



**Charity Care Application**

Approval:

Date: \_\_\_\_\_

Department Director: \_\_\_\_\_

Date: \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_

Developed: 6/2006

Revised	6/2007		9/2010					
Reviewed	6/2008	7/2009	9/2010					

Policy : Charity Care

Purpose:

To establish policy/procedures to provide financial assistance to patients who do not have the ability to pay for Medically necessary services. A program established under state law that requires hospitals to provide medical care for free or at a reduced cost if the recipient of the care is not able to pay fully for the services rendered.

Objectives:

We are committed to providing medically necessary services to all patients in our community regardless of their ability to pay. Charity Care will be available on the basis of documented financial need when there are no third party payers to pay the amount due. No patient will be denied Charity Care on the basis of age, sex or sexual orientation, race, religion or national origin. Eligibility for charity care will be determined using an application process that offers patient dignity and confidentiality.

## Definitions:

- The Charity Care program provides assistance to patients who may not have the ability to pay in full for services.
- The Charity Care program will be applied to accounts owed after all other sources of reimbursement have been exhausted.
- **"Patients"** means those persons who receive care at Midwest Medical Center and the person who is financially responsible for the care of the person.
- **"Elective"** – any inpatient or outpatient hospital service that is not covered by and not considered to be medically necessary under Title XVIII of the federal Social Security Act.
- **"Dependent"** – The personal exemption the internal revenue services allows to calculate the Debtor's annual taxable income.
- **"Federal Poverty Guidelines"** – The federal poverty income annual guidelines published by the department of Health and Human Services in the Federal Register and at [www.aspe.hhs.gov/poverty](http://www.aspe.hhs.gov/poverty).
- **"Midwest Medical Center"** – Midwest Medical Center and Galena Stauss Senior Care Community.
- **"Debtor"** – A patient who is 18 years old on the date of service both parents of a patient who is less than 18 years old on the date of service; the spouse of a patient; and persons named in a court order to be legally responsible for the payment of the amounts due.
- **"Assets"** – All interests of the debtor in property other than income including, for example, bank accounts, trust accounts, tax refunds, investment accounts, stocks and bonds, probate and insurance claims, accounts receivable, but excluding the following:
  - Retirement funds in an account maintained to provide for retirement benefits through yearly tax deductible contributions into the fund.
  - The value of the homestead exception for the home the debtor owns and occupies.
- **"Medical Necessary Services"** – Services and supplies that Medicare defines as proper and needed for the diagnosis, direct care, or treatment of the medical condition; as meeting the standard of good medical practice in the community of service; and not mainly for the convenience of the patient or the treating physicians.
- **"Third Party Payer"** – Insurance providers responsible for payment of a patient's Medically Necessary Services including, but not limited to, Medicare; Medicaid; Kid Care; Family Care; all health plans; liability policies including amounts due on medical lien claims; and worker's compensation carriers.

### Charity Care Application:

- a. A Debtor must first apply for benefits from all Third Party Payers. Midwest Medical Center will assist and/or direct patients in obtaining payment from Third Party Payers.
- b. A Debtor may not receive Charity Care before each of the following requirements are satisfied.
  - All third Party Payer benefit claims are exhausted
  - The Debtor has signed the application in the space provided for certifying that all of the financial information and documents disclosed accurately reflect the Debtor's financial circumstances.
  - The Debtor has attached all financial documents requested to the application for verification of the Debtor's financial circumstances.
- c. If there is more than one Debtor for the account, Midwest Medical Center may consider the application incomplete and deny Charity Care, unless all of the Debtors on the account complete a financial assistance application.

### Eligibility Determination:

- a. The Business Office Manager will determine eligibility for Charity Care on the basis of the Debtor's assets and adjusted gross income. If the debtor's assets are insufficient to pay the amount due, the Debtor will qualify for financial assistance on a sliding scale comparing the Debtor's adjusted gross income to the Federal Poverty Guidelines.
  - Debtors with an adjusted gross income at or below 150% of the Federal Poverty Guidelines for the number of dependents in the Debtor's household will be eligible for 100% Charity Care.
  - Debtors with an Adjusted gross income greater than 150%, but equal to or less than 300% of the Federal Poverty Guidelines for the number of Dependents in the Debtor's household, will be eligible for partial financial assistance.
  - Debtors with insufficient assets to pay the amount due, and who do not qualify for Charity Care on the basis of the Federal Poverty Guidelines, will be eligible for a catastrophic charity adjustment when the total amount due to Midwest Medical Center equals at least 20% of the Debtor's adjusted gross income. Catastrophic Charity is an eighty percent (80%) adjustment off billed charges for medically necessary services.
  - A Charity adjustment may be reversed when Midwest Medical Center later learns that the Debtor failed to fully disclose or falsified financial information submitted to apply for financial assistance.

### Charity Care Notification:

- a. Midwest Medical Center will send written notification of approval or denial of Charity Care to the Debtor within 30 working days following the receipt of a completed and signed Application submitted with all requested financial information attached.
- b. If the Debtor is not eligible for 100% financial assistance, the Charity Care Notification will include notice of our payment policies for paying the balance due on the account.
- c. Midwest Medical Center will maintain a record for the total amount of Charity Care provided to patients for inspection by any government agency requiring this information to maintain exemption from federal, state or local taxes.

### Required Attachments:

In order to determine your need for Charity Care, the following information is requested in addition to the Income Determination Form:

- ✓ Most recent income tax returns and corresponding W-2 Forms
- ✓ Statements of monthly benefits from social security
- ✓ Bank statement – checking and savings
- ✓ Itemized annual earning – alimony, child support, stocks, bonds, I.R.A.'s and certifications
- ✓ Name and Address of your employer
  - Current pay stubs (Including year to date earning)
- ✓ Proof of other income (for example, interest income, pension, rental income)
- ✓ If self employed, business records including income, expenses, liabilities and assets
- ✓ If paid in cash, a signed letter from your employer indicating terms of employment including wages/salary, dates of employment, current employment status, the availability of health care benefits, etc.
- ✓ Confirmation of support letter – if the event income verification is not available and someone is providing you with room and board, we will need that person to complete and sign a letter to that effect.
- ✓ Name and address of Mortgage Holder
- ✓ Forms approving or denying Unemployment compensation or Workers Compensation

### Note:

- Applications received without sufficient and/or appropriate income documentation will be pended and letter will go in the mail to applicant letting them know what is missing and making the application incomplete. If we do not receive this requested information within 14 days and/or the applicant refuses to complete the application or provide any of the necessary documentation then the application will be denied and the patient is then responsible for the payment of the entire debt.

