

## CHARITY CARE POLICY

<b>ENTITIES/SERVICES COVERED:</b>	J. PAUL JONES HOSPITAL J .PAUL JONES RURAL HEALTH CLINIC
<b>APPROVED BY ADMINISTRATOR:</b>	<b>REVIEWED:</b> 3/1/2013
<b>EFFECTIVE:</b>	<b>REVISED:</b> 3/1/2013

**PURPOSE:** To establish policies and procedures regarding the provision of medical care to patients of J. Paul Jones Hospital and J. Paul Jones Rural Health Clinic, (collectively referred to herein as the "J. Paul Jones Health Care Organization" or "Organization") who have been determined to be financially indigent and therefore unable to pay for some or all of their medically necessary care and treatment.

**POLICY:** It is the policy of the Organization that no patient will be denied medically necessary care and services based upon his or her inability to pay. This policy is consistent with the Organization's professional ethics and tax-exempt status. Within this context, the Organization's financial policies and practices shall be prudent and businesslike in order to assure its financial integrity.

The Organization will provide medically necessary care to all patients without regard to age, race, sex, religion, sexual orientation, disability, national origin, and/or an ability to pay. Determining a patient's eligibility for financial hardship assistance (*i.e.*, charity care) is the responsibility of the Organization. Authorized representatives of the Organization will assist patients in determining their financial indigence status, whether or not they are eligible for charity care, and alternative payment options. Patients who receive medically necessary treatment and are determined capable of paying the cost of these services, will be asked to do so.

To ensure that charity care assistance is conducted in accordance with this policy, the following guidelines and practices shall be implemented by the Organization:

1. **Defined Terms.** The following terms are used in this policy:
  - (a) **Charity Care** means medically necessary treatment and services for uninsured or underinsured patients who cannot afford to pay for the care according to established Organization guidelines. Such treatment and services are provided by the Organization without expectation of payment.
  - (b) **Medically Necessary** means the basic services and supplies that are considered acceptable according to current standards of medical practice; not primarily for

the convenience of the individual; appropriate and necessary for the symptoms, diagnosis or treatment of the condition; are within the standards of good medical practice; and are the most appropriate level of services that can safely be provided. "Medically necessary" shall be defined by the treating physician.

2. General Guidelines. Determining a patient's eligibility for charity care is the responsibility of the Organization. In making this determination, the Organization will adhere to the following general guidelines:
  - (a) Non-Discrimination. The Organization shall render services to all members of the community who are in need of medical care regardless of the ability of these individuals to pay for such services. The determination of eligibility for full or partial charity care will be based on a patient's ability to pay and will not be made on the basis of age, race, sex, religion, sexual orientation, disability, or national origin.
  - (b) Charity Care Services. All available health care services which are deemed medically necessary shall be available to all individuals under this policy. Any individual may request consideration for charity care. The Administrator may deem a patient to be a charity care patient at her discretion with or without an application.
  - (c) HHS Poverty Guidelines. The Organization shall use national poverty guidelines that are established and published annually by the U.S. Department of Health and Human Services ("HHS Poverty Guidelines") in its determination of a patient's eligibility for charity care. (A current copy of the HHS Poverty Guidelines and the Organization's Sliding Fee Schedule based on the guidelines are attached to this policy as Attachment A. [Insert title/job description] will be responsible for updating Attachment A at the start of each calendar year.)
  - (d) Confidentiality. The need for charity care is a sensitive and deeply personal issue for those individuals seeking assistance. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek charitable services. Orientation of staff and the selection of Organization personnel who will be directly assisting such patients should be guided by these values. No information contained in a patient's Charity Care Application shall be disclosed unless the individual gives express permission for such release. Moreover, no notations will be made in a patient's medical record regarding financial matters, including whether the patient has paid all or part of any medical bill.
  - (e) Employees and Staff. All Organization employees and staff in patient accounting, billing, registration, and emergency treatment areas must be fully versed with the terms of this policy, have access to the Charity Care Application (attached hereto as Attachment B and discussed in Section 3 below), and should be able to direct questions regarding charity care to the appropriate Organization representatives.
  - (f) Charity Care Representative(s). The Organization shall designate one or more individuals to approve and process Charity Care Applications, coordinate outreach efforts, and oversee charity care practices within the Organization.

