



DocID: 853-02
Revision: 19
Status: Official
Department: DOH Policies & Procedures
Manual(s):

Policy & Procedure : Charity Care/Financial Assistance

Policy:

It is the policy of Lewis County Hospital District No. 1 (LCHD No. 1) to be a community health care organization guided by a commitment to its Mission and Core Values. It is both the philosophy and practice of our district that medically necessary health care services are available to community members and those in emergent medical need, without delay, regardless of their ability to pay. LCHD No. 1 will follow the guidelines listed below:

1. Comply with federal and state laws and regulations relating to emergency medical services and Charity Care/Financial Assistance .
2. Provide Charity Care/Financial Assistance to qualifying patients with no other third party payment sources to relieve them of all or some of their financial obligation for medically necessary health care services.
3. Be in alignment with its Core Values, LCHD No.1 will provide Charity Care/Financial Assistance to qualifying patients in a respectful, compassionate, fair, consistent, effective and efficient manner.
4. Not discriminate on the basis of age, sex, race, creed, color, disability, sexual orientation, national origin, religion, gender identity or immigration status when making Charity Care/Financial Assistance determinations.
5. In extenuating circumstances, LCHD No. 1 may at our discretion approve Charity Care/Financial Assistance outside of the scope of this policy.

Charity Care/Financial Assistance is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with LCHD No. 1's requirements for obtaining Charity Care/Financial Assistance or other forms of payment. Patients who do not cooperate in the process may result in ineligibility of Charity Care/Financial Assistance .

Definition:

Charity Care/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 person(s) are unable to pay for the care or to pay their deductible or coinsurance amounts required by a third-party payer, based on the criteria in this policy and procedure."

Third-Party coverage means "an obligation on the part of an insurance company, health care service 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 216 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."

Prima-Facie: What is known based on first appearance but is subject to further evidence or information."

Department: Refers to the Washington State Department of Health created by chapter 43.70 RC.

Medically Indigent: A patient's whose health insurance coverage, if any, does not provide full coverage for their medical expenses and that their medical expenses, in relationship to their income, would make them indigent if they were forced to pay full charges for their medical expenses.

Federal Poverty Guideline and Thresholds

1. Guidelines are the federal poverty measurement issued by the Department of Health and Human Services and issued in the Federal Register which is applicable to LCHD No. 1.
2. Thresholds are the original version of the Federal Poverty measurement and is used by the Census Bureau for statistical purposes only and not applicable to LCHD No 1.

Family-is defined as; a group of two people or more (one whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Income-includes; earnings, unemployment, compensation, workers' compensation. Social Security, supplemental security income, public assistance, Veteran's payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household and other miscellaneous sources.

Purpose:

The purpose of this policy and procedure is to outline the circumstances under which Charity Care/Financial Assistance discounts may be provided to qualifying low income patients for medically necessary health care services provided by LCHD No. 1 and its owned ambulatory outpatient clinics.

Procedure:

1. Eligibility Criteria

Services: The following health care services are eligible for Charity Care/Financial Assistance :

1. Charity Care/Financial Assistance is granted for medically necessary services only. LCHD No. 1 recognizes appropriate hospital based services as defined by WAC 246-453-010(7) as "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. For purpose of this section, "course of treatment" may include mere observation or, where appropriate, no treatment at all. This policy also applies to clinic and physician services for medically necessary services.
2. Patients who reside outside the LCHD No. 1 defined area are not eligible for Charity Care/Financial Assistance, except under extenuating circumstances which may include emergent services while visiting our hospital service area and meets the eligibility requirements outlined in this policy.
3. Elective procedures and services are ineligible for Charity Care/Financial Assistance.
4. LCHD No. 1 will provide free or discounted hospital services to qualified low income, uninsured and underinsured patients, when the ability to pay for services is a barrier to accessing medically necessary services. Patients must meet the requirements outlined in this policy.

2. Eligibility for Charity Care/Financial Assistance:

Charity Care/Financial Assistance is secondary to all other financial resources available to the guarantor including but not limited to insurance, third party liability payers, government programs and outside agency programs. In situations where appropriate primary payment sources are not available, guarantors may apply for Charity Care/Financial Assistance based on the eligibility requirements in this policy.

