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## Policy & Procedure : Charity Care

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### **POLICY:**

This current law is applicable to all Hospitals licensed in Washington State and this policy is consistent with the Mission and Values of Clallam County Public Hospital District No.1.

Clallam County Public Hospital District No.1 is committed to the provision of medically necessary healthcare services to those in need. In order to fulfill this commitment, the following criteria for the provision of Hospital Charity Care consistent with the requirements of WAC 246-453 are established. These criteria will assist staff in making consistent and objective decisions regarding eligibility while ensuring and maintaining a sound financial base. Charity care is provided only when care is deemed medically necessary and after the patient has been found to meet all criteria. Clallam County Public Hospital District No.1 offers both free care and discounted care, depending on individuals' family size and income. Consideration for financial assistance will be given equally to all qualifying individuals, regardless of race, color, gender, religion, age, national origin, veteran's status, marital status, sexual orientation, disability, immigration status or other legally protected status. Patients seeking assistance may first be asked to apply for other external programs (such as Medicaid) as appropriate before eligibility under this policy is determined. Individuals known to be eligible for financial assistance based on documented income and family size information included in this policy shall not be charged more than the amounts generally billed to individuals who have insurance. To maintain compliance with WAC 246-453-020, Charity Care must be the payer of last resort. It is Clallam County Public Hospital District No.1's responsibility, through coordination and collaboration with the applicant, to make every reasonable effort to determine the existence or nonexistence of third party sponsorship that would be applicable for the services provided.

### **PURPOSE:**

The purpose of this policy is to outline the circumstances under which Charity Care may be provided to qualifying low income patients for medically necessary healthcare services provided by Clallam County Public Hospital District No. 1. Clallam County Public Hospital District No.1 is committed to providing financial assistance to uninsured and under insured individuals who are in need of emergency care, emergency services or medically necessary treatment and have a household income below 300% of the Federal Poverty Level Guidelines (FPL). In accordance with the Patient Protection and Affordable Care Act (PPACA) and section 501(r) of the Internal Revenue Service code, all financial assistance eligible patients will not be charged more for emergency or medically necessary care than the amount generally billed to insured patients.

### **DEFINITION:**

The following terms are meant to be interpreted as follows within the policy:

1. Financial Assistance/Charity Care: Charity Care and/or Financial Assistance means medically necessary hospital health care rendered to indigent persons when third-party coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductible or coinsurance amounts required by a third-party payer based on the criteria in this policy.
2. Indigent Persons: those patients or guarantors 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.

3. **Medically Necessary:** in accordance with WAC 246-453-010(7), hospital-based services or care rendered to a patient, both inpatient and outpatient in the hospital, reasonably calculated to diagnose, alleviate, correct, cure, or prevent the worsening of conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, result in overall illness or infirmity, 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.
4. **Emergency care or emergency services:** in accordance with WAC 246-453-010(11), services provided for care related to an emergency medical or mental condition.
5. **Emergency Medical Condition:** in accordance with WAC 246-453-010(13), a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in:
  - a. Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy.
  - b. Serious impairment of bodily functions.
  - c. Serious dysfunction of any bodily organ or part.
  - d. With respect to a pregnant woman who is having contractions the term shall mean:
    - i. That there is inadequate time to effect a safe transfer to another hospital before delivery; or
    - ii. That transfer may pose a threat to the health or safety of the woman or the unborn child.
6. **Family:** in accordance with WAC 246-453-010(18) as a group of two or more persons related by birth, marriage or adoption that live together; all such related persons are considered as members of one family.
7. **Uninsured:** Patients with no insurance or third-party assistance to help resolve their financial liability to healthcare providers.
8. **Underinsured:** Patients who have limited healthcare coverage, or coverage that leaves the patient with an out-of-pocket liability, which exceeds their financial ability.
9. **Income:** in accordance with WAC 246-453-010(17), total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earning from business and investment activities paid to the individual.
10. **Third-Party Sponsorship:** an obligation on the part of an insurance company, health care services 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.

