

Administration
Charity Care

Policy:

Policy: Saint Joseph’s Health System is a community of persons committed to being a transforming, healing presence in the communities we serve. Aligned with our core value of commitment to those who are poor, we provide care for persons who are in need and give special consideration to those who are most vulnerable, including those who are unable to pay and those whose limited means make it extremely difficult to meet the expenses incurred in receiving healthcare. The purpose of this policy is to establish guidelines for Charity Care for patients who incur significant financial burden as a result of the amount they are expected to owe “out of pocket” for healthcare services.

In addition, this policy provides administrative and accounting guidelines for the identification, classification and reporting of patients as Charity Care as distinguished from Bad Debts.

Definition of Charity Care:

Charity Care is provided to a patient with a demonstrated inability to pay. A patient is eligible for Charity Care consideration based upon meeting certain income eligibility criteria derived from the Federal Poverty Income Guidelines. Charity Care represents health care services that are provided but are never expected to result in payments. As a result, Charity Care does not qualify for recognition as receivable or net patient revenue in the financial statements.

Charity care may include unpaid coinsurance, deductibles and non-covered services if the patient meets the Charity Care eligibility criteria. Bad Debt is payment not received for service rendered for which payment was anticipated and credit extended. Bad Debt patients do not meet the criteria for Charity Care; that is, they are considered able to pay but unwilling to satisfy their outstanding obligations.

Charity Care data reporting for services provided is based on cost of patient care services, not charges, with costs being determined by application of the standard cost-to-charge ratio.

Policy:

As a member of the Catholic healthcare ministry who are deeply committed to caring for those who are poor, Saint Joseph's Hospital of Atlanta has established respectful and effective procedures for addressing the needs of those persons who are unable to pay for all or most of their care. In order to preserve the dignity of these persons and to facilitate the process of securing necessary information, Saint Joseph's Hospital of Atlanta prefers to perform financial screening upon scheduling, admission or registration as part of the overall financial counseling process. Patients who represent increased financial risk as a result of the amount they are expected to owe "out-of-pocket" should be referred to a Financial Counselor for assistance in applying for alternative payment programs (e.g., Medicaid), determining Charity Care eligibility, establishing payment plans or other financing arrangements. Financial Counseling services are to be made available to all elective, urgent and emergent patients.

Patients with insurance other than that afforded low income individuals should not have their patient liability unpaid balance, coinsurance, deductible or non-covered service written-off to Charity Care unless financial hardship can be proven.

Saint Joseph's Hospital of Atlanta provides medically necessary care to all regardless of ability to pay. Partial and/or full Charity Care is based on the individual's ability to pay. The need for Charity is a sensitive and personal issue for recipients and needs to be addressed with reverence for those who are in need. Confidentiality of information and individual dignity shall be maintained for all who seek charitable services. The mental, emotional or physical conditions and limitations of the patients shall be considered when applying criteria.

Procedure:

I. Procedures:

Eligibility Criteria: To be eligible for consideration for Charity Care, the amount owed in aggregate must exceed \$500, unless covered in Section D or F below. The following service is not eligible for Charity Care consideration: elective cosmetic surgery.

A. Charity Care Application Process

1. Any individual who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance.
2. The Statement of Financial Condition (Exhibit A) is used to document each patient's overall financial situation.
3. Credit reports may be used, when appropriate, to verify an individual's financial circumstances.
4. A patient's employment status and earning capacity is taken into consideration when evaluating a Charity Care request.
5. The data used in making a determination concerning eligibility for Charity Care should be verified to the extent practical in relation to the amount involved.
6. Once a determination has been made, a notification form is provided to each applicant advising him or her of the decision.

B. Full Charity Care: 100% Discount

A patient whose household income (as calculated on the Statement of Financial Condition) is equal to or less than 200% of the most recent Federal Poverty Guidelines qualifies for a

Full Charity Care discount.

C. Partial Charity Care

A patient whose family income is greater than 200% and less than 400% of the most recent Federal Poverty Guidelines qualifies for a Partial Charity Care discount. (See Exhibit B)

Flexible, interest-free payment plans are available (e.g., extended payment terms) as appropriate. (See Patient Financial Services policies.)

D. Medicaid Denied Patient Days and Non-covered Services:

Medicaid patients are eligible for Charity Care write-offs related to denied stays, denied days of care, and non-covered services (except those excluded under the Eligibility Criteria. These Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medicaid patients are to be classified as full charity care.

E. Catastrophic Charity Care

Catastrophic Charity Care is available for patients who do not qualify for full or partial Charity Care, (See B or C above) and whose allowable medical expenses are so significant that they are unable to pay for the necessary medical care. Allowable Medical Expenses are defined as both unpaid bills for which the patient is still responsible, incurred either before or after the Statement of Financial Condition application date, and paid bills incurred after the SFC application date.

Two conditions must be met in order to be eligible for Catastrophic Charity Care:

1. Allowable Medical Expenses must exceed 30% of applicant's Household Family Income.
2. Excess Medical Expenses exceed total available family assets.

For calculation of Catastrophic discount (See Exhibit C.)

