Status **Active** PolicyStat ID **18775957**

East Adams Rural Healthcare

| | |
|---|---|
| Effective | 08/2025 |
| Approved | 08/2025 |
| Last Revised | 08/2025 |
| Expiration | 08/2027 |

| | |
|---|---|
| Owner | Marra Schmierer: Compliance, Risk, Survey Readiness Coordinator |
| Department | Business Office |

# Charity Care



## PURPOSE:

The purpose of this policy is to ensure that **East Adams Rural Healthcare (EARH)** provides **financial assistance (charity care)** to patients in compliance with the **Washington State Charity Care Act (RCW 70.170, RCW 70.41, WAC 246-453)** and applicable federal requirements. EARH recognizes its obligation as a **Tier Two hospital** to provide timely and accessible charity care screenings, applications, and determinations while ensuring that patients are not unreasonably burdened.

## POLICY:

**EARH** shall comply with the **Charity Care Act (RCW 70.170)**, **hospital licensing laws (RCW 70.41)**, and **WAC 246-453** in the following ways:

- EARH will provide **free or discounted care** to eligible patients receiving **medically necessary services**.
- **If requested, employees will assist patients** in completing charity care applications to ensure that the application process does not **impose unreasonable burdens** on patients or their families.
- No patient will be denied **emergency medical services** based on ability to pay (per **EMTALA, 42 U.S.C. § 1395dd**).
- Not engage in extraordinary collection actions before making reasonable efforts to determine charity care eligibility.

This policy applies to all patients receiving medically necessary services at **EARH**, including inpatient, outpatient, and emergency care, regardless of race, color, national origin, sex, sexual orientation, gender identity, religion, age, disability, or immigration status.

# DEFINITION:

- **Charity Care:** Medically necessary hospital services provided free or at reduced charge to patients who meet financial eligibility criteria under **RCW 70.170** and **WAC 246-453**.
- **Tier Two Hospital:** Defined under RCW 70.170.060(6) as hospitals required to provide higher levels of charity care assistance, including proactive screening for Medicaid/exchange eligibility.
- **Unreasonable Burden:** Administrative or procedural barriers that make it excessively difficult for patients to apply for charity care, as prohibited by **RCW 70.170.060**.
- **Good Faith Payment Efforts:** Demonstrated attempts by patients to pay for services, such as partial payments, communication with EARH about financial hardship, or entering into reasonable payment plans.
- **Medically Necessary Services**: Health services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.
- **Income:** Total pre-tax cash receipts from wages, welfare, Social Security, unemployment or disability benefits, child support, alimony, and net earnings from business or investments (WAC 246-453-010(17)).
- **Family:** Individuals living in the same household who are related by birth, marriage, or adoption.



# ROLES AND RESPONSIBILITIES:

- Board of Commissioners: Approves policy and monitors compliance.
- Chief Executive Officer: Ensures implementation, oversight, and third-party vendor compliance
- Chief Financial Officer: Administers the program, maintains sliding fee schedules, and ensures reporting.
- Business Office: Screens patients, assists with applications, issues notices, and processes determinations/refunds.
- Compliance Officer: Audits program effectiveness and ensures staff training.
- All Patient-Facing Staff: Informs patients of charity care availability at intake, service, and discharge.

# ELIGIBILITY CRITERIA

- **Full Charity Care (100%):** Patients ≤200% of Federal Poverty Level (FPL).
- **Partial Charity Care (Sliding Scale up to 400% FPL):** Discounts based on income bracket (25–75%).

- **Presumptive Eligibility:** Patients enrolled in Medicaid, WIC, Basic Food, or similar programs may qualify automatically with documentation.
- **Catastrophic Relief:** Patients above **400% FPL** may qualify if bills exceed 20% of household income.

# PROCEDURE:

## 1. Screening and Assistance

- All patients shall be **screened for Medicaid and Exchange eligibility** as part of the charity care process.
- **EARH** employees must **actively assist patients** in completing charity care and insurance applications.
- The following types of documents can be used as evidence upon which to base the final determination of charity care eligibility:
    - A "W-2" withholding statement;
    - Current Pay stub(s) from all current employment if service is within the last two years. 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.
    - An complete income tax return from the most recently filed calendar year;
    - Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance (if applicable). 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.
    - Forms approving or denying unemployment compensation; or
    - Written statements from employers or DSHS employees.
- Patients are encouraged to pursue all available funding sources (e.g., Medicaid, Medicare). Applicants must provide **written verification of ineligibility** when applicable.
- EARH may **not require** patients to seek loans or bank financing to qualify for charity care.
- If supporting documents cannot be provided, EARH may rely on a **signed statement from the patient or guarantor** to make a final eligibility determination (WAC 246-453-030(4)).
- Patients may apply for charity care **at any time**, including before admission or after a change in financial circumstances.
  If financial hardship is **temporary**, EARH may suspend or adjust payment obligations rather than granting full charity care.

