

SAMPLE

Hospital Name
Charity, Uninsured, Underinsured and Uncompensated Care Plan

Prepared by Financial Services
Date

Hospital Name
Statement on Charity and Uncompensated Care

Board of Trustees

Date

The Board of Trustees of (Hospital Name) recognizes the provision of services to the indigent population and the uninsured and is compatible with (Hospital Name) mission. The Board of Trustees of (Hospital Name) is committed to education and services to the population as a whole, in concert with the financial stability of the facility. In fulfilling this commitment, an annual review of cost and free care will be established through an operational budgeting process designed to monitor the level of indigent care.

The ability of (Hospital Name) to care for the indigent and uninsured is determined by the availability of resources to finance such care. (Hospital Name) has an obligation to all patients; indigent and non-indigent alike, insured and uninsured, to provide emergency and medically necessary services. (Hospital Name) will also make proper arrangements for the transfer of patients to another provider if the needed services are not available at (Hospital Name)

(Hospital Name) may provide free or below-cost care based on available resources. This must be balanced with (Hospital Name) obligation to non-indigent and uninsured patients, and the community it serves. Balancing these obligations requires careful and continuous attention by the Board of Trustees, management and medical staff, taking into consideration the needs of the local community, the availability of alternative resources in the community, (Hospital Name) mission, legal requirements and public accountability.

(Hospital Name) will maintain a charity care and uninsured program to identify patients who have a limited ability to pay for emergency and medically necessary services. In conformity with (Hospital Name) general admission policy, the financial assistance (charity care) and uninsured program will be extended to all patients without distinction on the basis of race, color, sex, national origin, or religious affiliation. (Hospital Name) will not abandon this basic philosophy of humanitarianism in the process of evaluating the financial data offered by the patient or his/her family. Please note that (Hospital Name) will not provide free or below cost care for elective services that are described in this plan.

In balancing (Hospital Name) financial assistance (charity care) and uninsured program with its fiscal and community responsibility, (Hospital Name) will consider charity care services to its primary service area first when delivering primary care services.

General Philosophy

It is the philosophy of (Hospital Name) that all individuals who receive medical care at (Hospital Name) should be held responsible for their financial obligations. It must be recognized that a segment of the community has a limited ability to pay and, therefore, (Hospital Name) Financial Assistance and Uninsured Program was established to recognize the needs of individuals and families who do not have the financial resources to meet some or all of their obligations.

The policies and guidelines outlined in this plan were developed to insure that eligibility is determined in a fair and equitable manner. Also, it should insure that charity services remain available to all qualified recipients.

Before (Hospital Name) determines eligibility for Financial Assistance, an attempt will be made to obtain reimbursement from third parties such as Medicare, Medicaid, and private insurance for those patients who qualify for such third party reimbursement. Patients having no third party payment sources (uninsured) must either pay their obligations with an uninsured discount from their own private resources (self-pay) or they must meet the applicable eligibility requirements for free services.

Definition of Charity and Uncompensated Care

Charity Care:

Charity care covers medical care services that are rendered to individuals who are financially unable to pay for those services. An assessment of the patient's financial status may be made prior to admission (inpatient) or before health services are rendered (on an emergency admission the charity statement will be reviewed after services). If the patient cannot afford the services, the services may be rendered on a charity care basis.

Uninsured Discount Program: (Hospital Specific)

If a determination is made that a patient is uninsured for healthcare services either through lack of Private, Government or Third Party Liability, a discount of _____ from charges will be given, if paid in full within _____.

Uncompensated Care:

If a determination is made that a patient can afford to pay for health care and payment is subsequently not received, the rendering of the service becomes uncompensated care or bad debt expense.

Determining Eligibility

(Hospital Name) is committed to providing necessary care below-cost or free to those individuals who meet applicable criteria and clearly posts at all points of registration the acknowledgement of same. A written summary of such criteria

and mechanism for provision of such care will be made available upon request at all registration points.

Guidelines for Establishing Eligibility

Before a patient is determined to be eligible for the Financial Assistance Program at (Hospital Name) a financial evaluation is performed to determine the patient's financial status. This evaluation is necessary to make a determination of whether or not an individual lacks the resources to pay for the services rendered.

The following financial guidelines have been established to assist in determining whether or not an individual is eligible for (Hospital Name) Financial Assistance Program.

- A. Charity Care Guidelines
- B. Asset Guidelines
- C. Other Charity Considerations
- D. Self-Pay Discount

A. Charity Care Income Guidelines

- Income will be compared to the Federal Poverty Guidelines as published in the Federal Register annually. The patient's annual income must be equal to or less than 200 % of the Federal Poverty Guidelines to be considered medically needy and eligible for charity care.

