Promise Regional Medical Center Hutchinson	Manual	Finance	
	Section (Department)	Admissions, Patient Accounts	
	Title	Uncompensated/Charity Care	
	Number		
	Effective Date	08/2009	By: J. Townsend
	Last Revised		By:
	Last Reviewed		By:
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I. POLICY STATEMENT

A. Promise Regional Medical Center (Promise Regional) is committed to providing health care services to all persons in need of medical attention regardless of their ability to pay. In order to protect the integrity of operations and to fulfill this commitment, the following criteria for the provision of charity care are to be consistently followed by all appropriate staff.

II. PROCEDURE

A. Promise Regional's charity care policy will be made available to the public via the following:

1. Notices advising that Promise Regional provides charity care will be posted in Admissions, the Emergency Department, Financial Services and on the Promise Regional website.

2. Distribution of a written notice indicating the policy to patients at the time of their admission via the Conditions of Admission form. In case of an emergency, the patient will be notified as soon as possible of the existence of charity care. English translation of this notice will be made available to Spanish-speaking patients.

3. Promise Regional will train front line staff to answer charity care questions or direct such questions to the appropriate party.

4. Written information re: Promise Regional's charity care policy as well as other payment options will be made available to any person who requests such information via mail, phone or in person.

III. ELIGIBILITY OF CARE

A. Charity care is generally secondary to all other financial resources available to the patient including group or individual medical plans, worker's compensation, third party liability, i.e., auto accidents, personal injury, Medicare, Medicaid, 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 the costs of Medicare services.

1. The medically indigent patient will be granted charity regardless of race, gender, religion, age, national origin or immigration status.

2. Under-insured patients, i.e., those patients with some form of third party payer coverage for healthcare services but such coverage is (1) insufficient to pay the current bill when indigency is established and/or (2) out of pocket financial responsibility is $1,000 or higher.

3. Eligibility for charity care is based on Kansas residency and the current United States Government Federal Poverty Guidelines. These guidelines are updated each year.

B. The full amount of hospital charges will be determined to be charity care for a patient whose gross family income is at or below 150% of the current federal poverty level. The information below illustrates the guidelines and assistance offered for patients with incomes between 151% and 225% of the current poverty level.

1. Family Size/Income Less Than 150%

1-$15,600

2-$21,000

3-$26,400

4-$31,800

5-$37,200

6-$42,600

7-$48,000

8-$53,400

Each additional $5,400 = Promise Regional Discount 100%; Patient Responsibility 0%

2. Family Size/Income Less Than 175% of Poverty Guidelines

1-$18,200

2-$24,500

3-$30,800

4-$37,100

5-$43,400

6-$49,700

7-$56,000

8-$62,300

Each additional $6,300 = Promise Regional Discount 80%; Patient Responsibility 20%

3. Family Size/Income Less Than 225% of Poverty Guidelines

1-$20,800

2-$28,000

3-$35,200

4-$42,400

5-$49,600

6-$56,800

7-$64,000

8-$71,200

Each additional $7,200 = Promise Regional Discount 60%; Patient Responsibility 40%

4. CATASTROPHIC CHARITY: Promise Regional may write off as charity care amounts for patients with family income in excess of the above-stated standards or at a higher percentage rate when circumstances indicate severe financial hardship or personal loss. The responsible party's financial obligation, which remains after application of all discounts, will be payable in monthly installments per Promise Regional's usual payment schedule or as negotiated between Promise Regional and the responsible party. The responsible party's account will not be turned over to a collection agency unless payments are missed and there is no activity on the account or satisfactory contact with the patient for 60 days.

IV. PROCESS FOR ELIGIBILITY DETERMINATION

A. Initial Determination

1. Promise Regional will use an application process for determining eligibility for charity care. Requests will be accepted from sources such as patients, physicians, social services and financial services staff.

2. Pending final eligibility determination, Promise Regional will not initiate collection efforts provided the responsible party cooperates with the eligibility process.

3. For the purposes of charity care, there must be full declaration of all individuals living in the household at the time of application. Children may be counted if they qualify as dependents on tax returns of those in the household and the tax returns are shown as part of the application.

