

Department : Business Office		Owned By: Jamie Miller
Policy Number: BO1031	Policy Title: Charity Care Policy and Guidelines	
Effective Date : 4/1/2007	Reviewed Dates: 4/07, 5/15, 1/17	
Version Number: 2.0	Revised Dates: 11/16	

#### **POLICY:**

Summit Healthcare Regional Medical Center (also identified as SHRMC) strives to benefit humanity while supporting the communities in which we live and work. As part of that commitment, SHRMC will review finances of patients in difficult financial circumstances and provide financial assistance to persons who have health care needs, are uninsured, under-insured, and are otherwise unable to pay for medically necessary care based on their individual financial situations. Financial assistance is not considered to be a substitute for personal responsibility. Patients are required to meet eligibility criteria and complete the required application and review process.

Summit Healthcare Regional Medical Center is committed to offering financial assistance to eligible patients who do not have the ability to pay for their medical services in whole or in part. In order to accomplish this charitable goal, SHRMC will widely publicize this Policy in the communities that the hospital serves.

#### **PURPOSE:**

This Policy serves to establish and ensure a fair and consistent method for the review and completion of requests for charitable medical care to our patients in need.

#### **POLICY STATEMENTS**

It is the Policy of Summit Healthcare Regional Medical Center to offer financial assistance to patients who are unable to pay their hospital bills due to difficult financial situations. An SMRMC Financial Counselor with authority to offer financial assistance will review individual cases and make a determination on the financial assistance that may be offered. Charity Care will be granted based on the individual's ability to pay the bill. Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance.

#### **CHARITY:**

Charity is defined as the demonstrated inability of a patient to pay. Bad debts are defined as the unwillingness of the patient to pay. Charity care does not include bad debt, contractual adjustments, or unreimbursed costs from other community services. The financial status of each patient should be determined so that an appropriate classification and distinction can be made between charity and bad debt.

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Charity and discounted care include services provided to the following:

1. Uninsured and underinsured low-income patients who do not have the ability to pay all or part of their bill as determined by the financial guidelines in this policy.
2. Insured patients whose coverage is inadequate to cover a catastrophic situation
3. Emergency patients, because the hospital does not assess a patient's financial situation before rendering services
4. Persons whose income is sufficient to pay basic living costs but not medical care, and also persons with generally adequate incomes who are suddenly faced with catastrophically large medical bills

#### **ELIGIBILITY: Identification of Patients Who May Be Eligible**

A patient becomes eligible to apply for the Charity Program prior to any service or treatment rendered at Summit Healthcare Regional Medical Center, or on the initial date of discharge and for eight subsequent months.

#### **ELIGIBLE RECIPIENT IDENTIFICATION:**

**Prior to receiving services**, there are a number of ways a patient can be identified and evaluated for financial assistance prior to, during, or following care. Following is a non-exhaustive list of examples for identification prior to receiving services:

- Patient or representative may request financial assistance
- SHRMC employees may refer patients to a Financial Counselor
- Referring or consulting physicians may refer patients
- Local government agencies may refer patients

**Following receipt of services**, patients can be referred for financial assistance in a number of ways. Following is a non-exhaustive list of examples:

- Patient or representative may request financial assistance
- Patient Account Services may identify financial need through conversations with patients regarding billing and payment options
- Referring or consulting physicians may refer patients
- Local government agencies may refer patients

#### **METHOD OF APPLICATION:**

Patients who want to apply for financial assistance or who have been identified as potentially eligible for financial assistance will be informed of the application process either before receiving services if the facts suggest potential eligibility or after the billing and collection process has begun. Patients or their representative can obtain a financial assistance application by mail by contacting the Business Office at: 928 537-6911 or downloading and printing the Financial Assistance Application at no charge from the Summit Healthcare Regional Medical Center website.

Summit Healthcare Regional Medical Center may share patient Financial Assistance information across our locations for the benefit and ease of administering Financial Assistance to patients seen at the hospital or clinics. No information will be shared outside of SHRMC unless authorized or required by law.

#### **ELIGIBILITY CRITERIA:**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income.

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A Financial Counselor from the Business Office will review all circumstances surrounding a request for financial assistance. Patients will be notified about the decision within a reasonable time after submitting a completed financial assistance request. A patient's request will be deemed complete after SHRMC receives a completed financial assistance application and all required documentation including: current pay stubs, income tax statements, and bank statements if applicable.

Summit Healthcare Regional Medical Center makes every reasonable attempt to collect from insurance companies and other third-party payers. Financial hardship and charity care adjustments may be considered for those patients whose income and assets will not allow full payment within a reasonable time.

The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, socio-economic or immigrant status or religious affiliation.

Eligibility will be determined by utilizing the most recent Federal Poverty Guidelines and applying the current sliding scale. Patients will receive additional consideration for chronic illness, disability or age of himself or family member.

1. 0 - 100% of Federal poverty level = 95% charity
2. 101% - 300% of Federal poverty level = Sliding Scale used.
3. 301% ↑ Full pay  
(Minimum adjustment based on FPL of 95% increasing to a maximum of 300%.  
patients exceeding 300% of the FPG will not be eligible for the Charity Program.)

All other resources must be applied first, including third-party payers, Victims of Crime (state-level program for crime victims to recover some hospital costs), and AHCCCS/Medicaid. Applicants are required to apply for AHCCCS/Medicaid prior to eligibility determination for the Summit Healthcare Regional Medical Center Charity Care program. If the application is denied or identified as ineligible based on the AHCCCS/Medicaid income criteria, the patient will be considered eligible to apply for the financial assistance program.

A presumptive determination will be made to determine eligibility upon notification of, or receipt of a death certificate or when notified the decedent has no assets.

