



## PURPOSE

Whidbey Island Public Hospital District is committed to providing medically necessary health care services to all persons in need of medical attention regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246.453, are established.

## POLICY

WGH will respond to all patient requests for charity eligibility during any one of its business interactions including pre-registration, registration and discharge; or at any other time the staff encounters information detailing the patient's financial need. Charity will be re-screened throughout the revenue cycle when account events trigger review.

It is the responsibility of the patient to actively participate in the financial assistance screening process and to provide requested information in a timely basis including without limitations providing the hospital with information concerning actual or potentially available health benefits coverage (including available COBRA coverage), financial status (i.e. income, assets) and any other information that is necessary for the hospital to make a determination regarding the patient's financial and insured status. In addition if the hospital reasonably determines that COBRA coverage is available to the patient, the patient shall provide the hospital with information necessary to determine the monthly premium due for said coverage and identify the patient's financial assistance from the hospital to make any such premium payments. The Patient Financial Services Director will sign for all approved COBRA payments.

Charity approval will be applied to all relevant accounts for which the guarantor is responsible. Charity care status may be designated at any time up until the point a court has entered a judgment against a patient. Any patient credit balance created by applying the charity percentage will be refunded to the guarantor within 30 days. Accounts may also be returned from Bad Debt status, if financial circumstances warrant, and charity applied. Patients requesting charity may be required to apply for Medicaid benefits. If Medicaid eligibility is established for dates of service covered under charity, those charity adjustments will be reversed and services will be billed to Medicaid for processing.

WGH will develop a set of charity care/ financial assistance assessment guidelines to supplement this policy. The guidelines will be consistent with all applicable state and federal laws as well detail the following.

- Prescreen triggers for admitting and pre-registration staff
- Procedures for information distribution (signage placement, pamphlet distribution, application distribution etc.)
- Full charity sponsorship for those at 140% of the federal poverty standard
- What information is needed to supplement the application and when it is needed. (self-employed requires different information than employed)

- Other self-pay options for patient denied charity based on income (payment plan, prompt payment discount)

WGH will not offer financial assistance for services deemed to be non-covered and/or not medically necessary. WGH will offer services in cases where they are reasonably calculated to diagnose, correct, cure, alleviate or prevent that 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 in accordance with WAC 246-453-010(7).

## COMMUNICATIONS TO THE PUBLIC

The Public Hospital District's charity care policy shall be made publicly available through the following:

- A notice advising patients that the hospital provides charity care/ financial assistance to low income and uninsured patients shall be visibly posted in key areas of the hospital, such as admitting/ registration, emergency department, and other outpatient settings.
- For patients presenting with limited or no medical coverage, a notice explaining how to obtain assistance will be given to the patient. If for some reason, for example in an emergency situation, the patient is not notified of the existence of charity care before receiving treatment; he/she shall be notified as soon as possible thereafter.
- 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 writing and/or explanation upon request. The hospital finds that the following non-English translation(s) of this document shall be made available: Not Applicable at this time.
- WGH will ensure that appropriate staff is knowledgeable about the existence of the hospital's financial assistance policies. Training shall be provided to staff (i.e. Registration, Social Services, Front End Clinic staff, Billing and Collections staff) who directly interact with patients regarding their hospital bills.
- WGH will train front-line staff to answer charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
- Written information about the hospital's charity care policy shall be made available to any person who requests the information, either by mail, by telephone or in person. The hospital's sliding fee schedule, if applicable, shall also be made available upon request.
- WGH will share their financial assistance policies with appropriate community health and human services agencies and other organizations that assist such patients.

## GUIDELINES

### I. ELIGIBILITY CRITERIA

- Eligibility is based on the financial need at the time of service.
- Charity Care is applied uniformly to all patients who reside in Island County and are patients of Whidbey General Hospital. NOTE: All patients receiving emergency care are eligible to apply for charity care.
- All resources of the family/ both spouses are considered together
- All guarantors, with family income **equal to or below one hundred forty percent of the federal poverty standard**, adjusted for family size, shall be determined to be indigent persons qualifying for charity sponsorship for the full amount of hospital charges related to appropriate hospital-based medical services that are not covered

by private or public third party sponsorship. Eligibility shall be based solely on the total gross family income adjusted for family size. Assets shall not be considered when income is equal to or below one hundred percent of federal poverty standard.

