

# HOLLY HILL HOSPITAL

Title: Charity Care	
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## PURPOSE

Holly Hill Hospital is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary hospitalization.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Holly Hill Hospital's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay.

In order to manage its resources responsibly and to allow Holly Hill Hospital to provide the appropriate level of assistance, the administration establishes the following guidelines for the provision of patient charity.

## DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

**Charity Care:** Healthcare services that have been provided but are never expected to result in cash inflows. Charity Care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

**Family:** Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

**Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;

- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

**Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

**Underinsured:** The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

**Gross Charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

**Emergency medical conditions:** Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

**Medically necessary:** As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

## **POLICY**

### **1. Services Eligible**

**A. Services Eligible Under this Policy.** For purposes of this policy, "charity" or "financial assistance" refers to healthcare services provided by Holly Hill Hospital without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

- Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
- Medically necessary services, evaluated on a case-by-case basis at West Hills Hospital's discretion.

**B. Eligibility for Charity.** Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. Charity determinations can include a review of outstanding deductibles, coinsurance, or co-payment responsibilities.

**C. Timing.** Charity determinations of financial need may occur at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known. Requests for charity shall be processed promptly and Holly Hill Hospital shall notify the patient or applicant within 60 days of receipt of a completed application.

## **2. Charity Determination Procedures**

### **A. Financial Disclosure Method:**

1. **Financial Disclosure Process.** Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
  - Include a financial gathering process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
  - Take into account the patient's available assets, and all other financial resources available to the patient; and
  - Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
  - Include reasonable efforts by Holly Hill Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;

### **B. Equifax Method**

1. There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. In cases where Holly Hill Hospital treats indigent care patients, it is often difficult to locate the client post discharge from the facility. In the event documentation is limited or absent, Holly Hill Hospital will apply recommended charity by credit scoring agency, Equifax.

2. In certain instances, Holly Hill Hospital will have the latitude to extend charity discounts higher than Equifax recommendations, due to particular situations that are specific to the needs of the patient.

3. In situations in which the client has not provided authorization to run Equifax, the facility is under no obligation to apply this method.

### **C. Presumptive Financial Assistance Method:**

1. There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation, and the client is not recognized by Equifax. Often there is adequate information from other sources, which provide sufficient evidence to apply charity care assistance. Under these circumstances, the Business office Director and CFO will use appropriate judgment to apply Charity care determinations.

2. Presumptive Eligibility may be determined on the basis of individual life circumstances that may include:

- Homeless or received care from a homeless clinic;
- Participation in Women, Infants and Children programs (WIC);
- Food stamp eligibility;

- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid Programs);
- Low income/subsidized housing is provided as a valid address;
- Patient is deceased with no known estate.

### **3. Relationship to Collection Policies.**

A. Collection Policies and use of Collection Agencies: Holly Hill Hospital management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from Holly Hill Hospital and a patient's good faith effort to comply with his or her payment agreements with Holly Hill Hospital.

**4. Regulatory Requirements.** In implementing this Policy, Holly Hill Hospital management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

#### Responsibility

Chief Financial Officer and Business Office Manager of Holly Hill Hospital are responsible for implementation, review and update of this policy.