The LCHD No. 1 service area is defined as East Lewis County beginning at the point where Highway 12 crosses Mayfield Lake and extending north and south from that point. In addition, the postal zip code areas of Ashford (zip code 98304) and Elbe (zip code 99330) to the extent that these areas extend beyond Lewis County.

1. The full amount (100%) of hospital charges will be adjusted as Charity Care/Financial Assistance for any guarantor whose gross family income is at or below 200% of the current federal poverty guideline level (consistent with WAC 246-453), provided that such persons are not eligible for other private or public health coverage sponsorship (see RCW 70.170.060(5)).
2. The LCHD No. 1 sliding fee scale will be used to determine the amount to be written off as Charity Care/Financial Assistance for guarantors with incomes between 100% and 300% of the current federal poverty level and the 501r discount will be applied to open balances for those uninsured patients whose income is greater than 300% of the FPL. This is applicable after all funding possibilities available to the guarantor have been exhausted or denied and personal financial resources have been reviewed for possible funding to pay for services and supplies rendered. The sliding scale is listed below. The decision to provide charity care/financial assistance is based solely on family size and gross income. Assets are not used in the determination of financial assistance.
3. This policy is applicable for all non-elective services and all service areas including; primary care services, Rural Health Clinic services, emergency room, outpatient and inpatient services.
4. Limitations on Charges: Amounts Generally Billed (AGB) are used to determine the discount amount that will be offered to uninsured patients, who otherwise do not qualify for financial assistance. The AGB is determined by looking at all billed and paid claims from the prior year. The net payment amount is used to determine the average payment amount per financial class. The intent is to not charge our self-pay patients more than what we expect an insurance company to pay. This discount (501r) applies to all self-pay emergent and medically necessary services for all Arbor Health Clinics and Arbor Health hospital services. The AGB calculation is used to determine the discount for the following calendar year.
5. A 15% prompt payment discount is offered to all self-pay patients, if their balance is paid off within 30 days from the date they receive their first statement. This discount is applied to the balance after the 501r discount is applied, and not taken from gross charges.

Eligibility for Charity Care/Financial Assistance shall be based on financial need at the time of the application date unless looking back more than 24 months. If we are looking back more than 24 months we will base the financial need on the patient/guarantor's income and family size during the specified date of service. All resources of the family as defined by the WAC 246-453-010(17) are considered in determining the applicability of the LCHD No. 1 sliding fee scale. Calculation of the applicable Charity Care/Financial Assistance discount is based on current Federal Poverty Guidelines. The rate table and discount percentages are listed below.

Eligibility on a completed application is valid for eligible services received within the subsequent ninety (90) days from the application approval date. If assistance is still needed at the end of the 90 days, the patient/guarantor can reapply.

3. Medicaid and Health Benefit Exchange Obligations

Identification of Patients Eligible for Certain Third Party Coverage

1. For services provided to patients on or after July 1, 2022, the following procedure 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.
2. As part of the charity care application process for determining eligibility for charity care/financial assistance, LCHD No. 1 will query the patient as to whether or not they meet the criteria for health care coverage under the medical assistance program under chapter 74.09 RCW or the Washington Health Benefit Exchange.
3. If information in the charity care/financial assistance application indicates that the patient or their guarantor may be eligible for coverage, LCHD No. 1 will assist the patient or their guarantor in applying for coverage under these two programs. Per each patient's needs, this includes walking them through the process, answering questions, providing them with the appropriate forms, linking them to an agency representative and/or providing them with the appropriate links.
4. The assistance offered to patients or guarantors may vary. LCHD No. 1 will take into account any physical, mental, intellectual, sensory

deficiencies, lack of access to a computer/internet, language barriers and any other reason that may constitute an unreasonable burden.

5. If the patient or guarantor fails to make reasonable efforts to cooperate with LCHD No. 1, in applying for coverage under chapter 74.09 RCW or the Washington Health Benefit Exchange, LCHD No. 1 is not obligated to provide charity care to such patient.
6. 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, LCHD No. 1 will not require the patient or their guarantor to apply for such coverage.