B. Asset Guidelines (\$50,000 Net) (Hospital Specific)

Examples of assets, which may be considered, are:

- Real property
- Automobile
- Recreational vehicles
- Bank accounts

- Rental property
- Other investments

For those applicants who possess net assets in excess of \$50,000, (Hospital Specific) the following criteria will be considered:

- The applicant's ability to pay based on income.
- The applicant's ability to borrow against assets to satisfy an outstanding debt.
- The applicant's willingness to sell an asset to settle an outstanding debt.
- The applicant's ability to pay a portion of the outstanding debt.

Applicants with personal assets exceeding \$50,000 (Hospital Specific) in value and/ or exceeding the Gross Revenue Guidelines will be reviewed on an individual basis. Cases involving catastrophic medical claims, medication (proof required) will be considered for financial assistance only after consideration of A and B above.

Cases in which patients fail to meet both the established income and asset guidelines will not be eligible for consideration except in special circumstances determined by collection supervisor or management.

Applicants who do not qualify under the guidelines will be notified so they can make arrangements for paying their outstanding debt.

Real Property – A patient may exclude the family home and only one private car from the determination of liquid assets up to a maximum of \$50,000 (Hospital Specific)

Personal Property – The patient's family may exclude liquid assets of \$1,500 for each additional person up to ten. Provision of free or below-cost care to any

individual who does not meet established guidelines does not exempt the same or any other individual from applicability of the guidelines at any time.

Debt to Income Ratio – Calculation of the percent of monthly expenses (debt) divided by monthly revenues (income) ratio greater than 60% will be considered for charity.

C. Other Charity Care Considerations

- Bankrupt patients may be considered for financial assistance (charity care) upon receipt of a bankruptcy notice; all open accounts through the filing date will be included. In the case where (Hospital Name) files a proof of claim the amount will not be considered until discharge of debt has been received or paid by bankruptcy court.
- All patients applying for financial assistance will be required to provide (Hospital Name) with proper documentation of their income in the form of paycheck stubs and / or income tax returns. (Hospital Name) may conduct credit investigations at their discretion, as needed, and verification of employment and resources. No financial assistance (charity care) will be approved without the proper documentation. The application for financial assistance will be completed in the financial counselor's office or by mail and reviewed by appropriate personnel from the Patient Financial Services Department to make eligibility determinations.
- (Hospital Name) will make a determination of the patient's eligibility, whenever possible, at the time service is rendered. Financial Assistance care may be requested at any time by the patient and a determination may be made by Patient Financial Services after the

patient is treated or at any point in the billing and collection process. Accounts transferred to Bad Debt Accounts Receivable will not be considered on the application.

- Patients who have a loss or net income per month that does not allow for sufficient living expenses. Hospital guideline to be used is \$400.00 per month for a single household person and \$200.00 for each additional family member.
- Patients, who are impoverished as result of catastrophic illness, or other events, will be granted charity to the extent that payment of the bill would constitute undue hardship upon patients and family.
- Other circumstances at the discretion of management.
- For patients who have multiple visits yearly, and application will be required every 180 days to ensure all information is accurate.
- Patients who have a third party insurance (health, auto, homeowners) but meet other income/asset guidelines will not be considered for partial financial assistance until (Hospital Name) receives a payment from third party payer.
- Each application must have the applicant's signature or the application will not be approved until signature is obtained.
- Employee completing or submitting the application to patient, either in person or by mail must sign each application. Application must be documented "application mailed".

- Employee determining approval or denial of application must sign each application.

D. Self-Pay Discount

- An uninsured patient will receive a (Hospital Specific) discount from gross charges for all medically necessary services. Please note (Hospital Name) will not discount charges for elective services.

Financial Assistance Application

An assessment of a patient's financial status may be initiated by the patient requesting financial assistance or by a financial counselor as he or she routinely inquires about the patient's resources and plans for absolving his or her account balance. To facilitate the determination of a patient's financial status, the following procedures will be followed.

- The financial counselor will have the patient, guarantor, or a member of the patient's immediate family complete a financial assistance application. The financial counselor will discuss the information with the person completing the application. The purpose of the application will be to work out a monthly payment schedule that will be mutually agreeable to (Hospital Name) and the patient, referral to a federal agency such as the Department of Human Services or grant financial assistance based on the (Hospital Name) Financial Assistance Policy.

