



Financial Assistance/Charity Care

SCOPE:

Applies to all WhidbeyHealth medically indigent patients; they will be considered for charity care regardless of race, color, sex, religion, age, sexual orientation, gender identity, gender expression, marital status, veteran's status, disability, national origin or immigration status.

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.

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DEFINITIONS:

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. Also referenced as Financial Assistance.

FPL: Federal Poverty Level guidelines as published by the federal government

Third Party Coverage: 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.

Tier 2 Hospital: a non-Tier 1 Hospital referenced as independent and small hospitals and behavioral health hospitals not owned by a system.

POLICY:

WhidbeyHealth is defined as a Tier 2 hospital by SHB 1616. WhidbeyHealth will make a good faith effort to provide every patient with information regarding availability of Financial Assistance/ Charity Care. WhidbeyHealth 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, 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

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 may 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 or any other benefits for which they may be eligible (e.g. Medicare Part B 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.

WhidbeyHealth charity care/ financial assistance assessment guidelines will be consistent with all applicable state and federal laws as well detail the following.

- I. Prescreen triggers for admitting and pre-registration staff
- II. Procedures for information distribution (signage placement, pamphlet distribution, application distribution etc.) inclusive of those identified by SB 62733.
- III. What information is needed to supplement the application and when it is needed. (self- employed requires different information than employed)
- IV. Other self-pay options for patient denied charity based on income (payment plan, prompt payment discount)

COMMUNICATION TO THE PUBLIC:

The Public Hospital District's charity care policy shall be made publicly available A notice advising patients that WhidbeyHealth provides Financial Assistance and Charity Care will be posted in key public areas of the hospital, including Admissions and/or Registration, the Emergency Department, Billing and Financial Services.

WhidbeyHealth will make available on its web site, current versions of this policy, a plain language summary of this policy, and the Charity Care application form.

WhidbeyHealth billing statements and other written communications concerning billing or collection of a hospital bill will include the following statement on the first page of the statement in both English and the second most spoken language in the Service Area:

- You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance officer at whidbeyhealth.org and 360.678.7656 x7601.

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 WhidbeyHealth'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. Currently we do not have a second language that meets the 10% threshold.

WhidbeyHealth has established a standardized training program on its Financial Assistance and Charity Care policy and the use of interpreter services to assist persons with limited English proficiency and non-English-speaking persons in understanding information about its Financial Assistance and Charity Care policy. WhidbeyHealth will provide regular training to front-line staff who work in registration, admissions and billing, and any other appropriate staff, to answer Financial Assistance and Charity Care questions effectively, obtain any necessary interpreter services, and direct inquiries to the appropriate department in a timely manner.

- I. WhidbeyHealth will share their financial assistance policies with appropriate community health and human services agencies and other organizations that assist such patients.

- II. WhidbeyHealth may not offer financial assistance for services deemed to be not medically necessary.

GUIDELINES:

ELIGIBILITY CRITERIA

For medically necessary hospital care received on or after July 1, 2022, WhidbeyHealth will consider patients for financial assistance and charity care under this policy, when third-party coverage, if any, has been exhausted, based on the following criteria:

- I. The full amount of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is at or below 200% of the current federal poverty level, adjusted for family size.
 - A. WhidbeyHealth will not consider the value of assets to reduce charity care discounts for individuals in this category.
- II. Seventy-five percent of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 201% and 250% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below)
- III. Fifty percent of uncovered hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 251% and 300% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below]

CONSIDERATION OF ASSETS

When determining eligibility for financial assistance and charity care under this policy for care received on or after July 1, 2022 WhidbeyHealth may take into consideration the existence, availability, and value of assets of the patient and/or guarantor to reduce the amount of the discount granted. In doing so, WhidbeyHealth will exclude from consideration:

- The first \$5000 in monetary assets for an individual, \$8000 for a family of two, and \$1500 of monetary assets for each additional family member; the value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid;
- 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; and
- Life insurance policies with a face value of \$10,000 or less.

With respect to those assets that may be taken into consideration, WhidbeyHealth will seek only such information regarding assets as is reasonably necessary and readily available to determine the existence, availability, and value of such assets.

- I. WhidbeyHealth will consider assets and collect information related to such assets as required by the Centers for Medicare and Medicaid (CMS) for Medicare cost reporting.
 - A. Such information may include reporting of assets convertible to cash and unnecessary for the patient's daily living.
- II. Duplicate forms of verification will not be requested.
 - A. Only one current account statement is required to verify monetary assets.
- III. If no documentation for an asset is available, a written and signed statement from the patient or guarantor is sufficient.
- IV. Asset information will not be used for collection activities.

