

Charity Care, RCM.001

SCOPE

Hospital Wide

PURPOSE

The Delta Health System is committed to fulfilling its mission of providing the highest quality health care to its patients and the citizens of the Washington County Community. To assure that Delta Health System manages its resources responsibly while providing the appropriate level of assistance to the greatest number of persons in need, and to comply with provisions enacted in the Patient Protection and Affordable Care Act (PPACA) and other applicable federal, state, and local laws and regulations, the Delta Health System has established the Financial Assistance and Charity Policy.

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

Charity Care: Healthcare services that have been or will be 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 following income when computing federal poverty guidelines:

- Includes earning, unemployment compensation, Social Security, Supplemental Security Income, public assistance, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, assistance from outside the household, and other miscellaneous sources (Non-relatives, such as housemates, do not count);
- Noncash benefits, such as food stamps and housing subsidies, do not count;
- Determined on a before-tax basis; and
- Excludes capital gains or losses.

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. (Refer to Conditions of Admission, Guarantee of Payment Assignment of Benefits statement for additional information.)

Gross Charges: The total of 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 to the diagnosis or treatment of a serious injury).

POLICY

Delta Health System is committed to providing charity care to persons who have health care needs and are uninsured, under-insured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable health care services and to advocate for those who are poor and disenfranchised, Delta Health System strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Delta Health System will provide, without discrimination, care of emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance – free and discounted (partial charity) care;
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy;
- Describes the method by which patients may apply for financial assistance; and
- Describes how the hospital will widely publicize the policy within the service area of the hospital.

Uninsured patients of Delta Health System (DHS) who do not qualify for a Federal or State programs, such as Medicaid, Victims of Violent Crimes, PCIP, or an ACA insurance plan, shall be entitled to receive discounts according to Delta Health System's Self-Pay Discount Policy.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Delta Health System's procedures for obtaining charity and other forms of financial assistance, and patients are expected to contribute to the cost of their care based on their individual ability to pay. Patients with the financial capacity to purchase health insurance shall be encouraged to do so; not only as a means of assuring access to health care services and for their overall personal health, but also for the protection of their individual assets.

In order to manage its resources responsibly and to allow Delta Health System to provide appropriate levels of assistance to the greatest number of persons in need, the Board of Trustees establishes the following guidelines for the provision of patient charity.

PROCEDURE

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

- Emergency medical services provided in an emergency room setting per hospital policy for compliance with EMTALA;
- 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 nonemergency room setting; and
- Medically necessary services, evaluated on a case-by-case basis, at Delta Health System's discretion.

Eligibility for Charity. Eligibility for charity will be considered for those individuals who are uninsured, under-insured, ineligible for government health care benefit programs, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. System self pay discount adjustments are eligible for inclusion in charity care.

The granting of charity shall be based on an individualized determination of financial need and shall not consider age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

Method by which patients may apply for Charity. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may:

- A. Include an application 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;
- B. Include the use of external publicly available data sources that provide information on a patient's guarantor's ability to pay, such as credit scoring;
- C. Include reasonable efforts by Delta Health System to explore appropriate alternate sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
- D. Considers the patient's available assets and all other financial resources available to the patient; and
- E. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle up to 240 days from date of first billing. An applicant who is approved for charity care services at any DHS facility will be eligible for charity care throughout the system during an equivalent time frame (90 days) unless other resources are located to satisfy the account.

Delta Health System's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Delta Health System shall attempt to make a timely determination on a complete and conforming DHS

Application for Charity.

Presumptive Financial Assistance Eligibility. 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. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. If there is no evidence to support a patient's eligibility for charity care, Delta Health System may use outside agencies in determining estimated income amounts and other information for determining charity care eligibility and potential discount amounts. Presumptive eligibility may also be determined based on individual life circumstances that may include:

- Homelessness or the patient has recently received care from a homeless clinic;
- the patient is eligible for Food Stamps;
- the patient's valid address is low income or subsidized housing; and
- the patient is deceased, with no known estate.

