



East Adams Rural Healthcare

Effective 09/2016

Approved 06/2022

Last Revised 06/2022

Expiration 06/2023

Owner **Colene Hickman:**
Revenue Cycle
Manager

Department **Business Office**

Charity Care & Financial Assistance

PURPOSE

East Adams Rural Healthcare (EARH) is committed to the provision of health care services to all persons in need of medically necessary services regardless of the ability to pay. This policy is intended to ensure patients who feel they may qualify for assistance, can apply and will be granted to all eligible persons regardless of age, race, color, religion, sex, sexual orientation, immigration status, national origin, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a disabled person in accordance with eligibility criteria set forth in this policy.

POLICY

Financial Assistance may cover all medically necessary services, received in the hospital inpatient or outpatient setting. Services that do not qualify under Financial Assistance or Charity Care may include elective or experimental procedures or separately billable professional services provided by providers outside of EARH in accordance with WAC Chapter 246-453 and RCW 70.170.

DEFINITIONS

A. Charity Care

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 deductibles or coinsurance amounts required by a third-party payer.

B. Indigent Persons

Indigent persons are those patients or their guarantors who qualify for charity care based on the federal poverty level, adjusted for family size, and who have exhausted any third-party coverage.

C. Third-Party Coverage

Third-Party Coverage means an obligation on the part of an insurance company, health care service coordinator, health maintenance organization, group health plan, government program, tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. 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 which have resulted in the medical condition for which the patient has received hospital health care service. The pendency of such settlements, judgments, or awards must not stay hospital obligations to consider an eligible patient for charity care.

D. Prima-faci

Sufficient to establish a fact or raise a presumption unless disproved or rebutted. I.e. self-evident, obvious.

Policy Availability

Information about the District's financial assistance and charity care policy shall be made publicly available as follows:

- A. Prior to the delivery of non-emergency services, the provider-based clinic charging any facility fees shall provide a notice to any patient that the clinic is licensed as part of the hospital and the patient may receive a separate charge or billing for the facility component, which may result in a higher out-of-pocket expense.
- B. EARH will prominently post in locations easily accessible to and visible by patients, including its website, a statement that any provider-based clinic is licensed as part of the hospital and the patient may receive a separate charge or billing for the facility, which may result in a higher out-of-pocket expense.
- C. EARH will prominently post in locations easily accessible to and visible by patients, including its website, its financial assistance policies and how to apply.
- D. EARH will distribute a written notice about the availability of financial assistance and charity care to all patients. This will be done at the time of admit. The written notice also shall be verbally explained at this time. If for some reason, for example in an emergency situation, the patient is not notified of the existence of financial assistance and charity care before receiving treatment, he/she shall be notified in writing as soon as possible thereafter.
- E. Both written notice and the verbal explanation shall be available in any language spoken by more than ten percent of the population in EARH'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. EARH finds that the following non-English translation of the notice shall be made available: SPANISH
- F. EARH shall train front-line staff to answer financial assistance and charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
- G. Written notice about EARH's financial assistance and charity care policy shall be made available to any person who requests the information, on our website, by mail, by telephone or in person. EARH's sliding fee schedule, if applicable, shall also be made available upon request.

ELIGIBILITY CRITERIA

- A. EARH shall enable indigent persons access to charity care. Patients who may be eligible for health care coverage through medical assistance programs should be advised of such procedures, and be provided assistance in applying for any available coverage.
- B. If it is determined that a patient or their guarantor is qualified for retroactive health care coverage through the medical assistance programs, EARH staff shall assist the patient or guarantor with applying for such coverage.
 - 1. If it is determined that a patient or their guarantor qualifies for retroactive health coverage through the medical assistance program, EARH is not obligated to provide charity care to any patient or their guarantor if the patient fails to make reasonable efforts to cooperate with assistance offered by EARH staff.
- C. EARH may not impose application procedures for charity care or for assistance with retroactive coverage applications which would place an unreasonable burden upon the patient or guarantor, taking into account any physical, mental, intellectual, or sensory deficiencies, or language barriers which may hinder the responsible party's capability of complying with application procedures.
 - 1. It is an unreasonable burden to require a patient to apply for any state or federal program where the patient is obviously or categorically ineligible or has been deemed ineligible in the prior 12 months.

