

**POLICY STATEMENT**

The policy of Island Hospital is to provide charity care consistent with the requirements of the Washington Administrative Code (WAC) Chapter 246-453.

**PURPOSE**

Island Hospital ("Hospital") is committed to the provision of medically necessary healthcare services to all persons in need of such services regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of WAC, Chapter 246-453, are established.

This policy will assist staff in making consistent objective decisions regarding eligibility for charity care while ensuring the maintenance of a sound financial base. This policy will allow Hospital to use its resources to most efficiently help those in need of healthcare services regardless of ability to pay.

Accordingly, this written policy:

- Includes eligibility criteria for charity care - free and discounted (partial charity) care:
- Describes the basis for calculating amounts charged to patients eligible for charity care under this policy;
- Describes the method by which patients may apply for charity care; and
- Describes how the Hospital will publicize the policy within the community served by the Hospital.

**SCOPE**

Patient Accounts, Finance, Patient Access

**DEFINITIONS**

**Charity care:** Charity care is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with the Hospital's process for obtaining charity care or other forms of payment or financial assistance. In the event that a patient is not cooperative with the charity care application process, the Hospital may initiate collections efforts against the patient for amounts owed. Patients are expected to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so.

**EQUIPMENT**

Not applicable

**QUALITY CONTROL**

This policy will be reviewed annually.

**I. ELIGIBILITY CRITERIA**

A. **Services eligible under this policy:** The following healthcare services are eligible for charity care:

§ Emergency medical services provided in an emergency room setting;

§ Appropriate hospital-based medical services, which are defined in 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."

**Elective procedures are ineligible for charity care.**

B. **Eligibility for charity care:** Eligibility for charity care will be considered for individuals who reside in the Community (defined below). Charity care is 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, or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services. Financial assistance and charity care shall be limited to "appropriate hospital-based medical services" as defined in WAC 246-453-010(7).

The granting of charity care shall be based on an individualized determination of financial need of the patient at the time services are rendered and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

For purposes of this policy "Community" means the geographic boundaries of the Hospital's public hospital district (i.e., Skagit County Public Hospital District No. 2), and the additional areas of La Conner (zip code 98257), Oak Harbor (zip codes 98278 and 98277), and all of San Juan County except for San Juan Island. Hospital shall grant exceptions to the residency requirement on a facts and circumstances basis as determined by Hospital.

On those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under this policy and within the requirements of WAC 246-453. All resources of the family as defined by the WAC 246-453 are considered in determining the applicability of the sliding fee scale in Attachment A.

- The full amount of Hospital's charges will be determined to be charity care for a patient where their gross family income is at or below one hundred percent (100%) of the current federal poverty level (consistent with WAC 246-453).
- The full amount of Hospital's charges may be determined to be charity care for a patient where their gross family income is between one hundred and one percent (101%) and two hundred percent (200%) of the current federal poverty level; however, Hospital will review a patient's personal financial resources and assets for possible funding to pay for billing charges and may consider these factors when determining an appropriate level of charity care as per the sliding fee scale.
- The sliding fee scale will be used to determine the amount of charity care for a patient with gross family income between two hundred and one percent (201%) and four hundred percent (400%) of the current federal poverty level. Hospital will review a patient's personal financial resources and assets for possible funding to pay for billing charges and may consider these factors when determining an appropriate level of charity care as per the sliding fee scale.

- Hospital may offer Catastrophic Charity Care, which means that Hospital may write off amounts for patients with family income in excess of four hundred percent (400%) of the federal poverty level when circumstances indicate severe financial hardship. All Catastrophic Charity Care write-offs shall be approved by the Chief Financial Officer upon recommendation by the Director of Patient Accounts.

The sliding fee schedule shall take into account the potential necessity for allowing the patient to satisfy the maximum amount of charges for which patient will be expected to provide payment over a reasonable period of time in accordance with Hospital's Financial Policy, without interest or late fees.

The responsible party's financial obligation remaining after the application of any sliding fee schedule shall be payable as negotiated between Hospital and responsible party within the terms of Hospital's credit policy.

Hospital shall not require a disclosure of resources from charity care applicants whose income is less than one hundred percent (100%) of the federal poverty level, but may require a disclosure of resources from applicants whose income is at or above one hundred and one percent (101%) of the current federal poverty level.

Eligibility on a completed application is valid for eligible services received within the subsequent sixty (60) days from application approval date.