- (g) Physician Participation. The Organization will encourage physicians to provide a certain level of charity care for their patients, as well as educate patients about the availability of this assistance.
- (h) Training. All employees and staff with direct patient contact will be trained and educated on the terms of this policy, as well as the process for providing patients with oral or written notice of the Organization's charity care assistance program.
- (i) Uniformity. All entities and services identified as being covered by this policy shall adopt and implement uniform charity care practices and procedures.

3. Obtaining a Charity Care Application.

- (a) Obtaining an Application. In order to be evaluated for charity care eligibility, a patient, his/her legal guardian/representative, or other responsible party is required to complete and submit a Charity Care Application (see Attachment B). Applications for charity care will be provided to individuals upon request, referral, or a discovery of need. In the event a charity care request is made by sources other than the patient or his/her legal representative, such as the patient's physician, family member(s), community or religious groups, social service organizations, or Organization personnel, the patient shall be informed of such a request, and this type of request shall be processed like any other.
- (b) Application Assistance. Upon request, Organization charity care representative(s) will provide application assistance to patients, their families, and/or authorized representatives.
- (c) Timing. Except in the case of emergency medical care and treatment or as otherwise prohibited by State or Federal law, all attempts will be made by the Organization to have patients undergo financial counseling, including filling out and completing a Charity Care Application at or before the time services are rendered. If complete information on the patient's financial situation is unavailable at the time of service, or if the patient's financial condition changes, the designation of charity care may be made after rendering services.
- (d) State and Federal Law. The Organization shall follow all applicable State and Federal guidelines, including those set forth under the Emergency Medical Treatment and Active Labor Act ("EMTALA"), which govern how and in what manner the Organization may inquire of a patient's financial status and ability to pay for medical care and treatment. In the event a patient comes to the Organization's Emergency Department seeking treatment for an emergency medical condition, the Organization shall not delay providing an appropriate medical screening examination or further medical care and treatment in order to inquire about the individual's method of payment or insurance status.

4. Eligibility and Supporting Documentation.

- (a) Eligibility. The Organization shall use the HHS Poverty Guidelines and a Sliding Fee Schedule in its determination of a patient's eligibility for charity care (see Attachment A). Where a patient's income and resources are found to be such as to make him or her eligible for charity care assistance, and the patient has

exhausted all other available health care coverage, benefits, public assistance, etc., the Organization will utilize the following categories to determine the patient's entitlement to free or reduced cost care:

- (1) Any individual whose income is at or below 100% of the Federal Poverty Level, adjusted for family size, is entitled to free care.
  - (2) Any individual whose income is more than 100% but not more than 200% of the Federal Poverty Level, adjusted for family size, is entitled to reduced cost care based on a sliding scale established by the Organization.
  - (3) Any individual whose income exceeds 200% of the Federal Poverty Level, adjusted for family size, may be eligible for reduced cost care if their income and resources are not sufficient to enable them to fully pay for medically necessary care and services. The Organization shall be solely responsible for making the determination as to whether to reduce charges if an individual falls into this eligibility category.
- (b) Documentation. In order to be screened for charity care assistance, patients shall submit the following documentation to the Organization's designated charity care representative(s) for review and consideration:
- (1) A signed and completed Charity Care Application (see Attachment B) which is designed to elicit information regarding a patient's financial hardship, sources of income/wages, employment, living circumstances, assets, other insurance coverage, benefits, public assistance, etc; and
  - (2) Verification of financial information. The following documents will be accepted as verification of income:
    - (i) Recent pay check stub (within the last 2 months);
    - (ii) Signed statement from employer as to unemployment, disability, or inability to work;
    - (iii) Copy of check stub, bank statement verifying direct deposit or print-out of benefits received from the Social Security Administration, Unemployment Compensation; AFDC; child support; or utility check;
    - (iv) Income tax return (most recent year);
    - (v) Financial Aid/Pell Grant Award (if student); or
    - (vi) Printout of quarterly earnings from Unemployment Office (if unemployed and not receiving unemployment compensation.