#### **REQUIREMENTS:**

Financial need will be determined through an individual assessment provided through phone interview and written application process. The patient or patient's guarantor is required to cooperate and supply all documentation necessary to make the determination of financial need. Bank statements, AHCCCS declination, Social Security Income statements, tax returns and paystubs may be requested to assist in determining eligibility. If these are not available, the patient may call the hospital's financial assistance office to discuss other evidence they may provide.

It is the patient's obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.

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### **CALCULATION OF AMOUNTS CHARGED:**

The amount that a patient is expected to pay and the amount of financial assistance offered depends on the patient's insurance coverage and income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients after an adjustment.

Amounts charged for emergency and medically necessary medical services to patients eligible for Financial Assistance will not be more than the amount generally billed to individuals with insurance covering such care.

### **EXCLUSIONS:**

Charges not considered for the Charity Program included; charges incurred for elective procedures, procedures deemed not medically necessary, fertility services, and cosmetic/plastic surgery. These will not be considered under the Charity Program.

### **APPROVALS:**

Patients who qualify for financial assistance under this policy will be approved on the date the application is considered complete and signed by the Financial Counselor. Once a decision has been made for financial assistance, a letter is sent to each applicant advising them of the decision and offering payment options. Financial assistance will be approved for a period of six months. All applications for financial assistance will be processed in a timely manner and if approved, applied retroactively to all unpaid bills for eligible accounts with existing charges that were incurred within the same calendar year.

The Charity program contract will be negotiated with a mutually agreed upon, payment plan. Delivery of Charity Care does not obligate SHRMC to provide continuing care. Approval is not continuous and the need for continued financial assistance shall be re-evaluated every six months or at the time additional information relevant to the eligibility of the patient approved for financial assistance becomes known.

### **REASONS FOR DENIAL:**

Summit Healthcare Regional Medical Center may deny a request for financial assistance for a variety of reasons including, but not limited to:

- Sufficient Income
- Patient is uncooperative or unresponsive to reasonable efforts to work with the patient.
- Incomplete Financial Assistance application
- Pending insurance or liability claim
- Withholding insurance payments for injury and/or accident related claims.

### **INVESTIGATION:**

Summit Healthcare Regional Medical Center reserves the right to investigate, verify, interview and request assignment of:

- A. All benefits from any third party insurance source;
- B. All benefits from state or federal assistance programs for which the patient/guarantor may be eligible;
- C. All benefits from any charity organization; and/or

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**D. Pending litigation.**

Financial assistance is the account resolution process of last resort. As such, a patient/guarantor must fulfill all responsibilities under any of the above applicable programs or use available personal resources prior to qualifying for financial assistance. A patient/guarantor's failure to produce the requested information or participate in one of the above programs may result in denial of financial assistance.

**SPECIAL APPROVAL:**

The Business Office Director, or designee, will approve charity applications, which clearly meet the approved sliding scale, applying the appropriate adjustment. Adjustments greater than \$50,000 must be approved by the CFO.

**LIMITATIONS:**

Summit Healthcare Regional Medical Center's financial assistance does not include all costs that may be associated with medical services. The following is a non-exhaustive list of items or services that are not included in our financial assistance program:

- Transportation & Lodging
- Food
- Durable Medical Equipment
- Pharmacy Supplies
- Prescriptions provided upon discharge
- Home Health Care or services
- Smoking Cessation

**INDIGENT CARE:**

Emergency room patients who cannot pay their bills may be classified as "charity" if they do not have a job, mailing address, residence, or insurance. Consideration is also given to classifying emergency room only patients as charity if they do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care.

**GOVERNMENT ASSISTANCE:**

In determining whether an individual qualifies for charity care, other county or governmental assistance programs will be considered. Many applicants are not aware that they may be eligible for public health insurance programs or have not pursued application.

SHRMC staff will help the individual determine eligibility for governmental or other assistance, as appropriate. Persons who are eligible for programs (such as State-sponsored Medicaid/AHCCCS) but who were not covered at the time that medical services were provided may be granted financial assistance provided that the patient completes an application for government assistance.

**COLLECTION ACTIVITY:**

Summit Healthcare Regional Medical Center reserves the right to reverse financial assistance adjustments and pursue appropriate reimbursement or collections. This may occur as a result of a variety of reasons, such as newly discovered information such as insurance coverage or pursuit of a personal injury claim related to the services in question.

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Patients will receive written notification of an attempt to collect a debt a minimum of two times. One attempt will also be made using telephone information provided at the time of service. If the patient is able but unwilling to pay, the hospital will classify the account as bad debt. Summit Healthcare Regional Medical Center will make every attempt to collect outstanding balances; however, bad debt or non-compliance with the agreed upon payment schedule will result in the patient's account being sent to collections which may negatively impact their credit rating.

Summit Healthcare Regional Medical Center will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy. Collection activity will proceed based on a separate Collection Policy.

#### **CONFIDENTIALITY:**

Summit Healthcare Regional Medical Center staff will uphold the confidentiality and individual dignity of each patient. SHRMC will meet all HIPAA requirements for handling personal health information.

#### **DOCUMENTATION RETENTION AND ELIGIBILITY GUIDELINES:**

Summit Healthcare Regional Medical Center is committed to offering financial assistance to eligible patients who do not have the ability to pay for their medical services in whole or in part. In order to accomplish this charitable goal, SHRMC will widely publicize this policy in the communities that the hospital serves.

1. SHRMC will retain all charity and discounted care applications and supporting documentation for a minimum of 7 years.
2. Policy will be readily available on the SHRMC website and in Admissions.

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

System Generated Footer

Once printed, this policy may not reflect the most current version.

**Author:** Jamie Miller

**Attachments:** [Attachment A](#)

#### **Approvals:**

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CFO: 5/15, 1/17

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**References:**