I. Policy/Purpose: Community Memorial Hospital (CMH) is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, 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 high quality, cost effective healthcare to all individuals, CMH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. CMH 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
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with CMH’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 health, and for the protection of their individual assets.

In order to manage its resources responsibility and to allow CMH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

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 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 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; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

**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.

**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:**

1. **Services Eligible under this Policy.** For purposes of this policy, “charity” or “financial assistance” refers to healthcare services provided by CMH without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:
   
a. Emergency medical services provided in an emergency room setting;
   b. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
   c. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
   d. Medically necessary services, evaluated on a case-by-case basis at CMH’s discretion

2. **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 upon a determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. (CMH shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.)

3. **Method by Which Patients May Apply for Charity Care.**
   
a. 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 informa
tion and documentation relevant to making a determination of financial need;
- 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);
- Include reasonable efforts by CMH to explore appropriate alternative sources of payment and
  coverage from public and private payment programs, and to assist patients to apply for such
  programs;
- Take into account the patient’s available assets, and all other financial resources available to
  the patient; and
- Include a review of the patient’s outstanding accounts receivable for prior services rendered
  and the patient’s payment history.

b. 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. The need for financial
assistance shall be re-evaluated at each subsequent time of services if the last financial
evaluation was completed more than six months prior, or at any time additional information
relevant to the eligibility of the patient for charity becomes known.

c. CMH’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 CMH shall notify the patient or applicant in writing within 30 days of receipt of
completed application.

4. 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, CMH could use outside agencies
in determining estimate income amounts for the basis of determining charity care eligibility and
potential discount amounts. Presumptive eligibility may be determined on the basis of individual life
circumstances that may include:
   a. State-funded prescription programs;
   b. Homeless or received care from a homeless clinic;
   c. Participation in Women, Infants and Children programs (WIC);
   d. Food stamp eligibility;
   e. Subsidized school lunch program eligibility;
   f. Eligibility for other state or local assistance programs that are unfunded (e.g. Medicaid spend-
down);
   g. Low income/subsidized housing is provided as a valid address; and
   h. Patient is deceased with no known estate

5. Eligibility Criteria and Amounts Charged to Patients. Services eligible under this 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. Once a patient has
been determined by CMH to be eligible for financial assistance, that patient shall not receive any future
bills based on undiscounted gross charges for past services. For any charges for future care, it is the
patient’s responsibility to notify patient financial services of previous charity care determination to
receive the approved discounted rate. The basis for the amounts CMH will charge patients qualifying
for financial assistance is as follows:
   a. Patients whose family income is at or below 100% of the FPL are eligible to receive free care;
b. Patients whose family income is above 100%, but not more than 400% of the FPL are eligible to receive services at amounts no greater than the amounts generally billed to (received by the hospital for) commercially insured (or Medicare) patients.

6. **Communication of the Charity Care Program to Patients and Within the Community.**
   Notification about charity available from CMH, which shall include a contact number, shall be disseminated by CMH 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, in the Conditions of Admission form, admitting and registration departments, and patient financial services offices that are located on facility campuses, and at other public places as CMH may elect. CMH also shall publish and widely publicize a summary of this charity care policy on facility websites, in brochures available inpatient access sites and at other places within the community served by the hospital as CMH may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by CMH. Referral of patients for charity may be made by any member of the CMH 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.

7. **Relationship to Collection Policies.** CMH 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 CMH, and a patient’s good faith effort to comply with his or her payment agreements with CMH. CMH will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy.

   Reasonable efforts should include:
   a. Validating that the patient owes the unpaid bills and that all sources of third-party payments have been identified and billed by the hospital;
   b. Documentation that CMH has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital’s application requirements;
   c. Documentation that the patient has been offered a payment plan, but has not honored the terms of that plan.

8. **Regulatory Requirements.** In implementing this Policy, CMH 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.

III. **References:**
1. Healthcare Financial Management Association

IV. **Author:**
   Mike Harvey, President & CEO
   Lisa Voorhees, VP Clinic Operations & Support Services
   Kelly Gobber, Revenue Cycle Director
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