4. If Promise Regional becomes aware of factors which might qualify for patient charity care under this policy, it will advise the patient of this potential and make available forms necessary to make a charity care determination possible. It is the patient's responsibility to complete the forms and provide Promise Regional with all necessary supporting documentation for the purpose of making a charity care determination.

B. Final Determination

1. **Assumption of Indulgency:** In the event the responsible party's identification as an indigent person is obvious to hospital personnel, the hospital can establish that the applicant's income is clearly within range of eligibility, Promise Regional may grant charity care based solely on this initial determination without full verification or documentation, i.e., MediKan, deceased, court records, homeless, etc.

2. **Financial Data Forms:** Instructions for written applications will be furnished to patients when charity care is requested, when need is indicated or when financial screening indicates potential need. During the initial request period, all patients who are potentially eligible for other sources of funding including Medical Assistance or Medicare will be required to pursue them. Midland Group has been retained for this purpose. Documents that will be required as adequate proof of income and assets required to meet eligibility are:

   a. Tax return from previous year for all employment in the household

   b. W2 form from previous year for all employment in the household

   c. Current pay stubs from all employment in the household

   d. Denial letter from the Department of Welfare. Denials from Medical Assistance purely on the basis of failure to apply timely or failure to provide needed information will not be sufficient documentation of ineligibility for those programs.

   e. Depending on the circumstances, Promise Regional may also require unemployment income, workman's compensation income, proof of Social Security income, proof of disability, proof of sick benefits, proof of pension, proof of child support/alimony and/or signed letter by any party aiding with living expenses. In the event the responsible party is not able to provide any of the documentation described above due to circumstances beyond the responsible party's control, Promise Regional may rely upon written and signed statements from the responsible party, responsible party's landlord or other pertinent documentation for making a final determination of eligibility for classification as an indigent person.

3. Promise Regional will allow a patient to apply for charity care at any point from preadmission to final payment of the bill. If the account is assigned to a collection agency, the agency will inform the patient of the Promise Regional's charity care policy and will assist the patient in contacting the hospital to apply for assistance. During the process of determining eligibility, collection efforts will be suspended providing the patient cooperates with the eligibility process. If a change in financial status is temporary, Promise Regional may choose to suspend payment temporarily rather than initiate charity care.

4. Time Frame for Final Determination and Appeals

   a. Each charity care applicant will be allowed at least 30 calendar days or such time as may be reasonably necessary to secure and present documentation in support of the charity care application prior to receiving a determination.

   b. Promise Regional will notify the applicant in writing of its determination with 14 days of receipt of all application and documentation by providing additional verification of household income or household size to the Patient Accounts representative within 30 days of receipt of the notification.

C. If the patient has paid some of/all of the bill for medical services and is later found to have been eligible for charity care at the time the services were provided, the patient will be reimbursed for any amounts in excess of what is determined to be owed. Reimbursement will be made within 30 days of receiving charity care designation.

D. Charity Care applications will be used for current balances owed at the time of final determination only. Inclusion of services occurring within the next 30 days after final determination may be considered at the discretion of the Director of Patient Financial Services. For services that occur more than 30 days after a final determination for charity care services, a new application may be required.

E. Promise Regional reserves the right to reverse a charity care decision when it is determined that there has been a recovery from a third party.

F. If any information given in the application process proves to be untrue, Promise Regional reserves the right to re-evaluate the financial status of the applicant and take whatever action becomes appropriate including reversing the decision to allow charity care. Promise Regional may verify all information given in each application including employment history and may check the information given in each application including employment history and may check the information given with available credit bureaus or other sources named in the application or available to the hospital.

G. ADEQUATE NOTICE OF DENIAL:

1. The patient will receive a written notice of denial that includes the reason/reasons for the denial, the date of the decision and instructions for reconsideration.
2. When the applicant does not provide requested information and there is not enough information available for Promise Regional to determine eligibility, the denial notice will also include a description of the information that was requested and not provided, including the date the information was requested and not provided or a statement that eligibility for charity care cannot be established based on information available to the hospital and that eligibility will be determined if, within 30 days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
3. The Director of Patient Financial Services and the Patient Accounts representative will review all appeals. If the previous denial is upheld, the patient will receive written notification.

H. CONFIDENTIALITY: All information relating to the applicant will be kept confidential.

I. All copies of documentation that support the application will be kept with the application form and retained for five (5) years.