

JOHNSTON HEALTH CHARITY CARE POLICY

PURPOSE

To assure that each patient who seeks financial relief for all or part of charges incurred is given equitable and careful consideration, and that determination is thoroughly documented.

POLICY

Johnston Health is committed to providing quality care to all patients, regardless of age, sex, race, religion, national origin and/or ability to pay.

PROCEDURE

General Information:

The following guidelines are provided to assist in determination of eligibility for uncompensated care. Johnston Health will explore all possible alternatives for financial assistance through Federal, State, or local financial programs before considering uncompensated care.

Eligibility determination is to be made based on the patient's/guarantor's net worth, net income (after medical expenses), and number of members in the household.

Definitions:

Uncompensated Care (Charity Care) – Services rendered for which no payment is anticipated due to the patient's documented inability to pay.

Bad Debt – Services rendered for which payment is anticipated, credit is extended, and the charges are deemed to be non-collectible.

Medicare Bad Debt – That portion of the beneficiary's balance which has been identified as Medicare deductible or co-insurance, and it has been documented that the beneficiary is unable to pay.

Probable Qualifying Accounts:

1. Medicaid/State Local Health eligible patients who have spend down amounts, which are extraordinarily high.
2. Private patients who meet the Federal Poverty Guidelines but do not qualify for Medicaid, SLH or any other assistance program.
3. Extraordinary account balances where a patient with limited resources does not possess the ability to pay all or part of the bill.
4. Persons with generally adequate incomes, who are suddenly faced with large medical bills and patients whose insurance coverage is inadequate to cover a catastrophic situation. Catastrophic is defined as excessive or high medical bills that, in comparison to annual income, decrease the likelihood of payment in full. Outstanding charges that exceed 25% of the patient or family's total income will be considered catastrophic. For these accounts, the family's total income will be multiplied by 25% and that will be the amount charged to the patient. The remaining amount will be as charity care.
5. Deceased patients with no estate, no assets, and no medical assistance.

Charity Classifications:

1. Charity/Indigent Care should be recognized as soon as it is identified, verified and approved. This does not preclude the reclassification of an approved account anytime after final billing.
2. Accounts returned from the collection agency should be reviewed to determine if any accounts would now qualify as a Charity Care account.

3. Any Account balances require approval of the Patient Financial Services Director. The Chief Financial Officer may authorize approval or disapproval at any time during the process.
4. Accounts which do not meet the minimum qualifications for charity care should be referred to Administration on a case-by-case basis for consideration under the Administrative Adjustment Policy.

Charity Care Process:

Prior to services being rendered, physician, nursing or administrative staff may identify a patient as being a probable charity care candidate.

Upon notification of potential charity care account:

1. Interview patient and complete as much information as possible on the "Financial Information Request" form.
2. Have patient or guarantor sign and date form.
3. Documentation must be submitted within 30 days from date of service or discharge date.
4. Attach appropriate documentation includes the following:
 - a. Pay stubs
 - b. Income tax returns (family size)
 - c. Forms approving or denying unemployment compensation or workers compensation
 - d. Written verification from employer of current wages
 - e. Medicaid or SLH "Notice of Eligibility Determination"
5. Annotate system
6. Submit all documentation to director for review
7. Patient Financial Services staff and other hospital staff do not indicate to the patient/guarantor whether the application will or will not be approved
8. Upon receipt of reviewed and signed "Patient Write-Off and the signature of approval of the Patient Financial Services Director/Manager

Route Charity Care packet to the Financial Counselor for posting:

1. Annotate system.
2. Generate letter to patient/guarantor stating financial relief under hospital's
3. Charity/Indigent Care Policy has been approved or disapproved with reason(s).
4. Distribute copies of letter as follows:
 - a. Original to patient/guarantor
 - b. Copy to concerned Ancillary Department (i.e. Home Health Agency or Physical Therapy Department) and/or Admitting Coordinator, as appropriate
 - c. Copy to daily lockbox file
 - d. Update financial class in system if necessary
 - e. Charity Care eligibility will be re-evaluated for a patient's eligibility when the following occur:
 - Subsequent rendering of services
 - Income change
 - Family size change
 - When any part of the patient's account is written off as a bad debt or is in collections
 - When 6 months have passed since the last application or when circumstances change, which ever comes first

Eligibility Guidelines:

The hospital will update the income eligibility criteria annually, using the federal poverty guidelines (FPG) published by the Centers for Medicare and Medicaid Services (CMS). If CMS issues more than one update, the updated criteria shall become effective as of the issue date.

Assistance is available for patients meeting up to 250% of the Federal Poverty Guidelines. See sliding scale below to determine appropriate assistance amount based on income.

Amount Forgiveness	100%	75%	50%
% Poverty Guidelines	200%	225%	250%
1	\$21,700	\$24,400	\$27,100
2	\$29,200	\$32,800	\$36,500
3	\$36,700	\$41,200	\$45,800
4	\$44,100	\$49,700	\$55,200
5	\$51,600	\$58,100	\$64,500
6	\$59,100	\$66,500	\$73,900
7	\$66,300	\$74,900	\$83,200
8	\$74,100	\$83,300	\$92,600

For families with more than 8 members, add \$7,500(200%), \$8,400(225%), and \$9,400(250%) by category for each additional member.

Johnston Health reserves to reverse all charity care approvals if information provided by the applicant is falsified or proof is provided that the applicant received payment for hospital services from other sources. Johnston Health will extend all collections efforts to obtain payments.

Exceptions:

Any exceptions to this policy must be submitted with documentation to Administration for consideration and approval.