4. Eligibility Determination Process

1. Charity Care/Financial Assistance forms, instructions and written applications shall be furnished to patients when Charity Care/Financial Assistance is requested, when a need is indicated or when financial screening indicates potential need. All applications, whether initiated by the patient, hospital, clinic or other means, will be accompanied by documentation to verify the family income amount indicated on the application form. Exception: Prima-Facie write-offs.
2. As part of this screening process LCHD No. 1 and our outsourced early out self-pay vendor, will review whether or not the guarantor has exhausted or is not eligible for any third-party payment sources. Where the patient/guarantor's identification as an indigent person is obvious to LCHD No. 1 via a prima-facie determination of eligibility, LCHD No. 1 may voluntarily initiate the Charity Care/Financial Assistance process which may not require an application or supporting documentation. All prima-facie determinations require approval by the hospital Revenue Cycle Director and will be documented in Cerner.
3. A guarantor who may be eligible to apply for Charity Care/Financial Assistance after the initial screening will be given fourteen (14) days or such time as may be reasonably necessary to provide documentation to LCHD No. 1 to support a charity/financial assistance determination. Based upon documentation provided with the application, LCHD No. 1 will determine if additional information is required, or whether a determination can be made. Failure of a guarantor to reasonably complete appropriate application procedures shall be sufficient grounds for LCHD No. 1 to deny assistance and to initiate outside collection efforts which may include; garnishments, legal action and other legal means for securing payment.
4. An initial determination of sponsorship status and potential eligibility for Charity Care/Financial Assistance will be completed as closely as possible to the date of service or upon request by or on behalf of the patient.

Any one or a combination of the following documents shall be considered sufficient evidence upon which to base the final determination of Charity Care/Financial Assistance eligibility:

1. W-2 withholding statement;
2. Pay stubs from all employment during the relevant time period;
3. Income tax return from the most recently filed calendar year;
4. Forms approving or denying eligibility for Medicaid and or state-funded medical assistance;
5. Forms approving or denying unemployment compensation; or
6. Written statement from employers or DSHS employees

NOTE: Additional information may be requested if the documentation does not support the patient's financial assistance application. E.g. for season workers a W2/income tax return may not be requested and pay-stubs alone may be used in order to ensure proper rating of the patient.

Household – Family size is considered in the determination. LCHD No. 1 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, LCHD No. 1 will not look at the parents income to evaluate their financial application.)

- e. 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(04).
- f. LCHD No. 1 will make available to the patient/guarantor, a designated representative to assist the patient in completing the Financial Assistance application.
- g. All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form. Documents will be retained for six (6) years per Washington State Archive Office -Public Hospital Districts Records Retention Schedule. Disposition Authority Number (DAN) HO2011-097. After six years, documents may be destroyed. They are non-archival, nonessential.
- h. LCHD No. 1 will notify the patient/guarantor, in writing, the final determination within fourteen (14) business days of receiving all necessary documentation. The determination of eligibility can be made at any time upon learning that a responsible party's income is below 200% of the FPL per WAC 246-453-020.
- i. The guarantor may appeal the determination of ineligibility for Charity Care/Financial Assistance by providing relevant additional documentation to LCHD No. 1 within thirty (30) days from the date of the denial. LCHD No. 1 will not refer the account to an external collection agency within these 30 days. If the account has already been assigned to an outside collection agency, the hospital's business office will request a hold be placed on the account until a decision is made. After the thirtieth day, if no appeal has been filed, the hospital may initiate or resume collection activities. The patient must contact our early out vendor; Revenue Enterprises (REL) at 360-496-5328 or 800-339-0791 or LCHD No. 1's billing department at 360-496-3707 to appeal a denial of charity care/financial assistance.
- j. All appeals will be reviewed and if the determination on appeal affirms the denial, written notification will be sent to the guarantor and the Department of Health in accordance with state law. The final appeal process will conclude within thirty (30) days from the date of the original denial.

5. Reporting

LCHD No. 1 shall report data to the department, the amount of charity care provided in accordance with instructions issued by the department. (WAC 246-453-080) The collection agencies shall submit to LCHD No. 1's CFO, an annual summary report on collection actions taken. The CFO will review these

documents with the governing board or commissioners on an annual basis.