Eligibility Criteria and Amounts Charged to Patients. Services eligible under this Policy will be made available to patients in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of determination.

- A. If the patient's income is at or below 200% of the applicable poverty guideline, any balance due after third party payer payment will be considered Charity Care.
- B. If the patient's income is above the poverty guideline, Delta Health System will use the following formula to determine if a Partial Charity write-off is indicated: i. Subtract the poverty guideline from the patient's income (plus liquid assets). ii. Divide the result (i) by the poverty income guideline. The resulting decimal represents the percentage of their bill for which they are responsible. iii. Multiply the outstanding balance by the percentage obtained in (ii) iv. Subtract (iii) from the amount of the bill. The difference is the Charity Care write-off. For Assistance in determining patient responsibility, contact our representative at 662-725-2855.

Eligibility Service Representative (or other DHS staff member who processes a Charity application) will document findings in the hospital's patient accounting system indicating preliminary Charity approved/disapproved and forward the Charity application to Director of Patient Financial Services. The Charity application will be reviewed by the Director of Patient Financial Services and will require the following approvals: i. Up to \$5,000.00 – Director of Business Services ii. \$5,000.01 to \$50,000.00 – Chief Financial Officer and iii. Amounts greater than \$50,000.01 – Chief Executive Officer. After approval, the Director of Business Services will: a. notify patient by letter of decision. b. If approved, process adjustment for the approved amount. All Charity Care documentation will be maintained in a designated file under the supervision of the Director of Patient Financial Services.

Communication of the Financial Assistance Charity Program to Patients. Notification about financial assistance charity available from Delta Health System, which shall include a contact number (662-725-2855), shall be disseminated by Delta Health System by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, at urgent care centers, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places as Delta Health System may elect. Delta Health System also shall publish and widely publicize a summary of this financial assistance policy on facility websites, brochures are available in patient access sites and at other places within the community served by

the hospital as Delta Health System may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Delta Health System. Referral of patients for financial assistance charity may be made by any member of the Delta Health System staff or medical staff, including physicians, nurses, financial counselors, social workers, and case managers. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws. **Relationship to Collection Policies.** Delta Health System 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 Delta Health System, and a patient's good faith effort to comply with his or her payment agreements with Delta Health System. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

Regulatory Requirements. In implementing this Policy, Delta Health System 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.

Self-Pay Discount, RCM.005

SCOPE

Hospital Wide

POLICY

Eligibility criteria

Any uninsured patient of Delta Health System (DHS) who does not qualify for a Federal or State program, such as Medicaid, Victims of Violent Crimes, PCIP, or an ACA insurance plan, shall receive a discount of fifty percent (50%) of total charges. This uninsured patient discount only applies to services that are provided by DHS and does not apply to Hospital-based physician (or other health professional) services. Additionally, this uninsured patient discount does not apply to air or ground ambulance services. DHS may also exclude other charges from receiving the uninsured patient discount, as DHS deems appropriate.

PROCEDURE

Preferred pricing discounts

Patients who do not wish to file a claim with their insurance or patients who do not have insurance may request a preferred pricing discount. DHS may offer specific pricing to these patients for qualifying hospital services through a predetermined pricing list which is available to review prior to those hospital services being provided. The Preferred Pricing Discount for qualifying hospital services shall not be less than 50% and shall not greater than 65% of gross hospital charges. Preferred pricing discounts are available for those patients who are willing to pay for qualifying services in advance (or at time of) service, but are not available once the service has been completed. Preferred pricing discounts of qualifying hospital services will be based on the physician's orders and estimated hospital charges will be provided to patients prior to services being performed. Pricing Discounts are not applicable to patient deductibles, co-insurance or other amounts considered to be the patient's responsibility under insurance or other coverage. Preferred pricing discounts will be rescinded for all Patients who do not make full payment for qualifying hospital services prior to the qualifying service being provided. In some cases, the charges for a qualifying hospital service may be underestimated. Should that occur, any additional hospital charges shall also be eligible to receive the preferred pricing discount so long as these additional discounted charges are paid within thirty (30) days of discharge.