- E. A person whose annual income is between one hundred and two hundred percent of the federal poverty standard, adjusted for family size, shall have his/her hospital charges that are not covered by private sponsorship limited to forty percent of the excess of that person's annually family income over one hundred percent of the federal poverty standard, adjusted for family size. This responsibility may be adjusted by appropriate hospital personnel after taking into consideration the individual financial circumstances of the responsible party. The responsible party's financial obligation which remains after the application of this sliding fee scale may be payable in monthly installments over a reasonable period of time without interest or late fess as negotiated between the hospital and the responsible party.
- F. All guarantors with family income **between one hundred -forty and four hundred percent of the federal poverty standard**, adjusted for family size and assets, shall be determined to be indigent persons qualifying for discounts from charges related to appropriate hospital-based medical services in accordance with the sliding fee schedule and polices regarding individual financial circumstances based on the below criteria:
  - 1. For those with family income greater than 100% of the federal poverty level, exempt assets (based on Medicaid exempted assets) listed below will NOT be added to the family worth for charity consideration:
    - a. Family's principal residence
    - b. Necessary motor vehicle(s) (Required for employment; required for access to treatment; or modified for operation or transport of a disabled person)
    - c. Personal effects and household goods
    - d. Resources necessary for self-support
- G. Documentation will be requested and in most cases required to establish eligibility for charity care; however the absence of documentation in certain circumstances deemed reasonable and understandable by the patient financial staff will not necessarily require a charity denial (aka prima facie approval).
- H. Charity care is always 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. Exception: Patients who do not reside within the United States will be excluded from Charity Care.
- I. The medically indigent patient will be considered for charity care regardless of race, color, sex, religion, age, sexual orientation, marital status, veteran's status, disability, national origin or immigration status.
- J. In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under the District's policy based on the following criteria:
  - 1. Whidbey Island Public Hospital District rates applications according to the current Federal Poverty Level and/or cost to charge ratio.
  - 2. The Public Hospital District may write off charity care amounts for patients with a family income in excess of 400% of the federal poverty level when circumstances indicate a severe medical financial hardship and/or personal loss. The existence and availability of family assets will only be considered with regard to the applicability of the sliding fee schedule (WAC 246-453-050, 1 ii).
- K. The responsible party's remaining financial obligation after the application of any sliding fee schedule shall be payable in monthly installments over a reasonable

period of time, usually 4 months and up to 10 months, 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 payments are missed or there is some period of inactivity on the account and there is no satisfactory contact with the patient.

1. Accounts where payment will extend beyond 4 months may be turned to a payment monitoring service.
2. Accounts where payments will extend beyond one (1) year may be placed at a collection agency if no suitable arrangements can be found.

## II. PROCESS FOR ELIGIBILITY DETERMINATION

### A. Initial Determination (WAC 246-453-010, 19)

1. The hospital shall use an application process for determining eligibility for charity care. With respect to HIPAA/ privacy regulations, requests to provide charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel and the patient.
2. During the patient registration process, or at any time prior to the final payment of the bill and after the patient has been notified of the existence and availability of charity care, the hospital will make an initial determination of eligibility based on written application for charity care.
3. Pending final eligibility determination, the hospital will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a final determination of sponsorship status.
4. If the hospital becomes aware of factors which might qualify the patient for 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 pending charity care.

### B. FINAL DETERMINATION (WAC 246-453-010, 20)

1. Prima Facie Write-Offs. In the event that the responsible party's identification as an indigent person is obvious to the 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)).
2. The Hospital District will accept Medicaid, including spenddown qualification, , or Washington's Apple Health eligibility determination as documentation of the federal poverty level and write off a portion or all of the account, accordingly. Determination of eligibility for uncompensated care will remain valid for the calendar year for Medicare patients. For all other patients, a review may be required for any additional services. This allows the screening for other third party resources. A new application may not be required.
3. Charity care forms, instructions and written applications shall be furnished to patients when charity care is 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 to verify the family income amounts indicated on the application form. Exceptions: Prima Facie Write Offs
  - a. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
    - i. "W-2" withholding statement;

- ii. Pay stubs from all employment during the relevant time period;
      - iii. Income tax return from the most recently filed calendar year;
      - iv. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
      - v. Forms approving or denying unemployment compensation; or
      - vi. Written statements from employers or DSHS employees.
    - b. Household - Family size is considered in the determination. WGH further clarifies the WAC definition of family size (related by blood, marriage, adoption) to include a family as parents, children and other members of the household that are claimed as dependents on federal income taxes for the most recent filed return. (e.g. If an adult child files their own taxes but lives in the home, WGH will not look at the parents income to evaluate their financial application)
    - c. For the purpose of reaching an initial determination of sponsorship status, hospitals shall rely upon information provided orally by the responsible party. The hospital may require the responsible party to sign a statement attesting to the accuracy of the information provided to the hospital for purposes of the initial determination of sponsorship status.
  - 4. During the initial request period, the patient and the hospital may pursue other sources of funding, including Medical Assistance and Medicare. The patient may be requested to apply for an applicable DSHS program and/or Apple Medicaid. . Current determination, as well as future determination may be dependent upon the patient following through with their application to one of the above programs. The hospital may not require a patient applying for a determination of indigent status seek bank or other loan source funding.
  - 5. 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.
  - 6. In the event that the responsible party is not able to provide any of the documentation described above, the hospital 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)).
  - 7. Catastrophic Medical Hardship may be evaluated either by the Facility or upon appeal.
- C. The hospital will allow a patient to apply for charity care at any point from preadmission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or medical/ financial hardship, resulting in a need for charity services. If the change in the financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate charity care.

