PROVIDENCE Health & Services	**Original Effective Date:** January 2000 **Last Revision Date:** October 2015 **Revision Effective Date:** January 2016	**Page** **1 of 7**	**Policy Number FIN-300**
Subject: Washington Charity Care Policy	**Authorization: VP Revenue Cycle**		

Purpose:
The purpose of this policy is to set forth Providence Health & Services (PH&S)'s Financial Assistance and Emergency Medical Care policies, which are designed to promote access to medically necessary care for those without the ability to pay, and to offer a discount from billed charges for individuals who are able to pay for only a portion of the costs of their care. These programs apply solely with respect to emergency and other medically necessary healthcare services provided by PH&S. This policy and the financial assistance programs described herein constitute the official Financial Assistance Policy ("FAP") and Emergency Medical Care Policy for each hospital that is owned, leased or operated by PH&S within Washington State.

PH&S Hospitals in Washington State:
Providence Centralia Hospital, Providence St. Joseph's Hospital, Providence Mount Carmel Hospital, Providence Regional Medical Center, Providence St. Peter Hospital, Providence Sacred Heart Medical Center & Children's Hospital, Providence Holy Family Hospital, and Providence St. Mary Medical Center.

Policy:
PH&S is a Catholic healthcare organization guided by a commitment to its Mission and Core Values, designed to reveal God's love for all, especially the poor and vulnerable, through compassionate service. It is both the philosophy and practice of each PH&S ministry that medically necessary healthcare services are available to community members and those in emergent medical need, without delay, regardless of their ability to pay. For purposes of this policy, "financial assistance" includes charity care and other financial assistance programs offered by PH&S.

1. PH&S will comply with federal and state laws and regulations relating to emergency medical services, patient financial assistance, and charity care, including but not limited to Section 1867 of the Social Security Act, Section 501(r) of the Internal Revenue Code, RCW 70.170.060, and WAC Ch. 246-453.

2. PH&S will provide financial assistance to qualifying patients or guarantors with no other primary payment sources to relieve them of all or some of their financial obligation for emergency and medically necessary PH&S healthcare services.

3. In alignment with its Core Values, PH&S will provide financial assistance to qualifying patients or guarantors in a respectful, compassionate, fair, consistent, effective and efficient manner.

4. PH&S will not discriminate on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, veteran or military status, or any other basis prohibited by federal, state, or local law when making financial assistance determinations.

5. In extenuating circumstances, PH&S may at its discretion approve financial assistance outside of the scope of this policy. Uncollectible/presumptive charity is approved due to but not limited to the following: social diagnosis, homelessness, bankruptcy, deceased with no estate, history of

non-compliance and non-payment of account(s). All documentation must support the patient/guarantors inability to pay and why collection agency assignment would not result in resolution of the account.

6. PH&S hospitals with dedicated emergency departments will provide, without discrimination, care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act (EMTALA) consistent with available capabilities, regardless of whether an individual is eligible for financial assistance. PH&S hospitals will provide emergency medical screening examinations and stabilizing treatment, or refer or transfer an individual if such transfer is appropriate in accordance with 42 C.F.R. 482.55. PH&S prohibits any actions that would discourage individuals from seeking emergency medical care, such as by permitting debt collection activities that interfere with the provision of emergency medical care.

Providers Subject to PH&S's FAP:
In addition to each applicable PH&S hospital facility, all physicians and other providers rendering care to PH&S patients during a hospital stay are subject to these policies unless specifically identified otherwise. Attachment A indicates where patients may obtain the list(s) pertaining to all Providers who render care in the PH&S hospital departments, and whether or not they are subject to the PH&S Financial Assistance Policy. This list can be accessed online at www.providence.org, and is also available in paper form by request to the Financial Counselor at the Hospital.

Financial Assistance Eligibility Requirements:
Financial assistance is available for both uninsured and underinsured patients and guarantors where such assistance is consistent with federal and state laws governing permissible benefits to patients. Financial assistance is available only with respect to amounts that relate to emergency or other medically necessary services. Patients or guarantors with gross family income, adjusted for family size, at or below 350% of the Federal Poverty Level (FPL) are eligible for financial assistance, so long as no other financial resources are available and the patient or guarantor submits information necessary to confirm eligibility.

