

DELTA REGIONAL

MEDICAL CENTER

POLICY AND PROCEDURE MANUAL

DEPARTMENT REVENUE CYCLE MANAGEMENT

TITLE CHARITY CARE AND FINANCIAL ASSISTANCE POLICY

POLICY NUMBER RCM.001

APPROVED BY:

EFFECTIVE DATE 01/01/2001

REVISION DATE 05/05/2014

SCOPE

ORGANIZATION WIDE

PURPOSE

The Delta Regional Medical Center System is committed to fulfilling its mission of providing the highest quality health care to citizens of the Washington County Community. To assure that Delta Regional Medical Center 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 Regional Medical Center has established the Financial Assistance and Charity Policy

POLICY

Delta Regional Medical Center 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 Regional Medical Center strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Delta Regional Medical Center 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;
- Describes how the hospital will widely publicize the policy within the community served by the hospital;

Self pay patients are eligible for a self pay discount of 30% of charges if paid in full within one year from date of service or date of discharge. However, self pay patients in Washington County can receive additional amounts up to 100% write off based on their charity eligibility. Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Delta Regional Medical Center'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. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. In order to manage its resources responsibly and to allow Delta Regional Medical Center to provide the appropriate level 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

II. 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 earnings, 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;
- 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 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).

III. Procedures

Services Eligible Under this Policy. For purposes of this policy, "charity" or "financial assistance" refers to healthcare services provided by Delta Regional Medical Center 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 Regional Medical Center's discretion.

1. **Eligibility for Charity.** Eligibility for charity will be considered for those individuals who are residents of Washington County and 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.

2. Method by Which Patients May Apply for Charity Care.
3. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may 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;
4. Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring);
5. Include reasonable efforts by Delta Regional Medical Center to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
6. Take into account the patient's available assets, and all other financial resources available to the patient; and
7. 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 DRMC 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 Regional Medical Center'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 Regional Medical Center shall attempt to make a timely determination on a complete and conforming DRMC Application for Charity.

D. 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. In the event there is no evidence to support a patient's eligibility for charity care, Delta Regional Medical Center shall use outside agencies in determining estimated income amounts and other information as described in the hospital's Bad Debt Policy for the basis of determining charity care eligibility and potential discount amounts. Presumptive eligibility may also be determined on the basis of individual life circumstances that may include:

- Homeless or received care from a homeless clinic;
- Food stamp eligibility;
- Low income/subsidized housing is provided as a valid address; and
- Patient is deceased with no known estate.

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

1. If income is at or below **200%** of the applicable poverty guideline, any balance due after third party payer payment will be considered Charity Care.
2. If income is above the poverty guideline, 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. (See Charity Care Calculation Worksheet attached to and made a part of this policy.)

Eligibility Service Representative will document findings in **Cerner** indicating preliminary approved/disapproved and forward to Director Eligibility Services. d. Charity Care will be reviewed by the Director Eligibility Services but will require final sign-off as follows: i. Up to \$5,000 – Director Eligibility Services/Director Delta Medical Group ii. \$5,000.01 - \$10,000 – Director Revenue Cycle Management/Director of Finance DMG iii. \$10,000.01 - \$50,000 – Chief Financial Officer and iv. \$50,000.01+ – Chief Executive Officer
After approval, the Director Eligibility Services/Director DPP Representative 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 Eligibility Services/Director Delta Medical Group

F. Communication of the Financial Assistance *Charity Program* to Patients Within the Washington County Community.

Notification about financial assistance charity available from Delta Regional Medical Center, which shall include a contact number (662-725-2855), shall be disseminated by Delta Regional Medical Center 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 Regional Medical Center may elect. Delta Regional Medical Center also shall publish and widely publicize a summary of this financial assistance policy on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as Delta Regional Medical Center may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Delta Regional Medical Center. Referral of patients for financial assistance charity may be made by any member of the Delta Regional Medical Center 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 Regional Medical Center 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 Regional Medical Center, and a patient's good faith effort to comply with his or her payment agreements with Delta Regional Medical Center.

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 Regional Medical Center 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.