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## Policy & Procedure : Charity Care/Financial Assistance

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### 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, we 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 means "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.

### 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.

## 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:

### 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 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.

### 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 of hospital charges will be determined to be Charity Care/Financial Assistance for any guarantor whose gross family income is at or below 100% 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 101% and 300% of the current federal poverty level, 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 link is listed below. The decision to provide charity care/financial assistance is based solely on the size of the family and their 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 we expect an insurance company to pay. This discount (501r) applies to all 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 in addition to the net balance after the 501r discount.

6. Hospital charges may be written off as Charity Care/Financial Assistance for guarantors with family income in excess of 200% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

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 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 is listed below.

Eligibility on a completed application is valid for eligible services received within the subsequent ninety (90) days from application approval date. If their medical condition persists at the end of the 90 days they can reapply.

## Eligibility Determination Process

1. A person seeking Charity Care/Financial Assistance will be given a preliminary screening and if this screening does not disqualify him/her for Charity Care/Financial Assistance, an application will be provided with instructions on how to apply.
2. As part of this screening process LCHD No. 1 and our outsourced early out self-pay vendor will review whether 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 CFO or designee 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.
5. 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.
6. 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:
  - a. W-2 withholding statement;
  - b. Pay stubs from all employment during the relevant time period;
  - c. Income tax return from the most recently filed calendar year;
  - d. Forms approving or denying eligibility for Medicaid and or state-funded medical assistance;
  - e. Forms approving or denying unemployment compensation; or
  - f. 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.

7. House hold – 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.)

8. During the initial request period, the patient and the hospital may pursue other sources of funding, including Medical Assistance, Medicare or other known resources. The patient may be requested to apply for an applicable DSHS program/Washington Apple Health. Current determination, as well as future determination may be dependent upon the patient following through with one of the above programs. The hospital may not require a patient applying for a determination of indigent status seek bank or other load source funding.

9. 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).

10. 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, non-essential.

11. LCHD No. 1 will notify the patient/guarantor of a final determination within fourteen (14) business days of receiving all necessary documentation.

12. 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 hospitals 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 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.

13. 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.

## 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.

## 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.

## 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 if appropriate such as quality and case management.

## 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

**Sliding Scale 2021**

<https://aspe.hhs.gov/poverty-guidelines>

References

**Guidelines available at** <https://aspe.hhs.gov/poverty-guidelines>

<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>

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**Approvals**

- **Committees:** ( Pending ratification ) Board of Commissioners, ( 09/16/2021 ) Policy Oversight Committee,

- **Signers:**

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**Attachments:** <http://app.leg.wa.gov/rcw/default.aspx?cite=70.170&full=true>  
(REFERENCED BY THIS DOCUMENT) <http://apps.leg.wa.gov/WAC/default.aspx?cite=246-453&full=true#246-453-001>  
<https://aspe.hhs.gov/poverty-guidelines>  
Financial Assistance Checklist  
Interpreter Access  
Prompt Pay Discount

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

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