## PROCEDURE:

1. Clallam County Public Hospital District No.1 has implemented procedures to identify patients who may be eligible for Charity Care, financial assistance, or other medical assistance programs and assist them in applying for available coverage. All appropriate staff has been trained on the new guidelines as well as the use of interpreters and interpretation devices.
  - a. **Eligibility Requirements:**
    - i. To be eligible for Charity Care, a person may be deemed to have undue financial hardships, considering income, resources and obligations as determined by the hospital that make them unable to pay for all or a portion of their medical care. Charity Care shall be applied to those charges that are not covered by public or private sponsorship in accordance with WAC 246-453-020(4). Such consideration will include a review of gross income, family size, current or potential employment status. The following documents shall be considered sufficient evidence upon which to base the final determination of charity Care:

- I. Pay stubs (3 pay periods) with the year-to-date totals, or 3 bank statements showing current consecutive direct deposits (i.e. Social Security checks).
  - II. Income tax return from the most recently filed calendar year or verification of non-filing.
  - III. Forms approving or denying eligibility for Medicaid and/or state, federal or military funded medical assistance.
  - IV. Forms approving or denying unemployment compensation.
  - V. Written statements from employers or welfare agencies.
  - VI. Letter of support from other individuals providing for basic needs.
  - VII. In the absence of any other proof of income, a separate written, signed document may be submitted for possible consideration.
- b. At this time, Clallam County Public Hospital District No.1 has chosen to not consider the existence, availability, or value of personal assets relative to meeting financial criteria for assistance.
- i. Patients must first exhaust all other funding sources for which they may be eligible before they can qualify for Charity Care, including but not limited to the following:
    - I. Group or individual medical plans, including any unexhausted COBRA benefits.
    - II. Worker's Compensation plans.
    - III. Medicaid programs (proof of denial will be requested).
    - IV. Medicare (including early ESRD, Black Lung, Rail Road, etc.).
    - V. Washington State Health Benefits Exchange.
    - VI. Other state, federal or military programs.
    - VII. Other health sharing ministries, tribal benefits, religious or other charities, grants, disorder-specific funds, gift programs, public or private sponsorship's, etc.
    - VIII. Health Savings Account (HSA) funds.
    - IX. Any other persons or entities who have legal responsibility to pay for the medical services.
- c. Patients must make reasonable efforts to cooperate with the application and resource qualifying process to ensure best financial outcomes.
- d. Criteria for Evaluation:
- i. Any unusual circumstances or special hardships, including catastrophic hospitalization costs, will be considered and constitute justification for extending Charity Care to patients who do not meet all of the additional criteria. Administration has the discretion to bypass the Charity Care application process for those patients who cannot complete the application process or provide documentation supporting their application for Charity Care, pursuant to WAC 246-453-030(4).
  - ii. As soon as possible following the initiation of emergency care, emergency services or medically necessary treatment, Clallam County Public Hospital District No. 1 will make an initial determination of eligibility for Charity Care or financial assistance. If determined to be actually or potentially eligible, or upon request by any patient, patients will be provided with applications for Charity Care. Any and all other benefits will be assessed to determine eligibility for Charity Care. Those who meet the criteria mentioned above will be considered for full or partial Charity Care eligibility. Patients with documented income under 200% of Federal Poverty Level (FPL) will receive a full discount. A sliding payment schedule, based on the Federal Poverty Guidelines (between 201% and 300% of FPL), is used as a guide to determine the amount for which a family is responsible, with added consideration for any special circumstances. The sliding fee schedule applies only to those charges that are not covered by any public or private sponsorship in accordance with WAC 246-453-050(1)(a). The patient will receive written notice that will include the level of discount allowed and the expiration date. If the outstanding balance is not timely paid, the hospital reserves the right to assign unpaid balances to an outside collection agency. As well,

any patient who has previously qualified for a Charity Care discount of 85% or less may reapply again after July 1, 2022, to be reconsidered under any new scale criteria. Once application is approved, the new Charity Scale will remain in effect for a period of six (6) months forward unless superseded by a newer state guideline. For all In-Patient visits, applications will be required and reviewed upon each admission.

