's service area, and interpreted for other non-English speaking or limited English speaking or other patients who are unable to read or Understand the written Policy or oral explanation. Samples of the notice in English and Spanish are attached as Exhibits A and B, respectively.

B. Patients and Responsible Parties may qualify for Charity Care at any time (preadmission through collections).

C. Hospital shall make an initial determination of Charity Care eligibility at the time of admission or as soon as possible following the initiation of services to the patient. Hospital will suspend all collection efforts (other than third party payors) and will not require any deposit pending an initial determination of Charity Care eligibility or pending a final determination of Charity

Care eligibility in the event that the initial determination of sponsorship status indicates that the Responsible Party may meet the criteria for classification as an Indigent Person.

D. All self-pay accounts will be screened for potential Medicaid eligibility as well as coverage by other sources, including governmental programs. During this screening process an "FA" (defined below) will be completed if it is determined that the patient does not appear to qualify for coverage under any program

E. Hospital will rely on oral information provided by the Responsible Party to make an initial determination of Charity Care eligibility. Any Responsible Party who is initially determined to be Charity Care-eligible shall be provided with at least fourteen (14) days or such time as the person may reasonably require to complete the Financial Assistance form "FA", ***Exhibit*** "C" and submit the required financial information. Charity Care forms and instructions shall be furnished to patients when Charity Care is requested, when need is indicated, or when financial screening indicates potential need.

F. The "FA" will be sent to the Business Office for final determination by the Financial Counselor or Business Office Manager (the "BOM").

G. If the Financial Counselor determines through the application and documented support that the patient qualifies for charity care she/he will give the completed and approved "FA" to the BOM for final approval authorization, prior to write off.

H. Any one or more of the following documents may support a final determination of Charity Care eligibility: a W-2 withholding statement; pay stubs; an income tax return from the most recently-filed calendar year; forms approving or denying eligibility for Medicaid and/or state-funded medical assistance; forms approving or denying unemployment compensation; or written statement from employers or welfare agencies. Hospital may request further financial information should it consider extending Charity Care to Responsible Parties in excess of the amount indicated by the sliding schedule contained in Exhibit D, including but not limited to copies of current monthly expenses/bills, proof of any other income, copies of all bank statements for prior 3 months, and copies of all other medical bills. In the case of considering a Responsible party's eligibility to be classified as Medically Indigent, Hospital has the option to pull a credit report to verify information and determine if there are credit cards with available credit that the balance, or portion thereof, could be charged to the credit card as well as any other assets.

I. If the Responsible Party is not able to provide any of the documentation described above, Hospital shall rely on written statements from the Responsible Party for making a final determination of eligibility for classification as an Indigent Person. Information requested may not be used to discourage applications for Charity Care and duplicate forms of verification shall not be demanded from Responsible Parties. In the event that the hospital is unable to complete the charity care application it may employ and utilized alternative charity documentation. This alternative charity documentation process is outlined in **Exhibit F.**

J. The Financial Counselor will contact any vendor who may be working the account, to stop all collection efforts on the account.

K. Once approved for Charity Care, the account will be moved to the appropriate financial class until the adjustment is processed and posted/credited to the account. After the adjustment is posted, if there is a remaining balance due from the patient, the financial class will be changed to self pay.

L. An application for Charity Care may be reopened and reconsidered for charity once the required information is received.

2. DENIAL OF CHARITY CARE

In the event that Hospital denies an application for Charity Care, Hospital shall notify the Responsible Party in writing of the denial and the basis for the denial. All responsible parties denied Charity Care 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 documentation by the Hospital Chief Financial Officer or equivalent. Responsible Parties shall be notified that they have thirty (30) calendar days within which to request an appeal of the final determination of Charity Care eligibility. Within the first fourteen (14) days of the appeal period, Hospital may not refer the account to an external collection agency. After such fourteen (14) day period, if no appeal has been filed, Hospital may initiate collection activities. If Hospital initiates collection activities and thereafter discovers that an appeal has been filed, it will cease collection efforts until the appeal is finalized.

In the event that Hospital's final decision on appeal upholds the previous denial of Charity Care Eligibility, the Responsible Party and the Department of Health shall be notified in writing of the decision and the basis for the decision, and the Department of Health shall be provided with copies of documentation upon which the decision was based. Hospital will make every reasonable effort to reach Charity Care eligibility determinations in a timely manner, and shall make such determinations at any time upon learning of facts or receiving financial documentation identified above indicating that the Responsible Party's income is equal to or below 300% of the federal poverty standard, as adjusted for family size.

