CHARITY CARE POLICY GUIDELINES

PURPOSE

To support the Sisters of Providence Mission of serving people in need, regardless of their ability to pay, consistent with the values of Providence Services, as outlined in the Leadership Covenant:

> *We live out **CHARITY** by giving of ourselves and the resources of the sponsored ministries to all in need, as well as by encouraging community volunteer efforts. We critically evaluate the commitment of resources, maintaining a careful balance between the need for fiscal stability and our bias toward the charitable Providence Mission.*

POLICY

Each Providence Services sponsored hospital shall develop a Charity Care Policy, to identify those patients who qualify for charity care, describe its process of determining charity care eligibility, and inform patients of the availability of and application process for receiving charity care. Each hospital shall fulfill the requirements of state laws, where applicable, when developing a charity care policy. In the absence of state laws, a hospital shall consider the following guidelines when establishing a charity care policy. Other Providence Services health care ministries should also consider developing a charity care policy based on these guidelines.

Each organization will develop its own policy, which will consider all applicable state and federal laws and address the following:

Qualifications for Charity Care

Each organization will consider the following elements when developing its Charity Care Policy:

- Charity care involves the forgiveness of some or all financial responsibility for healthcare services provided to indigent persons, meaning patients who have exhausted all third-party sources of payment, including Medicare and Medicaid, and whose annual income from all sources is:
    - below 200 percent of the Federal Poverty Level (adjusted for family size); or
    - otherwise not sufficient to enable them to pay for the care, the deductibles, or the coinsurance amounts required by third-party payors;
- The organization's analysis of charity care eligibility may include the patient's ability to access other assets that can be reasonably liquidated;
- Financial responsibility for care will be forgiven for patients who do not have other assets that can reasonably be used to pay for their care;

- Each hospital should consider using a collection fee schedule to determine amounts owed by persons with income between 100 percent and 200 percent of the federal poverty level, if they do not have other assets that can reasonable be used to pay for their care. Providence Services hospitals within Washington State should meet the requirements of state laws when establishing a collection fee schedule. In the absence of applicable state laws, the Montana-based hospitals shall work together in developing a collection fee schedule that is consistent for all PS hospitals in Montana. The difference between the Washington and Montana collection fee schedules will take into consideration the difference in average household incomes between the two states and the ability of the hospitals to provide charity care.

Evaluation Process

The process for determining which patients qualify for charity care will include:

- Making an initial determination whether the patient is eligible for charity care, prior to initiating any collection efforts, assuming the patient cooperates with the organization's attempt to make the determination;
- Making the initial determination as soon as practical after providing services to the patient;
- Making reasonable attempts to determine if a third-party payor or sponsor may pay some or all of the charges;
- Providing all patients who have been initially determined to meet the criteria for charity care with at least fourteen (14) calendar days, or such time as may be reasonably necessary, given the patient's medical condition, to provide any required documentation before the organization reaches a final decision whether the patient is eligible for charity care. The organization will notify the patient of its final determination within fourteen calendar (14) days of receiving the necessary documentation;
- Not imposing any unreasonable burden upon the patient to provide relevant information when considering the application for charity care. The organization shall require the patient to validate the accuracy of any information provided. Any one or more of the following documents shall be considered sufficient evidence upon which to base a determination of eligibility for charity care: pay stubs, income tax return from the previous year, W-2 statements; unemployment compensation forms, forms approving or denying Medicaid or written statements from employers or welfare agencies;
- Notifying the patient of the organization's decision, the grounds for reaching the decision and the process for appealing the decision if the organization deems the patient ineligible for charity care;
- If charity care is denied, providing the patient with thirty (30) calendar days within which to appeal the decision, correct any deficiencies in documentation, or request a review of the denial. Within the first thirty (30) days following a denial, the organization may not refer the patient's account to an external collection agency. If no request for review is made during that thirty day period, the organization may then initiate collection activities. If the organization has initiated collection activities and then discovers a request for review has been made, the organization will stop collection efforts until the review is completed;
- Reimbursing the patient if he/she has paid some or all of the bill for medical care services and is later found to be eligible for charity care based on the criteria listed **at the time services were provided,** with the reimbursement to include any amounts in excess of what is determined to be owed and to be refunded to the patient within thirty (30) days of receiving the charity care designation;

- Allowing a patient to apply for charity care at any point from pre-admission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the change in financial status is temporary, the organization can choose to suspend payments temporarily rather than initiate charity care.

Communications to the Public

Each organization will include these elements in communicating its charity care policy:

- Posting the organization's Mission and Values Statement throughout the organization;
- Posting in key areas of the organization, including Admissions, the Emergency Department, Billing and Financial Services, a notice advising patients that the organization provides charity care;
- Making available written information about the Charity Care Policy to any patient who requests the information, whether at admission or at any other time;
- Translating the posted and written notices and brochures in all languages spoken by ten percent of the hospital service area population, as stated by either the most recent federal Census or the organization's most recent admission rate, and interpreting such notices and brochures for other non-English speaking patients;
- Providing a method of timely verbal communication for all patients that do not speak English, have limited English-speaking skills or are reading impaired. Timely communications include providing accessibility of interpreters and telephone language lines for public utilization, and having lists of multilingual employees available for staff reference;
- Providing written explanations of the Charity Care Policy, upon request, either by mail or in person;
- Ensuring that front-line staff consistently reflects the Providence Services value of showing respect to those in need by being able to answer charity care questions effectively or direct such inquiries to the appropriate department in a timely manner. Charity Care Policies should also include a plan for training staff in displaying respectful communications and sensitivity towards all people in need of charity care.

Other Considerations

The organization may also consider the following items when developing a Charity Care Policy:

- If the patient does not qualify for charity care, offering assistance through revised or extended payment terms, and/or referring the patient to other community resources for assistance;
- Each organization may use external collection agencies but is responsible to see that such agencies conduct collection activities professionally, according to law, and consistent with the organization's Mission and Values.