### III. FINAL DETERMINATION/APPEALS

#### A. Time frame for final determination and appeals.

- 1. Each 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 in support of his or her charity care application prior to receiving a final determination of sponsorship status (WAC 246-453-020, 3), WAC 246-453-030).

2. Final determination of charity care, including Prima Facie and Medical Hardship, may be made by the Patient Financial Services Director, or in the case of self-employment and special situations, the Chief Financial Officer.
3. The hospital shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
4. During the time that the patient's application is being considered for charity care eligibility, the hospital will not send statements or collection notices to the patient for outstanding account balances in accordance with WAC 246-453-020.
5. The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Patient Financial Services Director within thirty (30) days of receipt of the notification. The hospital may not refer the account at issue to an external collection agency within the first fourteen days of this period. After the 14 day period, if no appeal has been filed, the hospital may initiate collection activities (WAC 246-453-020, 9 a)
6. The timing of reaching 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).
7. If the patient has paid some, or all, of the bill for medical services and is later found to have been eligible for charity care at the time services were provided and was not offered charity care at that time, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be refunded within thirty (30) days of receiving the charity care designation (WAC 246-453-020, 11).

B. Adequate notice of denial:

1. When a patient's application for charity care is denied, the patient 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 hospital 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 the information available to the hospital; and
  - c. That eligibility will be determined if, within thirty (30) days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
3. If the hospital has initiated collection activities and discovers an appeal has been filed, they shall cease all collection efforts until the appeal is finalized (WAC 246-453-020, 9 b).
4. The Patient Financial Services Director and/or Chief Financial 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.

IV. 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 charity care shall be retained for five (5) years.

V. RURAL HEALTH CLINIC PATIENTS

- A. The Rural Health Clinics prescreen patients and deem them to be indigent or low income at a level that is appropriate for a sliding fee scale. The sliding fee scale is applied to ancillary hospital services the RHC patient receive.

VI. APPROVAL PROCESS

- A. Once a determination has been made, the application and accompanying information shall be reviewed sequentially by the appropriate persons as noted below:
  1. Director PFS upto \$100,000
  2. CFO over \$100,000

CHARITY CARE ADJUSTMENTS WILL BE Categorized as follows

- A0120 Charity Care - General
- A0033 Charity Care - Medicare
- A0121 Charity Care - Rural Health Clinic
- A123 Charity Care - Prima Facie Write off

**CHARITY CARE DETERMINATION POST COLLECTION AGENCY**

Whidbey General Hospital will apply charity care discounts at levels noted in the policy. If there is a remaining balance, WGH will follow normal discount, collection and bad debt policies Whidbey General Hospital will consider an application for charity care even if the account is in collection if new information is available. WGH will direct all collection agencies to place accounts on hold when the agency determines on the first review of the patient’s financial status that the patient has no or very limited income. When the hospital receives the supporting documentation from the collection agency, the account will be immediately evaluated for its charity care eligibility and the responsible party will be contacted and offered the option of applying for financial assistance.

After an account has been placed in collection, WGH can request that a collection agency cancel and return an account when special factors such as language barrier, disability, emergent medical crisis or other discretionary issues are identified that would have made it difficult for the patient to work with the hospital to resolve the outstanding account balance. Cancellation of collection action under these special circumstances is in accordance with WAC 246-453-020.

**COLLECTION PRACTICES**

Whidbey General Hospital will not refer to an outside agency until several attempts to collect the outstanding amount and after all applicable charity discounts have been applied. Referral will not apply to any patients who has made financial arrangements and who has complied in good faith with the arrangements.

**Referenced Documents**

Reference Type	Title	Notes
WAC 246-453		

RCW 70.170.060

<b>Effective</b>	11/01/2010	<b>Document Owner</b>	Litke, Terry
------------------	------------	-----------------------	--------------

*Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at .*

*<https://www.lucidoc.com/cgi/doc-gw.pl?ref=wgh:11061>*