MEDICAID AND HEALTH BENEFIT EXCHANGE OBLIGATIONS

Identification of Patients Eligible for Certain Third-Party Coverage: For services provided to patients on or after July 1, 2022, the following procedures will apply for identifying patients and/or their guarantors who may be eligible for health care coverage through Washington medical assistance programs (e.g., Apple Health) or the Washington Health Benefit Exchange:

- I. As a part of the charity care application process for determining eligibility for financial assistance and charity care, WhidbeyHealth will query as to whether a patient or their guarantor meets the criteria for health care coverage under medical assistance programs under chapter 74.09 RCW or the Washington Health Benefit Exchange.
- II. If information in the application indicates that the patient or their guarantor is eligible for coverage, WhidbeyHealth will assist the patient or their guarantor in applying for, ACA, Medicaid, Friends of Friends, Grants, etc. for which they might be eligible.
 - A. In providing assistance to the application process, WhidbeyHealth will take into account any physical, mental, intellectual, sensory deficiencies or language barriers which may hinder either the patient or their guarantor from complying with the application procedures and will not impose procedures on the patient or guarantor that would constitute an unreasonable burden.
- III. If the patient or guarantor fails to make reasonable efforts to cooperate with WhidbeyHealth in applying for coverage under chapter 74.09 RCW or the Washington Health Benefit Exchange, WhidbeyHealth is not obligated to provide charity care to such patient.
- IV. If a patient or their guarantor is obviously or categorically ineligible or has been deemed ineligible for coverage through medical assistance programs under chapter 74.09 RCW or the Washington Health Benefit Exchange in the prior 12

months, HOSPITAL will not require the patient or their guarantor to apply for such coverage.

SCOPE OF SERVICE

- Eligibility for Financial Assistance requires that the medical services sought are Appropriate Hospital Based Medical Services as opposed to services that are investigational, elective or experimental in nature. Exceptions to the scope of service requirement may be made in extraordinary circumstances and with the approval of the Chief Financial Officer or designee.

COVERED SERVICES MAY INCLUDE

- I. Appropriate Hospital Based Medical Services
- II. Professional fees incurred as part of the Hospital based Medical Services
- III. Services for Emergency Medical Conditions

THIRD PARTY COVERAGE:

Financial assistance is generally secondary to all other third-party coverage resources available to the patient. This includes:

- I. Group or individual medical plans
- II. Workers compensation programs
- III. Medicare, Medicaid or other medical assistance programs
- IV. Other state, federal or military programs
- V. Third party liability situations (e.g. auto accidents or personal injuries)
- VI. Tribal health benefits
- VII. Health care sharing ministry as defined by 26 U.S.C. Sec.5000A
- VIII. Other situations in which another person or entity may have legal responsibility to pay for the costs of the medical services

Financial assistance for otherwise eligible patients who do not follow through in obtaining insurance coverage potentially available to them (e.g. Medicaid) will be individually evaluated.

Before being considered for Financial Assistance, the patient's/guarantor's eligibility for the third-party payment coverage will be assessed and the patient/guarantor may be required to apply for coverage under those programs for which they may be eligible. Patients who fail to comply with the Financial Assistance application requirements may be denied Financial Assistance, however, WhidbeyHealth will not deny Financial Assistance to a patient solely based upon the patient's refusal to enroll in a plan available to the patient on the Health Benefits Exchange.

HOUSEHOLD SIZE

Household - Family size is considered in the determination. WhidbeyHealth 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. For the purpose of reaching an initial determination of sponsorship status, WhidbeyHealth 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.

INCOME

By policy, persons whose income is equal to or below 300% of the federal poverty standard may be eligible to receive financial assistance. WhidbeyHealth will consider all sources of income when establishing income eligibility for Financial Assistance. Sources of income include 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 earnings from business and investment activities paid to the individual patient/guarantor. All resources of the family/ both spouses are considered together.

As a Tier 2 Hospital, WhidbeyHealth follows the guidelines set forth in Charity Care Bill HB 1616. These guidelines are effective at the time of publishing and do not apply retroactive to previous applications completed before July 1, 2022

100% discount for income up to 200% of the Federal Poverty Level. Assets will not be reviewed when a person is at 200% of the FPL.