3. FAILURE TO PROVIDE APPROPRIATE INFORMATION

Failure on the part of the Responsible Party to cooperate with Hospital in the Charity Care eligibility process shall be grounds for denial of Charity Care.

4. EXCEPTION TO DOCUMENTATION REQUIREMENTS

The CFO may waive the documentation requirements and approve a case for Charity Care, at his/her sole discretion based on their belief the patient does/should qualify for charity. The amount or percentage of charity care discount will be left to the CFO's discretion. Waiver of the documentation requirements should be noted in the comments sections on the patient's account, as well as the percent or dollar amount approved for Charity adjustment, printed out and attached to the Financial Assistance (FA) form.

5. TIME FRAME FOR ELIGIBILITY DETERMINATION

Hospital must notify persons applying for Charity Care in writing of its final eligibility determination within fourteen (14) calendar days of receiving a complete application, including one or more of the financial documentation identified above. Such determination must include a determination of the amount for which the Responsible Party will be held financially accountable.

6. DOCUMENTATION OF ELIGIBILITY DETERMINATION AND APPROVAL OF WRITE-OFF

Once the eligibility determination has been made, the results will be documented in the comments section on the patient's account and the completed and approved "FA" will be filed attached to the adjustment sheet and maintained for audit purposes. The CEO, CFO, or BOM will signify their review and approval of the write-off by signing the bottom of the Charity Care/Financial Assistance Program Application form. The signature requirements will be based on the CHS financial policy for approving adjustments.

7. REPORTING OF CHARITY CARE

Information regarding the amount of charity care provided by Hospital, based on Hospital's fiscal year, shall be aggregated and included in the annual report filed with the Center for Health Statistics at the State Department of Health. These reports also will include information concerning the provision of government sponsored indigent health care and other county benefits. (Only for those states that require).

8. CONFIDENTIALITY

All information relating to Charity Care applications will be kept confidential. Copies of documents that support the application will be kept with the application form. All records will be retained for 7 years or such other time period as may be required by applicable law.

9. POLICY REVIEW AND APPROVAL

The below individuals have read and approved this policy:

Hospital CEO	6/20/12 Date
Hospital CFO	6/19/12 Date
Corporate VP, Patient Financial Services	7/2/12 Date
Division VP, Finance	7/5/12 Date

Exhibit A
Example of "Availability of Charity Care" Sign-English Version

CHARITY CARE POLICY

Deaconess Hospital may provide care to persons who are unable to pay for their care.

Charges for services provided to those persons meeting the criteria for Charity Care eligibility may be waived or reduced.

Forms and information about applying for Charity Care are available upon request.

Exhibit B
Example of "Availability of Charity Care" Sign-Spanish Version

REGLAS PARA SERVICIOS DE CARIDAD

El Centro Medico Deaconess puede proveer culdado medico a personas que no pueden pagar por el.

Los cargos por servicios proveidos a personas que reunen 10s requisites de el programa de caridad pueden ser reducidos o no aplicados.

Las formas y la informacion del programa de caridad estan disponibles para el que las pida.

Exhibit C
Financial Assistance Form
Deaconess Hospital
Charity Care/Financial Assistance Program Application

Patient Account Number:_____ Date of Application_____

PATIENT INFORMATION	PARENT/GUARANTOR/SPOUSE
Name_____	Name_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
SS#_____	SS#_____
Employer_____	Employer_____
Address_____	Address_____
City_____	City_____
State/Zip_____	State/Zip_____
Work Phone_____	Work Phone_____
Length of Employment_____	Length of Employment_____
Supervisor_____	Supervisor_____

RESOURCES

Checking: yes___ no___
Savings: yes___ no___
Cash on hand: $_____

Vehicle 1: Yr_____ Make_____ Model_____
Vehicle 2: Yr_____ Make_____ Model_____
Vehicle 3: Yr_____ Make_____ Model_____

Exhibit C (continued)
Charity Care/Financial Assistance Program Application

INCOME

Patient/Guarantor:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

Spouse/Second Parent:
Wages(monthly): _____

Other Income: Child Support: $_____

VA Benefits: $_____

Workers' Comp: $_____

SSI: $_____

Other: $_____

LIVING ARRANGEMENTS

Rent_____ Own_____ Other (explain)_____

Landlord/Mortgage Holder: _____

Phone Number_____ Monthly payment $_____

REQIESTED DOCUMENTS

Please provide the following documents to assist in processing your application for Charity Care:

Proof of Income: Prior year income tax return, last 4 pay check stubs, letter from employer, Social Security, etc. Last 3 months bank statements. Other documents as requested

Proof of Expenses: Copy of mortgage payment or rental agreement, copies of all monthly bills 9including credit cards, bank loans, car loans, insurance payments, utilities, cable and cell phones). Other documents as requested

The information provided in this application is subject to verification by the hospital and has been provided to determine my ability to pay my debt. I understand that any false information provided by me will result in denial of any financial assistance by the hospital.