Financial assistance is secondary to all other financial resources available to the patient or guarantor, including but not limited to insurance, third party liability payors, government programs, and outside agency programs. In situations where appropriate primary payment sources are not available, patients or guarantors may apply for financial assistance based on the eligibility requirements in this policy and supporting documentation, which may include:

- Proof of application to Medicaid may be requested.

Financial assistance is granted for emergency and medically necessary services only. For PH&S hospitals, "emergency and medically necessary services" means appropriate hospital based services as defined by WAC 246-453-010(7). For other PH&S ministries and physician services these are medically necessary services provided within a PH&S hospital or in such other settings as defined by PH&S.

Patients who reside outside the PH&S service area where services are provided are not eligible for financial assistance, except under the following circumstances:

- The patient requires emergency services while visiting in PH&S's service area.
- Medically necessary care provided to the patient is not available at a PH&S facility in the service area where the patient resides.

The PH&S service area is defined as any Washington counties serviced by the PH&S hospital.

Eligibility for financial assistance shall be based on financial need at the time of application. All income of the family as defined by Washington law governing charity care [1] is considered in determining the applicability of the PH&S sliding fee scale in Attachment B. Patients seeking financial assistance must provide any supporting documentation specified in the application for financial assistance, unless PH&S indicates otherwise.

Basis for Calculating Amounts Charged to Patients Eligible for Financial Assistance

Categories of available discounts and limitations on charges under this policy include:

- **100 Percent Discount/Free Care:** Any patient or guarantor whose gross family income, adjusted for family size, is at or below 300% of the current federal poverty level ("FPL") is eligible for a 100 percent discount off of total hospital charges for emergency or medically necessary care, to the extent that the patient or guarantor is not eligible for other private or public health coverage sponsorship.[2]

- **Discounts Off Charges at 75 Percent :** The PH&S sliding fee scale set forth in Attachment B will be used to determine the amount of financial assistance to be provided in the form of a discount of 75 percent for patients or guarantors with incomes between 301% and 350% of the current federal poverty level after all funding possibilities available to the patient or guarantor have been exhausted or denied and personal financial resources and assets have been reviewed for possible funding to pay for billed charges. Financial assistance may be offered to patients or guarantors with family income in excess of 350% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

- **Limitation on Charges for all Patients Eligible for Financial Assistance**: No patient or guarantor eligible for any of the above-listed discounts will be personally responsible for more than the "Amounts Generally Billed" (AGB) percentage of gross charges, as defined in Treasury Regulation Section 1.501(r)-1(b)(2), by the applicable PH&S hospital for the emergency or other medically necessary services received. PH&S determines the applicable AGB percentage for each PH&S hospital by multiplying the hospital's gross charges for any emergency or medically necessary care by a fixed percentage which is based on claims allowed under Medicare. Information sheets detailing the AGB percentages used by each PH&S Hospital, and how they are calculated, can be obtained by visiting the following website: www.providence.org or by calling: **1-866-747-2455** to request a paper copy. In addition, the maximum amount that may be collected in a 12 month period for emergency or medically necessary health care services to patients eligible for financial assistance is 20 percent of the patient's gross family income, provided that the patient remains eligible for financial assistance under this policy throughout the 12-month period.

Method for Applying for Assistance and Evaluation Process:

Patients or guarantors may apply for financial assistance under this Policy by any of the following means: (1) advising PH&S's patient financial services staff at or prior to the time of discharge that assistance is requested, and submitting an application form and any documentation if requested by PH&S; (2) downloading an application form from PH&S' website, at: www.providence.org, and submitting the form together with any required documentation; (3) requesting an application form by telephone, by calling: **1-866-747-2455**, and submitting the form; or (4) any other methods specified in PH&S's Billing and Collections Policy. PH&S will display signage and information

[1] "Income" and "family" are defined in WAC 246-453-010(17)-(18).
[2] *See* RCW 70.170.060 (5).

about its financial assistance policy at appropriate access areas. Including but not limited to the emergency department and admission areas.

The hospital will give a preliminary screening to any person applying for financial assistance. As part of this screening process PH&S will review whether the person has exhausted or is ineligible for any third-party payment sources. PH&S may choose to grant financial assistance based solely on an initial determination of a patient's status as an indigent person, as defined in WAC 246-453-010(4). In these cases, documentation may not be required. In all other cases, documentation is required to support an application for financial assistance. This may include proof of family size and income and assets from any source, including but not limited to: copies of recent paychecks, W-2 statements, income tax returns, forms approving or denying Medicaid or state-funded medical assistance, forms approving or denying unemployment compensation, written statements from employers or welfare agencies, and/or bank statements showing activity. If adequate documentation cannot be provided, PH&S may ask for additional information.