iii. Clallam County Public Hospital District No.1 shall make a determination within fourteen (14 ) days after receipt of the application. All application denials must first be reviewed and signed-off by the Charity Care Coordinator, Revenue Cycle Director, and CFO. If the Charity Care application is denied, the written notice will include a reason for denial, payment terms and instructions for the appeal process. The patient may appeal the decision by providing additional proof of income or family size within 30 days. In addition, significant life events (giving birth, adopting a child, getting married, widowed, etc.) should be reported as soon as possible to be given further consideration. The patient will be sent via certified mail written notice of the final decision. In making a determination, the applicant may be required to provide the hospital with additional documentation of items on the application. Failure to provide such documentation may result in denial of the application. Decisions may be subject to a 3 signature approval process:

- I. All applications signed, dated and reviewed by Charity Care Coordinator.
- II. \$0-\$5,000.00 signed, dated and approved by Revenue Cycle Director.
- III. \$5,001.00+ signed, dated and approved by CFO and Revenue Cycle Director.
- IV. All applications are prepared and posted by separate individuals to ensure revenue integrity and separation of duties.

iv. If Clallam County Public Hospital District No.1 has initiated collection activities and discovers an appeal has been filed, they shall cease collection efforts until the appeal is finalized. In the event that a responsible party pays a portion or all of the charges related to appropriate medical service, and is subsequently found to have met the Charity Care criteria at the time that services were provided, any payments in excess of the amount determined to be appropriate in accordance with WAC 246-453-040(9)(b) shall be refunded to the patient within 30 days of achieving the Charity Care designation.

e. Public Notification:

i. Notice shall be publicly available in accordance with WAC 246-453-020(2) that charges for services provided to those persons meeting the criteria may be waived or reduced. Clallam County Public Hospital District No. 1 displays signage and information regarding this policy at appropriate access areas and on our website. Applications are provided without charge.

f. Charity Care Percentage Sliding Fee Schedule:

i. The full amount of charges will be reviewed to be Charity Care for any guarantor whose gross family income is at or below 200% of the current federal poverty guidelines, consistent with Chapter 246-453, provided that such persons are not eligible for other private or public health coverage sponsorship. In determining the applicability of the Clallam County Public Hospital District No.1 Charity Care, all resources of the family as defined by WAC 246-453-010 (17) are taken into account for guarantors with income between 201% and 300% of the federal poverty guidelines as stated below:

New WA State Charity Scale Effective July 1, 2022	
0 - 200% FPL =	100% Charity
201% - 250% FPL =	75% Charity
251% - 300%FPL =	50% Charity

## REFERENCES:

**Document Owner:**  
**Collaborators:**

Barker, Janet

**Approvals**

- Committees: ( 01/18/2024 ) Non-Clinical Policy Committee,

- Signers:

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**Review Date:** [11/27/2023 Rev. 4]

**Attachments:**  
(REFERENCED BY THIS DOCUMENT)

- WAC 246-453-020
- WAC 246-453-010
- WAC 246-453-040
- WAC 246-453-030
- Federal Poverty Guidelines
- 501 (R) IRS
- PPACA Affordable Care Act
- Charity Care Application
- Charity Care Application - Spanish
- Atencion benefica

**Other Documents:**  
(WHICH REFERENCE THIS DOCUMENT)

- Patient Responsibility / Self-Pay Collection Process
- Charity Care Sliding Fee Schedule 2024
- Atencion benefica
- DOH Charity Care Policy & Procedure Approval Letter 06152022

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**CLALLAM COUNTY PUBLIC HOSPITAL DISTRICT NO. 1**  
**SLIDING FEE SCHEDULE**  
**FINANCIAL ASSISTANCE ELIGIBLE PATIENTS**  
**2024 FEDERAL POVERTY GUIDELINES AS OF January 1, 2024**  
**HOSPITAL CATEGORY 2**

