

ROCHELLE COMMUNITY HOSPITAL

**Admitting Patient Accounting
POLICY AND PROCEDURE MANUAL**

TITLE: Charity Care/Financial Assistance

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EFF. DATE:

05/01/93

REVISION DATE:

08/17

Guidelines for Charity Care/Financial Assistance Program

PURPOSE: Consistent with the mission of Rochelle Community Hospital, the hospital's uncompensated care program is designed to provide a reasonable amount of services to un-insured and under-insured patients seeking services without charge or at a reduced charge. Those patients who indicate they are unable to pay full charges for the services they received may follow hospital procedures for discount consideration. All patients receiving services at RCHA may be considered eligible to apply for charity assistance.

DEFINITION:

Charity Care/Financial Assistance is defined as free or discounted care provided to patients that demonstrate inability to pay versus bad debt that results from ability to pay but unwillingness to pay.

Eligibility Categories:

1. Patients who do not have adequate health insurance coverage and/or do not have the ability to pay based on the criteria set by the hospital; all required hospital services must meet medical necessity. (Financial assistance is not available for cosmetic procedures and unnecessary treatments.)
2. Medically Indigent
 - a. Insured whose coverage is inadequate to cover care ordered by their physician at the hospital.
 - b. Person whose income is sufficient to pay for basic living expenses but not medical care.
 - c. Person who has the ability to pay part but not all of their medical expenses.
 - d. Unmarried deceased patient with no estate.
 - e. Patients who have out of state Medicaid coverage and the hospital is not able to qualify for provider reimbursement from said state program.
 - f. Transient patients whom the hospital is not able to identify permanent mailing address of patient or family members.

Procedure:

Charity Care will be given on the basis of gross family income for the past 12 months. Bills and statements sent to patients/guarantors will include verbiage asking patient to notify the business office if they feel they are unable to pay for services in full. Extraordinary Collection Activities will not resume for 240 days after the initial statement to patient.

Patient/Guarantor Responsibility:

1. Determination of Eligibility.

If approved, application is valid for up to six months. To be considered for a discount under the charity care policy, a patient must cooperate with the hospital to provide the information and documentation necessary to apply for other existing financial resources that may be available. Complete applications will include the following when available:

1. Hospital PFS staff may pre-screen to determine if patient qualifies for IL Medicaid or other type of program or assistance. Patient may be asked to apply for IL Medicaid prior to financial assistance consideration.
2. W-2 statement for all employed adult family members living in the home.
3. Proof of income for the last 3 months, this may include pay stubs, disability payments or tax returns if self-employed.
4. Most recent Federal and State Income tax returns from all employed adult family members living in the home.
5. Current pay stub/unemployment check stub or written statement of earnings from employer.
6. Statement of benefits from Social Security, Disability and/or Pension payments.
7. Copies of current bank statements to assist in determining liquid assets.

2. Federal poverty guidelines are those established by the Department of Health and Human Services based on number of family members. These guidelines will be updated annually. The matrix for this policy shall be approved by the Board of Directors or CFO as designated by the Board of Directors. The PFS Manager will maintain the poverty/charity discount matrix. See Attachment A. at the end of this policy. Discounted charges, when approved, will be equal to amounts generally billed to all payors.

3. A charity application may be filled out by a PFS, Registration or Case Management staff member for any patient who expresses an inability to pay for necessary medical services or needs assistance in filling out the application via oral communications with patient/responsible party.

4. A patient must apply for financial assistance within 240 days of the first patient statement. Patients will receive a written notice indicating if they qualified for assistance and what their new balance is.

5. A patient who qualifies for a partial discount must cooperate with the hospital to establish a reasonable payment plan. Extraordinary collection processes will proceed on remaining balances after the discount determination has been made.

6. Inquiries about financial aid and/or the completed application and support documentation should be returned in person or mail to Rochelle Community Hospital, 900 North Second Street, Rochelle, IL 61068 Attention: Patient Financial Services Department or the

Patient Access/Registration Department. Telephone correspondence can be directed to Patient Financial Services at 815-562-2181.

HOSPITAL RESPONSIBILITY

The hospital will have a charity care policy to evaluate and determine all patients' eligibility for financial assistance. Hospital will provide to all patients upon request the plain language summary policy, the financial aid policy and an application form. Any individual who qualifies for financial assistance will not be charged more than the amount generally billed to other payors.