F. Persons who are Homeless

Emergency room patients without a payment source are classified as Charity Care if they do not have a job, a mailing address, residence, or insurance. Consideration must also be given to classifying as charity emergency room only patients who do not provide adequate information as to their financial status. These cases are evaluated on an individual basis.

G. Special Circumstances:

1. Non-Medicare deceased patients without an estate or third party coverage are eligible for Charity Care.

2. Patients who are in liquidation or reorganization bankruptcy or recently completed bankruptcy are considered for Charity Care.

3. On rare occasions, a patient's individual circumstances may be such that while they do not meet the regular Charity Care criteria in this policy, they do not have the ability to pay their hospital bill. In these situations, with the approval of the designated Charity Care administrator, part or all of their cost of care may be written off as Charity Care. There must be complete documentation of why the decision was made to do so and why the patient did not meet the regular criteria. Some examples of special circumstances and relevant considerations include but are not limited to:
 - Single parents or individuals caring for elders
 - Other financial obligations
 - The amount and frequency of billings for healthcare services
 - Type of services provided (e.g., elective vs. emergency)
 - Change in employment status (i.e., loss of job)
 - Patient's address (lives in a zip code known to have a per capita income below the Federal poverty level)
 - Emergency services

H. Governmental Assistance:

1. In determining whether each individual qualifies for Charity Care, other county or governmental assistance programs should also be considered. Many applicants are not aware that they may be eligible for assistance such as Medicaid, Healthy Families Program, Victims of Crime, State Children Services, etc.

2. SJHA shall assist patients in determining if they are eligible for any governmental assistance.

3. Persons eligible for programs such as Medicaid but whose eligibility status is not established for the period during which the medical services were rendered, should be granted Charity Care for those services. Saint Joseph's Hospital of Atlanta can make the granting of charity contingent upon applying for governmental assistance. Patients are required to complete a Medicaid application.

I. Hospital Collection Efforts:

Collection effort is defined as any activity by which the hospital or its designated agent requests payment for services from a patient, a patient's guarantor or other financially responsible third party. At a minimum Saint Joseph's Hospital of Atlanta will perform the following:

- Request payment before or at time of service
- Send out an initial statement to the responsible party
- Send out subsequent billings, statements and telephone calls as needed
- Send out a final notice to the responsible party of intent to submit to collection agency actions.

Accounts with applications pending for Charity Care or other assistance programs are held until the outcome of the application is determined. A "pending application" is defined as an application that has been fully completed by the patient, submitted and is in the process of being determined for eligibility. A person may apply for Charity Care at any time during this collection effort process.

J. Collection Agency:

In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. Accordingly, each collection agency engaged should be made aware of the policy on Charity Care. This allows the agency to report amounts that they have determined to be uncollectible due to the inability to pay in accordance with the Charity Care eligibility guidelines.

If a collection agency identifies special circumstances demonstrating a particular patient as being unable (versus unwilling) to pay their bill, their liability may be considered for Charity Care, even if they were originally classified as a Bad Debt. At this time the patient should apply for Charity Care and an appropriate determination be made.

K. Eligibility Period:

The eligibility period is one year from the date of the initial eligibility determination, unless over the course of that year the patient's family income or insurance status changes to such an extent that the patient becomes ineligible.

L. Time Requirements for Determination:

While it is desirable to determine the amount of Charity Care for which a patient is eligible as close to the time of service as possible, there is no limit on the time when the determination is made. In some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information. Every effort should be made to determine a patient's eligibility for Charity care at the earliest reasonable date.

M. Definition of Income:

Household Family Income is that defined by the Internal Revenue Service (IRS), consistent with completion of annual tax forms.

Proof of earnings may be determined by annualizing pay at current earning rates; include alimony earnings and child support payments received.

I. Approval Matrix: Once Charity Care eligibility is determined, the amounts to be written off should be approved using the attached guidelines. (See Exhibit D)

II. Accounting for Charity Care:

Charity Care write-offs are accounted for in separate Deduction from Revenue general ledger accounts. One account should be used to track Charity Care given under the full and Partial Charity Care provision; the other account should be used to track Charity

Care given under the catastrophic coverage component. This allows tracking and monitoring of the amount and type of Charity Care being granted. The transaction codes used for accounting for Charity Care and their mapping to the General Ledger must be reviewed annually to ensure accuracy.

III. Roles and Responsibilities:

A collaborative review between the Senior Vice President for Sponsorship and the Chief Financial Officer shall be made of this policy annually. The SJHA Board approves the policy and the SJHS Sponsorship Committee receives quarterly reports of charity care granted.

IV. Recordkeeping:

Records relating to potential Charity Care patients must be readily obtainable.

In addition, notes relating to the Charity Care application and approval or denial should be entered on the patient's account.

V. Public Notice and Posting:

Public notice of the availability of assistance through this policy is made through each of the following means:

1. Posting notices in a visible manner in locations and in the primary languages of the service area where there is a high volume of inpatient or outpatient admitting/registration, such as the emergency department, business office, and patient access areas.

2. Posting notice of the availability of assistance and contact names and phone numbers on Saint Joseph's Hospital of Atlanta web site and patient information materials.
3. Providing uninsured patients a matrix outlining the types of financial assistance available. Upon request, a full text copy of the charity Care policy shall be made available.
4. Posting annually on the website or in print publications, a Social Accountability Report.