## 2. Income and Asset Verification

- **Income Basis:** Charity care eligibility is determined by the patient's **annual family income**, using the most current **Federal Poverty Level (FPL)** guidelines.
    - Eligibility may be assessed based on income at the time of service or at the time of application (if submitted within **two years** of service).
    - Patients must demonstrate **good faith payment efforts** if applying after service.
- **Assets:** Disclosure of family assets is **not required** to establish eligibility.
- **Other Resources:** Financial assistance is considered **secondary** to all other available resources, including:
    - Private or employer health insurance
    - Medicare, Medicaid, or other state/federal/military programs
    - Workers' compensation
    - Third-party liability coverage (e.g., auto accidents, personal injury claims)



## 2. Notice of Language Access and Public Posting (IRS 501(r)) Compliance

- Policy and applications posted online in **English and top 10 Washington State languages**.
- Signage displayed in **admissions, emergency, and billing areas**.
- Written and oral notice provided at **time of service and discharge and free of charge upon request**.
- All billing statements include **front-page plain-language notice** in English and Spanish.
- Free interpreter services available for LEP patients.
- Maintain written policy; review annually
- Limit charges to AGB for eligible patients
- Prohibit ECAs until eligibility reviewed
- Document all reasonable efforts

## 3. Determinations

- Initial determination must occur **before any collections activity**.
- Applications accepted for up to **2 years post-service** if patient made good faith efforts to pay.
- Applications processed within **14 calendar days**.
- Written denials must include:
    - Reason for denial

    - Date of the decision
    - Patient's right to appeal (appeals must be filed within **30 days**; CFO/Appeals Committee will respond within **30 days**).
- Patients who qualify under these conditions will have **retroactive adjustments** applied to their accounts.

# 4. Appeals Process

Washington State law (WAC 246-453-020) requires all hospitals to offer patients the right to appeal a charity care denial. **The State of Washington does not provide an official appeals form.** To ensure consistency, transparency, and compliance, **EARH has developed its own Charity Care Appeal Form** and written instructions.

**1. Request an Appeal (30-Day Window)**

- Patients have **30 calendar days** from the date of denial to request an appeal.
- During the **first 14 days**, EARH will not refer the account to an external collection agency.

**2. Submit Additional Information or Request a Review**

- In the appeal, patients may:
    - Clarify or correct missing documentation.
    - Request a second review by the Chief Financial Officer (CFO) or their designee.



**3. Appeals and documents may be submitted via:**

- Mail
- In-person delivery
- Fax or email
- Smartphone or electronic upload (per WAC 246-453 updates)

**4. EARH Review and Response (Within 14 Days)**

- EARH will issue a **written appeal decision within 14 calendar days** of receiving the appeal.
- The decision will include:
    - Approval or denial outcome
    - Basis for the decision
    - Final financial responsibility (if applicable)
- **No appeal decision will increase the patient's responsibility** beyond the original determination.

**5. If the Appeal is Denied**

- EARH will provide a **written explanation** of the denial.
- EARH will also notify the **Washington State Department of Health (DOH)** and provide supporting documentation used in making the decision.
- Informs patients of their right to appeal within **30 calendar days** of denial.
- Confirms that EARH will suspend collections for at least **14 days** during the appeal period.
- Provides space for patients to supply missing or corrected documentation.
- Identifies the decision maker (Chief Financial Officer or designee) and ensures a written response within **14 calendar days** of receipt.
- Ensures notification to the **Washington State Department of Health** if a denial is upheld.

This form and process are provided to patients with all charity care denial letters and are available upon request.

6. **How to Submit an Appeal**

- **Mail:** 903 S Adams Street, Ritzville, WA 99169
- **In Person:** Business Office



# 4. Refund Rules

- **Full Charity Care:** 100% refund of payments already made.
- **Partial Charity Care:** Prior payments applied to adjusted balance; refunds only if payments exceed new amount owed.
- **Service Coverage:**
    - **Covered**: ED, inpatient, outpatient hospital-based services, EARH-employed provider services.
    - **Not Covered**: Cosmetic/elective, independent professional fees, retail/convenience items, experimental services, third-party contracted services (e.g., ambulance not billed by EARH).
    - **Exceptions:**
        - No refunds if balance remains after discount.
        - No refunds for denied/partially eligible services.
        - Patients may request refund be applied as credit/donation.
        - Refunds issued within **30 business days** unless credited at patient's request.

# 5. Collections

- EARH will **suspend all collection activity** during application/appeal review.
- No **extraordinary collection actions** (lawsuits, liens, wage garnishment, credit reporting) before

final determination.

- Collection agencies must comply with **RCW 19.16.250** and EARH oversight.

# 6. Training & Education

- **Orientation:** All patient-facing staff trained at hire.
- **Annual Refresher:** Required for admissions, billing, ED, financial counseling, and management staff.
- **Role-Specific:** Patient-facing, billing, and supervisory roles receive tailored training.
- **Accountability:** HR and Compliance jointly track completion and maintain records.

# 7. Patient Responsibilities

Patients seeking charity care must:

- Provide accurate financial information and supporting documentation.
- Notify EARH of changes in insurance or financial status.
- Submit appeals within required time lines.



# REFERENCE:

- RCW 70.170 — Health Planning — Charity Care
- RCW 70.41 — Hospital Licensing and Regulation
- WAC 246-453 — Hospital Charity Care Standards
- WAC 246-322 — Hospital Licensing Regulations
- RCW 19.16.250 — Collection Agency Act (Medical Debt Provisions)
- 42 CFR § 489.24 — EMTALA
- 26 U.S.C. § 501(r) — Federal Tax-Exempt Hospital Requirements
- 45 CFR Part 180 — Hospital Price Transparency Rule (CMS)
- No Surprises Act, 45 CFR Part 149 — Good Faith Estimates and Dispute Resolution
- Section 1557 of the Affordable Care Act, 42 U.S.C. § 18116
- Fair Credit Reporting Act, 15 U.S.C. § 1681c(a)(7) — Medical Debt Reporting Rules

## All Revision Dates

08/2025

## Attachments

- Charity Care Application.docx
- Charity Care Plain Language Patient Rights English
- EARH_Charity_Care_Application_Spanish.pdf
- EARH_Sliding_Fee_Schedule_2025.pdf
- Spanish Charity Care Plain Language.pdf

## Approval Signatures

| Step Description | Approver | Date |
|---|---|---|
| | Todd Nida: Interim CEO | 08/2025 |
| | Viola Babcock: Interim CFO | 08/2025 |