1. Hospital will have a means of communicating the availability of charity care to all patients. These mechanisms may include but are not limited to the following:
 - a. Placing signage, information, or brochures in appropriate intake areas of the hospital stating that the hospital offers charity care and describing how to obtain information.
 - b. This information will be available in Spanish as needed.
 - c. Information will be included with the hospital bill regarding how to request information about financial assistance.
2. Staff in the hospital's financial service areas and access departments will understand the charity care policy and be able to direct questions to the proper hospital representative.
3. An eligible patient will receive a discount based on the guidelines described in Number 1 in the procedure section above.
4. After receiving the patient's request for financial assistance and the required information, a determination will be made within 30 days. The hospital will notify the patient of the results and advise them of their financial responsibilities. During this 30 day period, RCH will not continue with collection efforts until financial aid determination is made.
5. When a patient has not been approved for a 100% discount under the hospital's charity care policy, the hospital will work with the patient to set up a reasonable payment plan for balance due.
6. A determination of eligibility will be made within 30 days of receipt of completed application from patient or responsible party. An acceptance or denial letter with explanation will be sent to the patient.
7. For those patients that are determined not eligible, the hospital will attempt to work with responsible party to establish a monthly payment based on patient's ability to pay. Past due amounts not paid by responsible party will be pursued using extraordinary collection efforts.
8. Any amounts previously paid on approved patient billed will be refunded if payment results in a credit balance Status. The hospital will not pursue extraordinary collection actions for non-payment of bills against charity care patients who have clearly demonstrated that they have neither sufficient income nor assets to pay their financial obligations.
9. Legal action, including the garnishment of wages, may be taken by the hospital to enforce the terms of the payment plan when there is evidence that the charity care patient has sufficient income/assets to meet their obligations.
10. The hospital will ensure that the guidelines outlined above are followed by any external agency engaged to assist in obtaining payment on outstanding bills.

11. Related third party providers who bill patients for their professional services while at the hospital are not held by the terms of this policy with the exception of the physicians employed by RCH and known as Family Healthcare Clinic. The pathologists, radiologists, emergency room physicians nor physicians treating patients in the Multi-Specialty Clinic or Hospitalists are held accountable to offer the discounts outlined in this policy.
12. See Page 5 of policy for detailed discount scale.

This policy has been approved by the Board of Directors of the Hospital.

_____/Date_____
Chief Executive Officer

08/2017

**ROCHELLE COMMUNITY HOSPITAL
POVERTY/CHARITY CARE GUIDELINES**

Calendar Year 2018/Revised based on Fed Register published 1/18/18

Family Unit	HB Guide	<u>2</u> 100% write off	<u>2.25</u> 75% write off	<u>2.5</u> 60% write off	<u>2</u> 45% write off	<u>3</u> 34% write off
1	\$12,140.00	\$24,280.00	\$27,315.00	\$30,350.00	\$33,385.00	\$36,420.00
2	\$16,460.00	\$32,920.00	\$37,035.00	\$41,150.00	\$45,265.00	\$49,380.00
3	\$20,780.00	\$41,560.00	\$46,755.00	\$51,950.00	\$57,145.00	\$62,340.00
4	\$25,100.00	\$50,200.00	\$56,475.00	\$62,750.00	\$69,025.00	\$75,300.00
5	\$29,420.00	\$58,840.00	\$66,195.00	\$73,550.00	\$80,905.00	\$88,260.00
6	\$33,740.00	\$67,480.00	\$75,915.00	\$84,350.00	\$92,785.00	\$101,220.00
7	\$38,060.00	\$76,120.00	\$85,635.00	\$95,150.00	\$104,665.00	\$114,180.00
8	\$42,380.00	\$84,760.00	\$95,355.00	\$105,950.00	\$116,545.00	\$127,140.00

Each Addl Family Member add \$4,320.
Above guidelines excludes the states of Alaska and Hawaii

Note: Maximum amount collected in a 12 month period from an eligible patient is 25% of the family's gross income.

Scale will be updated a minimum of annually based on published Federal Poverty levels and Hospital's Medicare Cost to Charge Ratio from Federal Cost report. The amount of the charge and discount when eligible will be no more than the Amount Generally Billed (AGB) to other payors. The AGB is calculated using the 12 month look back method. The calculation for the current year is 34%.

Revised 01/19/18