## **II. PROCESS FOR ELIGIBILITY DETERMINATION**

1. Hospital shall use an application process for determining eligibility for charity care. Requests will be accepted from sources such as: physicians, community or religious groups, social services, financial services, personnel, and the patient.
2. For the purpose of reaching an initial determination of charity care sponsorship status, the Hospital shall rely upon information provided orally by a patient. The Hospital may require the patient to sign a statement attesting to the accuracy of the information provided to the Hospital for purposes of the initial determination of sponsorship status.
3. The initial determination of eligibility shall be completed at the time of admission or as soon as possible following services to the patient. Pending final eligibility determination, Hospital will not initiate collection efforts or requests for deposits, provided that the responsible party is cooperative with Hospital's efforts to reach a determination of sponsorship status, including return of applications and documentation within fourteen (14) days.
4. Following the initial request for charity care, Hospital may pursue other sources of funding, including Medicaid.
5. Forms and instructions to complete will be furnished to patients when charity care is requested, when need is indicated, or when financial screening indicates potential need.
6. All applications shall be accompanied by documentation to verify family income. To aid in eligibility determination, patients requesting charity care will be given a financial statement to be returned with proof of income. When returned, the financial statement shall be accompanied by one of the following types of documentation for purposes of verifying income:
  - i. W-2 withholding statements for all employment during the relevant time period;
  - ii. Payroll check stubs from all employment during the relevant time period;
  - iii. IRS tax returns from the most recently filed calendar year;

- iv. Forms approving or denying eligibility for Medicaid and/or state-funded Medical Assistance;
- v. Forms approving or denying unemployment compensation;
- vi. Written statements from employers or welfare agencies; and

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.

7. Income shall be annualized from the date of application based upon documentation provided and upon verbal information provided by the patient. The annualization process will be determined by Hospital and will take into consideration seasonal employment and temporary increases and/or decreases of income.
8. 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 pertaining to charity care shall be retained for five (5) years.
9. The patient must return applications and documentation to the Patient Accounting Office within fourteen (14) calendar days, or such time as the person's medical condition may require as determined by Hospital.
10. Hospital will make final eligibility determination and will notify the patient within fourteen (14) days of receipt of completed charity care application and all necessary support documentation (e.g., financial statements, proof of income, etc.).
11. In the event that Hospital denies the patient's application for charity care sponsorship, the Hospital shall notify the patient of the denial and the basis for the denial.
12. Designations of charity care, while generally determined at time of admission, may occur at any time upon learning of facts that would indicate indigency. If a patient has made full or partial payment, and the patient is subsequently found to have met the charity care criteria at the time that services were provided, said payment shall be refunded to the patient within thirty (30) days of the charity care designation.
13. All patients denied charity care sponsorship shall be provided with, and notified of, the Hospital appeals procedure that enables a patient to correct any deficiencies in the documentation or request review of the denial and results in review of the determination by the Hospital's Chief Financial Officer or equivalent.
14. In the event that the Hospital's final decision upon appeal affirms the previous denial of charity care designation under the criteria described in this policy, the responsible party shall be notified in writing of the decision and the basis for the decision.
15. If the Hospital has initiated collection activities against a patient and later discovers that the patient has filed an appeal related to the denial of charity care sponsorship, the Hospital shall cease all collection efforts until the appeal is finalized.

### **III. PROCESS FOR COMMUNICATION**

Hospital's charity care policy shall be made publicly available in the following ways:

- § Financial agreement forms will state that financial responsibility is waived or reduced if the patient is determined eligible for charity care.

- § Signage indicating Hospital's participation in a charity care program shall be conspicuously posted in public areas of Hospital.
- § Hospital will provide written notice of Hospital's charity care policy to patients upon request.
- § Both written information and verbal explanation shall be available in any language spoken by more than ten percent (10%) of the population in Hospital's service area.

**ATTACHMENT A**

**Island Hospital Charity Care Percentage Sliding Fee Scale**

The full amount of Hospital's charges will be determined to be charity care for a patient where their gross family income is at or below one hundred percent (100%) of the current federal poverty level (consistent with WAC 246-453).

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<b>Income and assets as a percentage of Federal Poverty Guideline Level</b>	<b>Percent of discount from original charges</b>
101% - 200%	100%
201% - 250%	75%
251% - 300%	50%
301% - 400%	25%
401% and above	Catastrophic Charity Care may be considered

**RELATED DOCUMENTS**

Charity Care Application

**REFERENCES**

[WAC 246-453-010](#)