Student identification, unemployment cards, and/or food stamp card shall not be accepted as verification of income. Any other forms of income

verification must be approved by Administration or Business Office Manager prior to processing a patient's application.

5. Application Review Process.

- (a) Review. Upon receipt of a patient's completed Charity Care Application and accompanying documentation verifying his/her financial income, the Organization will determine whether the patient qualifies for charity care assistance. The following departments/personnel are authorized and qualified to review Charity Care Applications on behalf of the Organization: Administration or Business Office Manager.
- (b) Approval.
  - (i) Notice of Approval. If a Charity Care Application is approved, the patient/applicant shall be notified of the approval. The approval notification shall be in writing, provide the charity care terms and conditions (*i.e.*, whether the patient is entitled to free care, reduced cost care on a sliding scale, etc., and any payment and collection practice requirements), and shall state that the approval is valid for one (1) year, barring any change in the financial condition of the patient and his/her family. (See Attachment C, Notice of Charity Care Approval Letter.)
  - (ii) Processing and Applying the Approval. The Business Office Manager will be responsible for processing and adjusting a patient's account balance in accordance with the level of charity care approved. It is the policy of the Organization that, where circumstances warrant (*i.e.*, there is a delay in the filing or processing of an application), a charity care approval can and may be applied retroactively to medically necessary services rendered up to thirty (30) days prior to the date of the approval. The Organization shall be solely responsible for making the determination as to whether to apply a charity care approval retroactively.
- (c) Denial. If a Charity Care Application is denied, the patient/applicant shall be notified of the denial. The denial notification shall be in writing and shall provide the reason(s) for the denial. (See Attachment D, Notice of Charity Care Denial Letter.) A patient will also be notified that he/she may be eligible for a payment plan (as discussed in further detail in Section 6). In the event a patient does not qualify for a payment plan, the patient's accounts will be processed through the Organization's normal collection procedures.
- (d) Expired Approvals. Upon expiration of an approval, a patient shall be re-evaluated to determine if he/she may continue to receive assistance under the charity care program.
- (e) Document Retention. Charity Care Applications and all documentation, correspondence, etc., regarding approvals and denials will be kept on file in accordance with the Organization's document retention policy.

6. Alternative Payment Arrangements. In the event a patient does not qualify for charity care assistance, the patient may be eligible for a payment plan. The Organization will make efforts to work with the patient to determine an equitable payment schedule considering the patient's financial and medical circumstances.
  - (a) Approvals. The following departments/personnel are authorized and qualified to approve payment plans for patients on behalf of the Organization: Administration or Business Office Manager.
  - (b) Payment Schedule. Patients who qualify for a payment plan will be informed that payments must be received within the Organization's standard billing cycle for the plan to remain current.
  - (c) Collection Agency. A patient's failure to keep a payment plan current consistent with established payment guidelines will result in the account being turned over to a collection agency.
  - (d) Exceptions or Waivers. Any exceptions or waivers to a payment plan must receive prior approval from Administration or Business Office Manager.
7. Publication and Notification. The Organization shall make information regarding the availability of charity care available through the following means:
  - (a) Posting(s). The Organization shall post notices containing information regarding its policies for charging for health care services, including information on its charity care assistance program, throughout its service facility areas. (See Attachment E, Public Notice.) These notices shall include statements regarding the Organization's commitment to provide medical care to all patients without regard to their ability to pay or their enrollment in Medicaid or Medicare and that the Organization utilizes a sliding fee scale or 'no-pay' policy for those individuals who qualify.
  - (b) Notice(s). The Organization shall provide patients with oral and/or written notice of the Organization's charity care assistance program during the registration, pre-admission, admission, or discharge process.
8. Questions and Assistance. For questions regarding this policy and/or assistance with the charity care program, please contact Administration or Business Office Manager.

**ATTACHMENT A**

**ATTACHMENT B**

**ATTACHMENT C**

**ATTACHMENT D**

**ATTACHMENT E**