SLIDING FEE SCHEDULE DISCOUNTS BASED ON ANNUAL GROSS INCOME				
DISCOUNT %	100%	100%	75%	50%
% OF BILL PATIENT PAYS	0%	0%	25%	50%
FAMILY SIZE	2024 FEDERAL POVERTY GUIDELINES - ANNUAL GROSS INCOME	100% TO 200% OF 2024 FEDERAL POVERTY GUIDELINES - ANNUAL GROSS INCOME	201% TO 250% OF 2024 FEDERAL POVERTY GUIDELINES - ANNUAL GROSS INCOME	251% TO 300% OF 2024 FEDERAL POVERTY GUIDELINES - ANNUAL GROSS INCOME
1	15,060	15,061 to 30,120	30,121 to 37,650	37,651 to 45,180
2	20,440	20,441 to 40,880	40,881 to 51,100	51,101 to 61,320
3	25,820	25,821 to 51,640	51,641 to 64,550	64,551 to 77,460
4	31,200	31,201 to 62,400	62,401 to 78,000	78,001 to 93,600
5	36,580	36,581 to 73,160	73,161 to 91,450	91,451 to 109,740
6	41,960	41,961 to 83,920	83,921 to 104,900	104,901 to 125,880
7	47,340	47,341 to 94,680	94,681 to 118,350	118,351 to 142,020
8	52,720	52,721 to 105,440	105,441 to 131,800	131,801 to 158,160
9	58,100	58,101 to 116,200	116,201 to 145,250	145,251 to 174,300
10	63,480	63,481 to 126,960	126,961 to 158,700	158,701 to 190,440

SLIDING FEE SCHEDULE DISCOUNTS BASED ON MONTHLY GROSS INCOME				
DISCOUNT %	100%	100%	75%	50%
% OF BILL PATIENT PAYS	0%	0%	25%	50%
FAMILY SIZE	2024 FEDERAL POVERTY GUIDELINES - MONTHLY GROSS INCOME	100% TO 133.33% OF 2024 FEDERAL POVERTY GUIDELINES - MONTHLY GROSS INCOME	133.33% TO 166.67% OF 2024 FEDERAL POVERTY GUIDELINES - MONTHLY GROSS INCOME	166.67% TO 200% OF 2024 FEDERAL POVERTY GUIDELINES - MONTHLY GROSS INCOME
1	1,255	1,256 to 2,510	2,511 to 3,138	3,139 to 3,765
2	1,703	1,704 to 3,407	3,408 to 4,258	4,259 to 5,110
3	2,152	2,153 to 4,303	4,304 to 5,379	5,380 to 6,455
4	2,600	2,601 to 5,200	5,201 to 6,500	6,501 to 7,800
5	3,048	3,049 to 6,097	6,098 to 7,621	7,622 to 9,145
6	3,497	3,498 to 6,993	6,994 to 8,742	8,743 to 10,490
7	3,945	3,946 to 7,890	7,891 to 9,863	9,864 to 11,835
8	4,393	4,394 to 8,787	8,788 to 10,983	10,984 to 13,180
9	4,842	4,843 to 9,683	9,684 to 12,104	12,105 to 14,525
10	5,290	5,291 to 10,580	10,581 to 13,225	13,226 to 15,870

SLIDING FEE SCHEDULE DISCOUNTS BASED ON BI-WEEKLY GROSS INCOME				
DISCOUNT %	100%	100%	75%	50%
% OF BILL PATIENT PAYS	0%	0%	25%	50%
FAMILY SIZE	2024 FEDERAL POVERTY GUIDELINES - BI-WEEKLY GROSS INCOME	100% TO 133.33% OF 2024 FEDERAL POVERTY GUIDELINES - BI-WEEKLY GROSS INCOME	133.33% TO 166.67% OF 2024 FEDERAL POVERTY GUIDELINES - BI-WEEKLY GROSS INCOME	166.67% TO 200% OF 2024 FEDERAL POVERTY GUIDELINES - BI-WEEKLY GROSS INCOME
1	579	580 to 1,158	1,159 to 1,448	1,449 to 1,738
2	786	787 to 1,572	1,573 to 1,965	1,966 to 2,358
3	993	994 to 1,986	1,987 to 2,483	2,484 to 2,979
4	1,200	1,201 to 2,400	2,401 to 3,000	3,001 to 3,600
5	1,407	1,408 to 2,814	2,815 to 3,517	3,518 to 4,221
6	1,614	1,615 to 3,228	3,229 to 4,035	4,036 to 4,842
7	1,821	1,822 to 3,642	3,643 to 4,552	4,553 to 5,462
8	2,028	2,029 to 4,055	4,056 to 5,069	5,070 to 6,083
9	2,235	2,236 to 4,469	4,470 to 5,587	5,588 to 6,704
10	2,442	2,443 to 4,883	4,884 to 6,104	6,105 to 7,325