If my income is found to exceed 300% of the Federal Poverty Income Guidelines, I hereby grant permission to the Hospital to pull a copy of my credit report for Charity Care consideration.

Signature of Applicant_____

Hospital Representative Completing Application: _____

==========

Approval/Authorization of Charity Write-Off **Amount Approved $**_____

BOM_____ **CEO**_____

CFO_____

Exhibit D

DEACONESS HOSPITAL

Income Guidelines For Determining % of Charity Care Discount
(For Financially Indigent Patients)

Based on Current Year's Federal Poverty Income Guidelines

% of Poverty Income	Discount from charges
Equal to or Below Poverty	100%
100-150%	100%
151-200%	75%
201-250%	50%
251-300%	35%

Exhibit E
Federal Poverty Income Guidelines 2011

Reference: Federal Register: January 20, 2011, Volume 76, Number 13 pp. 3637-3638

The 2011 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in family	**Poverty guideline**
1	$10,890
2	14,710
3	18,530
4	22,350
5	26,170
6	29,990
7	33,810
8	37,630
For families with more than 8 persons, add $3,820 for each additional person.	

2011 Poverty Guidelines for Alaska	
Persons in family	**Poverty guideline**
1	$13,600
2	18,380
3	23,160
4	27,940
5	32,720
6	37,500
7	42,280
8	47,680
For families with more than 8 persons, add $4,780 for each additional person.	

EXHIBIT F

Deaconess Hospital / Valley Hospital
Patient Financial Services
Effective Date: 04/30/07
updated 10/01/08
revised 12/22/09
revised 10/25/11

SUBJECT:
Presumptive Charity Care (alternative charity documentation)

PURPOSE:
PFS staff process Charity Care requests in accordance with the CHS Charity Care Policy. In the event that the primary CHS Charity Care Policy is not met, accounts may undergo a charity review process where the complete financial assistance application may not be available, but substitute documentation establishing financial need will be obtained. The hospital may offer charity care discounts on the basis of individual life circumstances (presumptive eligibility) without requiring the patient to complete a financial assistance application.

Presumptive charity describes this situation where need has already been established and the patient therefore has been presumed eligible for assistance.

Patients may be reviewed for presumptive (alternative) charity after all other sources of funding have been exhausted.

PROCEDURE:
Accounts will be screened for charity as outlined in the Charity Care Processing P&P. Patients may be identified as falling under presumptive, alternative criteria; examples include, but are not limited to:

1. Patient did not have Medicaid coverage at the time of service, but was eligible for Medicaid within twelve months of that date of service.*
   - Documentation: Medicaid eligibility verification showing effective dates of coverage

   * Exclusion: Patients covered under state Medical Assistance programs that owe copayments or have a 'spend down' amount are excluded from being considered for charity care assistance. Payment of copayments and spend down amounts are a condition of coverage and should not be written off or discounted.
2. Patient is receiving food stamps, is participating in subsidized school lunch programs, and/or is receiving assistance from the Women's, Infants, and Children's (WIC) programs.
   - Documentation: copies of the financial assistance determination from the local/state/county program or agency showing that the patient's need for charity care has been established
3. Patient is deceased, with no estate, and no surviving spouse.
   - Documentation: record of the death certificate on file, account records regarding status of surviving spouse, record of at least four probate inquiries with the court
4. Patient has experienced bankruptcy within the past twelve months, and the current account was not part of a bankruptcy claim (i.e. the date of service occurred post filing, or the account was not included in the bankruptcy claim):
   - Documentation: notice of bankruptcy discharge

- ❖ Balances on accounts included in bankruptcy claims will be handled according to Bankruptcy P&P

5. Patient's street address is for "homeless" or for a local shelter.
    - ➢ Documentation: clinical assessment supporting a "lack of housing" diagnosis by HIM coding, record of account notes showing attempts to locate a place of address for the patient, Equifax verification showing no credit lines available

Presumptive Charity will only be offered after the primary CHS Charity Care Policy process has been fully reviewed.