Income and Asset Verification

- A. The annual family income of the patient as classified under federal poverty income guidelines as of the time the health care services were provided, or at the time of the application for charity care if the application is made within two years of the time of service, the patient has been making good faith efforts towards payment of health care services rendered, and the patient demonstrates eligibility for charity care; and
 - 1. The eligibility of the patient for charity care as defined in this policy. And initial determination of sponsorship status shall precede collection efforts directed at the patient.
 - 2. At the discretion of EARH, they may consider applications for charity care at any time, including any time there is a change in the patient's financial circumstances.
- B. EARH shall not require a disclosure of the existence or availability of family assets to determine eligibility.
- C. Financial assistance and charity care are generally secondary to ALL other financial resources available to the patient, including group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.
 - 1. Patients without coverage or who are under-insured will not be made to go through the application process of a state and/or federal program if it is clear during the application process (i.e. over income/asset limitations) that they will not financially

qualify, or have been previously denied for a program (i.e. Medicaid).

- D. Patients will be granted financial assistance and charity care regardless of race, creed, color, national origin, sex, sexual orientation, immigration status, national origin, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a disabled person.
- E. Financial assistance and charity care shall be limited to "appropriate medical services" as defined in WAC 246-453-010(7).
- F. Per WAC 246-453-010(17) "Income" means 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".
- G. Family is defined in this program as family members living in one household, related by birth, marriage, or adoption.

Discount Guidelines

A. Charity Care

1. In those situations where appropriate primary payment sources are not available, all patients and their guarantors whose income is not more than 200 percent of the federal poverty level, adjusted for family size shall be deemed charity care patients for the full amount of the patient responsibility portion of their hospital charges;
2. All patients and their guarantors whose income is between 201 and 250 percent of the federal poverty level, adjusted for family size, shall be entitled to a 75 percent discount for the full amount of the patient responsibility portion of their hospital charges;
3. All patients and their guarantors whose income is between 251 and 300 percent of the federal poverty level, adjusted for family size, shall be entitled to a 50 percent discount for the full amount of the patient responsibility portion of their hospital charges.

B. Catastrophic Charity

1. EARH may write off as charity care, amounts for patients with family income in excess of 200 or 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

C. Final Estate Charity

1. EARH shall make claims against decedent according to Revised Code of Washington (RCW) 11.40 Claims Against Estate. If determined there is no estate, or the surviving spouse or executor of the estate applies for charity care on behalf of the decedent, the application will be accepted, processed and awarded per the terms of the Charity Care Policy.

Payment Guidelines for Remaining Balance(s)

- A. The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable as negotiated between EARH and the responsible party. The

responsible party's account shall not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account, and there is not satisfactory contact with the patient.

- B. Collection efforts will cease if an appeal has been filed for charity care coverage, in accordance with WAC 246-453-020(9)(b):.
- C. An initial determination of eligibility can be based upon a verbal statement from the patient in compliance with WAC 246-453-030(1).
- D. Payments already received to patients that qualify for charity care will be refunded within 30 days of making that determination, in accordance with WAC 246-453-020(11):.

PROCESS FOR ELIGIBILITY DETERMINATION

A. Initial Determination

- 1. EARH shall use an application process for determining eligibility for financial assistance and charity care. Requests to provide financial assistance and charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel, and the patient, provided that any further use or disclosure of the information contained in the request shall be subject to the Health Insurance Portability and Accountability Act privacy regulations and EARH's privacy policies. All requests shall identify the party that is financially responsible for the patient ("responsible party").
- 2. Pending final eligibility determination, EARH will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with EARH's efforts to reach a final determination of sponsorship status.

