



# DeSoto Memorial Hospital

## Charity Care & Financial Assistance Policy

In the spirit of our mission, to enhance the health of our community DeSoto Memorial is committed to provide quality health care services to every patient based on medical necessity. DeSoto Memorial appropriately serves patients in difficult circumstances by offering charity care and financial assistance options for those who have established the need to receive medically necessary services and have met the criteria assistance.

This policy serves to establish and ensure a fair and consistent method for uninsured and under-insured patients to apply and be considered for financial assistance related to emergency and other medically necessary services. Please note that not all medical services qualify for assistance under this policy. Financial assistance involves free or discounted care based on various factors such as household income, net worth, employment status and other information to be disclosed during the application process.

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

- A. Charity Care: Charity care is the reduction in charges made by a provider of services because of the indigence or medical indigence of the patient.
- B. Uninsured: Persons with no source of third party coverage on the date the medical services were performed. Medicaid will be considered uninsured if on the dates of service their Medicaid benefits are exhausted.
- C. Underinsured: The patient has inadequate insurance coverage leaving an out of pocket expense that exceeds his/her financial abilities.
- D. Emergency medical condition: Defined within the meaning of Section 1867 of the Social Security Act (42 U.S.C. 1395dd).
- E. Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).
- F. Gross charges: The full established price for medical care provided to patients.
- G. Self-pay balance: The amount due to a provider after services are rendered and all other payment options or reimbursement methods are exhausted.
- H. Family: A family is defined by the Census Bureau as "a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together."
- I. Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing the federal poverty guidelines:
  - 1. 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;
  - 2. Noncash benefits (such as food stamps and housing subsidies) do not count;
  - 3. Determined on a before-tax basis;
  - 4. Excludes capital gains or losses; and
  - 5. If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

- J. Bad Debt: The cost of providing care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.
- K. Applicant: Patient or other individual responsible for payment of the patient's care who seeks financial assistance.
- L. FPL: Federal Poverty Level
- M. Implicit and Explicit Price Concession: Specific situations wherein reduction in fees (known or unknown at time of service) may be applied.

**It is the policy of DeSoto Memorial Hospital to offer financial assistance** to patients who are unable to pay their hospital bills due to difficult financial situations and meet criteria for assistance. Financial assistance is not considered to be a substitute for personal financial responsibility. A financial counselor or Business Office representative will review individual cases and make a determination of financial assistance that may be offered.

DeSoto Memorial determines the need for financial assistance by reviewing the particular services requested or the care provided, insurance coverage or other sources of payment, a person's payment history and current financial situation. This process allows for a fair and accurate way to assist patients who are experiencing financial hardship. Partial or full charity care will be granted based on the individual's propensity to pay.

Eligible individuals include patients who do not have insurance and patients who have insurance, but are underinsured. Patients that have Medicaid with exhausted benefits will be considered eligible for Charity assistance. Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance.

**Other factors affecting eligibility are as follows:**

- A.** Income: The Federal Poverty Income Guidelines will be used to determine the level of financial assistance provided. The FPL guidelines are updated annually.
  - 1. The minimum criteria for full (100 %) charity write-off will be 200 % of the most recent FPL Guidelines.
  - 2. Minimum criteria for partial write-offs will be to grant patients earning between 201 and 400 % of the FPL Income Guidelines some level of financial assistance depending on the circumstances in each case.
- B.** Evaluation of Assets: The patient's household savings, checking, investment assets, and overall financial position may be considered for meeting the appropriate criteria.
- C.** Family size: In addition to annual household income, family size, including the number of dependents the applicant is responsible for, may be considered according to the FPL Guidelines.
- D.** Services Eligible Under this Policy, the following healthcare services are eligible for charity:
  - 1. Emergency medical services provided in the 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 services provided in response to life-threatening circumstances in a non-emergency room setting; and
  4. Medically necessary services, evaluated on a case-by-case basis at DeSoto Memorial Hospital's discretion.
- E.** Charity care established for non-emergency service: Is to be limited to residents in the hospital's primary service area DeSoto, Hardee and Charlotte counties. Residence is established based on the person having established legal primary residence, and maintained this residence for at least 12 months prior to requesting charity assistance.
- F.** Indigent Care: For patients whose services are initiated through the Emergency room and who cannot pay their bills may be classified as "charity" if they do not have a job, mailing address, residence, insurance or deceased. Consideration is also given to classifying emergency room only patients as charity if they do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care.

#### Method of Applying for Charity Care.

- A.** Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may include the following:
1. 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.
  2. Completed Income Certification Statement form
  3. Proof of a completed assistance application
  4. A copy of the most recent tax return
  5. A copy of the most recent bank statements from all banking or credit union institutions of the household
  6. Proof of household income (pay stubs for the last 4 weeks)
  7. Full disclosure of claims and/or income from personal injury and/or accident related claims
  8. Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history
  9. Proof of residence
- B.** It is preferred but not required that a request for charity and a determination of financial need occur prior to the 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 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.
- C.** Requests for charity shall be processed promptly and DeSoto Memorial Hospital shall notify the patient or applicant within 30 days of receipt of a completed application.

## D. Eligibility Criteria and Amounts Charged to Patients

1. The Federal Income Poverty Guidelines will be used to determine the amount charged to patients. The basis for the amounts DeSoto Memorial will charge patients qualifying for financial assistance is as follows:
  - a. Patients whose family income is at or below 200% of the FPL are eligible to receive free care;
  - b. Patients whose family income is above 201% but not more than 400% of the FPL are eligible to receive a partial adjustment of the self-pay balance;
  - c. Patients whose family income exceeds 401% 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 or other financial obligations at the discretion of DeSoto Memorial Hospital.

## E. Reasons for Denial

1. DeSoto Memorial may deny a request for financial assistance for a variety of reasons including, but not limited to:
  - a. Sufficient income or asset level.
  - b. Patient is uncooperative or unresponsive to reasonable efforts to work with the patient, including completion of the application process for Medicaid and/or Medical Assistance, and allowing all claims to be filed.
  - c. Incomplete Financial Assistance application (missing or incomplete supporting documentation).
  - d. Pending insurance or liability claim.
  - e. Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by DeSoto Memorial Hospital.

## F. Collection Activity

DeSoto Memorial Hospital 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 collection 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 DMH, and a patient's good faith effort to comply with his or her payment agreements with DMH. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, DMH may offer extended payment plans, and will not send unpaid bills to outside collection agencies. If the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

## G. Regulatory Requirements

In implementing this Policy, DeSoto Memorial Hospital shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.