75% discount for 201-250% of the FPL. *

50% discount for 251-300% of the FPL *

*WhidbeyHealth may consider existence, availability and value of assets for patients qualifying for discounted care. The assets below are excluded from the review:

- First \$5,000 of monetary assets for individual, \$8K for family of 2, \$1,500 for each family member
- Retirement plans, other than 401(k)
- Equity in primary residence; Two motor vehicles; Prepaid burial contract/plot; Life Insurance

APPLICATION:

- I. 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

- II. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
 - “W-2” withholding statement;
 - Pay stubs from all employment during the relevant time period;
 - 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 statements from employers or DSHS employees.

- III. 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.
 - A. 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).
 - B. WhidbeyHealth may waive income requirements, documentation, and verification of Financial Assistance eligibility is obvious.

- IV. Applicants residing in a nursing home, long term care facility or custodial care facility with disposable income of less than \$150.00 per month may qualify for Financial Assistance/ Sliding Fee Scale even if their income exceeds the guideline limit but is used for their principal care.

- V. Balances due from deceased patients who leave no estate / have no living spouse or legal guardian will be considered eligible for financial assistance.

- VI. Accounts where payments will extend beyond one (1) year may be placed at a collection agency if no suitable arrangements can be found.
 - A. WhidbeyHealth will assess income based at the time the patient applies for charity care if the patient has been making payments AND provided they apply for charity care within 2 years of the time of service
 - B. Timing of Income Determinations. Annual Family Income of the Applicant will be determined as of the time the Appropriate Hospital Based Medical Services were provided, or at the time of application for Charity Care or Financial Assistance if the application is made within two years of the time the Appropriate Hospital Based 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/or Financial Assistance

- VII. At the hospital’s discretion, a hospital may consider application for charity at any time including any time there is a change in a patient’s financial circumstances.

- VIII. When a judgment has been granted through the court systems, the account is no longer eligible for financial assistance/ charity consideration.

PROCESS FOR ELIGIBILITY DETERMINATION

- I. Initial Determination (WAC 246-453-010, 19)
 - A. 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.
 - B. 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.
 - C. 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.
 - D. If WhidbeyHealth 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.

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).

- E. Final determination of charity care, including Prima Facie and Medical Hardship, may be made by the Revenue Cycle Director, or in the case of self-employment and special situations, the Chief Financial Officer.
- F. The hospital shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
- G. 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.
- H. The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Revenue Cycle 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)

- I. 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).
 - J. 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).
- II. Adequate notice of denial:
- A. When a patient's application for charity care is denied, the patient shall receive a written notice of denial which includes:
 - 1. The reason or reasons for the denial
 - 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 also includes:
 - 1. A description of the information that was requested and not provided including the date the information was requested.
 - 2. A statement that eligibility for charity care cannot be established based on the information available to the hospital; and
 - 3. 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.
 - C. 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).
 - D. The Revenue Cycle 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.

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.

RURAL HEALTH / CLINIC PATIENTS

- A. Clinic patients deemed to be indigent or low income may receive assistance under the sliding fee scale.

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:
- B. Director Revenue Cycle up to \$100,000
- C. Chief Financial Officer over \$100,000
- D. MEDITECH CHARITY CARE ADJUSTMENTS WILL BE

Categorized as follows:

- AA.0120 Charity Care – General
- AA.0033 Charity Care – Medicare
- AA.0123 Charity Care – Prima Facie Write off

- E. Athena CHARITY CARE ADJUSTMENTS WILL BE Categorized as follows:

- Clinic Financial Assistance
- Clinic Medicare F/A
- RHC Medicare F/A
- RHC Financial Assistance

CHARITY CARE DETERMINATION POST COLLECTION AGENCY:

WhidbeyHealth will apply charity care discounts at levels noted in the policy. If there is a remaining balance, WhidbeyHealth will follow normal discount, collection and bad debt policies. WhidbeyHealth will consider an application for charity care even if the account is in collection if new information is available. WhidbeyHealth 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, WhidbeyHealth 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:

WhidbeyHealth 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.

RELATED INTERNAL DOCUMENTS:

Scheduling Self Pay Process
Patient Bankruptcy
DSHS Spenddown Procedure

EXTERNAL REFERENCES:

RCW 70.170, 70.150
WAC 246-453
Senate Bill 6273The Americans with Disabilities Act
Title VI of the Civil Rights Act of 1964
Section 1557 of the Affordable Care Act
Federal Poverty Levels as published each year
Washington HB 1616 WSHA standard charity care application
WSHA charity care webpage
WSHA guidance on staff training requirements