B. Final Determination

- 1. Prima-facie Write-Offs. In the event that the responsible party's identification as an indigent person is obvious to EARH personnel, and EARH can establish that the applicant's income is clearly within the range of eligibility, EARH will grant charity care based solely on this initial determination. In these cases, EARH is not required to complete full verification or documentation. (In accordance with WAC 246-453-030(3)).
- 2. Financial assistance and charity care forms, instructions, and written applications shall be furnished to the responsible party when financial assistance or charity care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or EARH, must be accompanied by documentation to verify information indicated on the application form. The following types of documents can be used as evidence upon which to base the final determination of charity care eligibility:
 - a. A "W-2" withholding statement;
 - b. Current Pay stub(s) from all current employment if service is within the last two years.
 - i. If application is submitted over two years from the date of service, EARH reserves the right to request the income

information relevant to the date of service.

- c. An complete income tax return from the most recently filed calendar year;
 - d. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance (if applicable);
 - i. Medicaid eligibility is reciprocal to EARH Financial Assistance and Charity Care eligibility. The specific Medicaid program and household income will be verified and applied for the corresponding discount amount.
 - e. Forms approving or denying unemployment compensation; or
 - f. Written statements from employers or DSHS employees.
3. During the initial request period, the patient may pursue other sources of funding, including Medical Assistance and Medicare. The responsible party will be required to provide written verification of ineligibility for all other sources of funding. EARH may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
4. In the event that the responsible party is not able to provide any of the documentation described above, EARH 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)).
5. EARH will allow a patient to apply for charity care at any point including preadmission, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for financial assistance or charity care services. If the change in financial status is temporary, EARH may choose to suspend payments temporarily rather than initiate charity care.

C. Time Frame for Final Determination and Appeals

- 1. Each financial assistance and 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 of sponsorship status.
- 2. EARH shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
- 3. The responsible party may appeal a denial of eligibility for charity care by providing additional verification of income or family size to the Revenue Cycle Manager within thirty (30) days of receipt of notification.
- 4. The timing of reaching a 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).

- D. If the patient or responsible party has paid some or all of the bill for medical services and is later found to have been eligible for financial assistance or charity care at the time services

were provided, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be reimbursed within thirty (30) days of receiving the financial assistance or charity care designation.

E. Adequate notice of denial

1. When an application for financial assistance and charity care is denied, the responsible party shall receive a written notice of denial which includes:
 - a. The reason or reasons for the denial;
 - b. The date of the decision; and
 - c. Instructions for appeal or reconsideration.
 2. When the applicant does not provide information and there is not enough information available for EARH to determine eligibility, the denial notice also includes:
 - a. A description of the information that was requested and not provided, including the date the information was requested;
 - b. A statement that eligibility for charity care cannot be established based on information available to the District; and
 - c. That eligibility will be determined if, within thirty days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
 3. The Revenue Cycle Manager will review all appeals. If this review affirms the previous denial of financial assistance and charity care, written notification will be sent to the responsible party and the Department of Health in accordance with state law.
- F. If a patient has been found eligible for financial assistance or charity care and continues receiving services for an extended period of time without completing a new application, EARH shall re-evaluate the patient's eligibility for financial assistance and charity care at least annually to confirm that the patient remains eligible. EARH may require the responsible party to submit a new financial assistance and charity care application and documentation.
- G. If the financial situation changes for any approved/denied applicant, they may choose to reapply at any time with supporting documentation for reconsideration and/or modification of any approval already in place.

DOCUMENTATION, RECORDS, AND REPORTING

Documentation and Records Keeping

A. Confidentiality

1. 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 financial assistance and charity care shall be retained for five (5) years.

Reporting

- A. Current Charity Care policy will be submitted to the Department of Health for review and approval upon any provisions, updates, or changes made as applicable.

REFERENCES

- A. SHB1616 - Hospital Charity Care
- B. RCW 70.41.020(8)

All Revision Dates

06/2022, 01/2022, 10/2020, 06/2020, 11/2017, 11/2016, 09/2016

Attachments

[Charity Care Application in Spanish.docx](#)

[Charity Care Application.docx](#)

Approval Signatures

Step Description	Approver	Date
	Corey Fedie: CEO	06/2022
	Kim Polanco: CFO	06/2022
	Colene Hickman: Revenue Cycle Manager	06/2022