6. Refunds

In the event that the patient/guarantor pays a portion or all of the charges related to appropriate hospital-based medical care services and is subsequently found to have met the charity care/financial assistance criteria, any payments in excess of the amount determined to be appropriate in accordance with WAC 246-453-040 shall be refunded to the patient within thirty days of achieving the charity care designation.

7. Training

LCHD No. 1 shall provide regular, standardized training to all pertinent staff regarding the hospital's charity care/financial assistance policy and the use of interpreter services. Appropriate staff consists of; registration, admissions, billing, clinics and may include other areas and departments. (i.e., Case Management, Quality etc.).

8. Billing and Collections

Any unpaid balances owed by the patient/guarantor, after the charity care application is reviewed and any applicable adjustments applied, the patient/guarantor may set up a payment plan for all balances due (if any). Failure to adhere to agreed upon payment plan, may result in the balance being assigned to an outside collection agency.

9. Communication of Charity Care/Financial Assistance

1. LCHD No. 1 will prominently display the notice of charity care/financial assistance in all primary spoken languages, in areas, where patients are admitted or registered including the emergency department.
2. A current version of this policy, a plain language summary, the charity care/financial assistance form, and directions on how to complete the form, will be posted on our hospital website in English and the second most spoken language in our area which is Spanish.
3. Language pertaining to charity care/financial assistance will be prominently displayed on the first page of each patient statement in both English and Spanish.
4. For other languages, please refer to the Interpreter Policy and Procedure

10. Sliding Scale

		Discount Provided	100%	100%	75%	50%	
		Patient Pays	0%	0%	25%	50%	←
Family Size	PERCENT OF FPG						
	100%	200%	250%	300%	> 300%	←	
1	\$13,590	\$27,180	\$33,975	\$40,770	50% Discount applies		
2	\$18,310	\$36,620	\$45,775	\$54,930			
3	\$23,030	\$46,060	\$57,575	\$69,090			
4	\$27,750	\$55,500	\$69,375	\$83,250			
5	\$32,470	\$64,940	\$81,175	\$97,410			
6	\$37,190	\$74,380	\$92,975	\$111,570			
7	\$41,910	\$83,820	\$104,775	\$125,730			
8	\$46,630	\$93,260	\$116,575	\$139,890			
Each Additional Add:	\$4,720	\$4,720	\$4,720	\$4,720			

Document ID	11739	Document Status	Official
Department	DOH Policies & Procedures	Department Manager	Everett, Leianne
Document Owner	Sofich, Sherry	Next Review Date	06/13/2023
Revised	[01/01/2007 Rev. 2], [03/27/2007 Rev. 1], [06/09/2009 Rev. 3], [06/09/2009 Rev. 4], [06/10/2009 Rev. 5], [04/29/2011 Rev. 6], [10/03/2013 Rev. 7], [04/30/2015 Rev. 8], [06/10/2016 Rev. 9], [04/18/2018 Rev. 10], [11/12/2018 Rev. 11], [03/03/2020 Rev. 12], [08/04/2020 Rev. 13], [09/25/2020 Rev. 14], [10/06/2020 Rev. 15], [09/16/2021 Rev. 16], [09/22/2021 Rev. 17], [05/19/2022 Rev. 18], [06/13/2022 Rev. 19]		
Reviewed	[01/28/2013 Rev. 6]		
Keywords	Charity Care Financial Assistance No insurance http://app.leg.wa.gov/rcw/default.aspx?cite=70.170&full=true http://apps.leg.wa.gov/WAC/default.aspx?cite=246-453&full=true#246-453-001 https://aspe.hhs.gov/poverty-guidelines		
Attachments:	Interpreter Access		
(REFERENCED BY THIS DOCUMENT)	Prompt Pay Discount Admissions Charity Care Application 1616-S.PL.pdf (wa.gov) Chapter 70.170 RCW: HEALTH DATA AND CHARITY CARE (wa.gov) Federal Register :: Annual Update of the HHS Poverty Guidelines		
Other Documents: (WHICH REFERENCE THIS DOCUMENT)	Self Pay Balances		

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