



BENNETT COUNTY HOSPITAL AND NURSING HOME

SERVING THE BENNETT COUNTY COMMUNITY'S HEALTHCARE NEEDS

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BUSINESS OFFICE POLICIES

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Policy Name: Charity Care

POLICY STATEMENT: Charity care is an important element in the many components of the community benefit that Bennett County Hospital and Nursing Home provides. We are committed to providing charity care to the persons who have healthcare needs and are uninsured, underinsured, ineligible for government programs, or otherwise unable to pay for medically necessary care based on their individual financial situation.

Consistent with the mission to provide compassionate, high quality, affordable health care services and to advocate for those who are poor and disenfranchised, we strive to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Charity is not considered a substitute for personal responsibility. Patients are expected to cooperate with 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.

In order to manage our resources responsibly and to allow us to provide the appropriate level of assistance to the greatest number of persons in need, the following guidance has been established.

POLICY GUIDELINES:

A) Definitions

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

- 1) **Charity Care:** Healthcare services that have 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.

- 2) **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 the purposes of financial assistance.

- 3) **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources
 - Noncash benefits (such as food stamps and housing subsidies) do not count
 - Determined on a before-tax basis
 - Excludes capital gains or losses
 - If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count)
- 4) **Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.
- 5) **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.

B) Services Eligible Under This Policy

For the purpose of this policy, "charity" refers to healthcare services provided without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

- 1) Emergency medical services provided in an emergency room setting.
- 2) Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual.
- 3) Non-elective service provided in response to life-threatening circumstances in a non-emergency room setting.
- 4) Medically necessary services, evaluated on a case-by-case basis at Bennett County Hospital and Nursing Home's discretion.

C) Eligibility for Charity

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based on a determination of financial need in accordance with this policy. The granting of charity will be based on an individualized determination of financial need, and will not take into account age, gender, race, social, or

immigrant status, sexual orientation, or religious affiliation. Bennett County Hospital and Nursing Home will determine whether or not patients are eligible to receive charity for deductions, co-insurance, or co-payment responsibilities.

D) Determination of Financial Need

- 1) 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 publicity available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring)
 - c. Include reasonable efforts by Bennett County Hospital and Nursing Home to explore appropriate alternative sources of payment and coverage from public and private payment programs
 - d. Take into account the patient's available assets, and all other financial resources available to the patient
 - e. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's account history.
- 2) It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point in the collection cycle. The need for payment assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior or at any time additional information relevant to the eligibility of the patient for charity becomes known.
- 3) Bennett County Hospital and Nursing Home'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 the patient or applicant will be notified in writing within 30 days of receipt of a completed application.

E) 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 lack of supporting documentation. Often there is adequate information provided by the patient 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,

Bennett County Hospital and Nursing Home could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- 1) State-funded prescription programs
- 2) Homeless
- 3) Participation in WIC (Women, Infants and Children) programs
- 4) Food stamp eligibility
- 5) Subsidized school lunch program eligibility
- 6) Eligibility for other state or local assistance programs that are unfunded (Medicaid spend-down)
- 7) Low income/subsidized housing is provided as a valid address
- 8) Patient is deceased with no known estate

F) Patient Charity Guidelines

Services eligible under the policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination, as follows:

- 1) Patients whose family income is at or below xxx% of the FPL are eligible to receive free care
- 2) Patients whose family income is above xxx% but not more than YYY% of the FPL are eligible to receive services at the average rates of payment Bennett County Hospital and Nursing Home would receive for providing the service from Medicare, Medicaid, or any other government sponsored health program of health benefits in which the facility participates, whichever is greater. Bennett County Hospital and Nursing Home may want to consider a sliding fee schedule as an alternative.
- 3) Patients whose family income exceeds YYY% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Bennett County Hospital and Nursing Home.

G) Communication of the Charity Program to the Community and Others

Notification about charity available from Bennett County Hospital and Nursing Home will include a contact number and will be disseminated by this facility by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in the emergency rooms, admitting office, and the patient financial services offices. Information will also be available on the facility website and in

the admissions form. Referral of patients for charity may be made by any member of the Bennett County Hospital and Nursing Home staff or medical staff. 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.

H) Collection Practices

Bennett County Hospital and Nursing Home internal and external collection practices take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a government program or for charity from Bennett County Hospital and Nursing Home, and a patient's good faith effort to comply with his or her payment agreements with Bennett County Hospital and Nursing Home. For patients who qualify for charity and who are cooperating in good faith to resolve their hospital bills, Bennett County Hospital and Nursing Home may offer extended payment plans to eligible patients, will not impose wage garnishments or liens on primary residences, will not send unpaid bills to outside collection agencies, and will cease all collection efforts.

I) Regulatory Requirements

In implementing this policy, Bennett County Hospital and Nursing Home management and facilities will comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.