A patient or guarantor who may be eligible to apply for financial assistance may provide sufficient documentation to PH&S to support an eligibility determination until fourteen (14) days after the application is made or two hundred forty (240) days after the date the first post-discharge bill was sent to the patient, whichever is later per the 501(r) regulations. PH&S acknowledges that per the WAC 246-453-020(10), a designation can be made at any time upon learning that a party's income is below 200% of the federal poverty standard. Based upon documentation provided with the application, PH&S will determine if additional information is required, or whether an eligibility determination can be made. The failure of a patient or guarantor to reasonably complete appropriate application procedures within the time periods specified above shall be sufficient grounds for PH&S to determine the patient or guarantor ineligible for financial assistance and to initiate collection efforts. An initial determination of potential eligibility for financial assistance will be completed as closely as possible to the date of the application.

PH&S will notify the patient or guarantor of a final determination of eligibility or ineligibility within ten (10) business days of receiving the necessary documentation.

The patient may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to PH&S within thirty (30) days of receipt of the notice of denial. All appeals will be reviewed and if the determination on appeal affirms the denial, written notification will be sent to the patient and the Washington State Department of Health in accordance with state law. The final appeal process will conclude within ten (10) days of the receipt of the appeal by PH&S.
Other methods of qualifications for Financial Assistance may fall under the following:

- The legal statue of collection limitations has expired;
- The guarantor has deceased and there is no estate or probate;
- The guarantor has filed bankruptcy;
- The guarantor has provided financial records that qualify him/her for financial assistance; and/or
- Financial records indicate the guarantor's income will never improve to be able to pay the debt, for example with guarantors on lifetime fixed incomes.

Billing and Collections: Any unpaid balances owed by patients or guarantors after application of available discounts, if any, referred to collections in accordance with PH&S's uniform billing and collections policies. For information on PH&S' billing and collections practices for amounts owed by patients or guarantors, please see PH&S's Billing and Collections Policy, which is available free of charge at each PH&S hospital's registration desk, at: www.providence.org; or which can be sent to you if you call: **1-866-747-2455**.

AUTHORIZATION:

Teresa Spalding
VP Revenue Cycle

Signature on file Date:

ATTACHMENT A
Hospital-Based Providers Not Subject to PH&S's Financial Assistance Policy and Associated Discounts

A list is available of all Providers who render care in the PH&S Hospital, and whether or not they are subject to the PH&S Financial Assistance Policy. This list can be accessed online at www.providence.org, and is also available in paper form by request to the Financial Counselor at the Hospital. If a Provider is not subject to the Financial Assistance Policy then that Provider will bill patients separately for any professional services that that provider provides during a patient's hospital stay, based on the Provider's own applicable financial assistance guidelines, if any.

ATTACHMENT B
Discounts Available Under PH&S's Financial Assistance/Charity Care Policy

The full amount of hospital charges outstanding after application of any other available sources of payment will be determined to be charity care for any patient or guarantor whose gross family income, adjusted for family size, is at or below 300% of the current federal poverty guideline level (consistent with WAC Ch. 246-453), provided that such persons are not eligible for other private or public health coverage sponsorship (see RCW 70.170.060 (5)).

For guarantors with income and resources above 101% of the FPL the PH&S sliding fee scale below applies.

In determining the applicability of the PH&S fee scale, all income of the family as defined by WAC 246-456-010 (17-18) are taken into account. Responsible parties with family income and assets between 100% and 300% of the FPL, 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 as referenced in WAC 246-453-040 (1-3).

For guarantors with income and assets above 300% of the FPL household income and assets are considered in determining the applicability of the sliding fee scale.

Assets considered for evaluation; IRAs, 403(b) accounts, and 401(k) accounts are exempt under this policy, unless the patient or guarantor is actively drawing from them. For all other assets, the first $100,000 is exempt.

Income and assets as a percentage of Federal Poverty Guideline Level	**Percent of discount (write-off) from original charges**	**Balance billed to guarantor**
100-300%	**100%**	**0%**
301-350%	**75%**	**25%**