

▼ Policy

As part of Bay Area Hospital's charitable purpose, it has an established system for evaluating and providing Charity Care to residents of the Health District and beyond. The Charity Care Policy is designed to provide financial assistance to uninsured and underinsured patients.

Objective: The objective of the Charity Care Policy is to provide a clear set of guidelines to be utilized in evaluating patient's/guarantor's financial ability to pay for services rendered at Bay Area Hospital (BAH). A person's medical bills are just as important as other liabilities. The ability to pay should not be reduced by discretionary spending on non-essential items.

Procedure: BAH is committed to provide financial assistance through the Charity Care Policy to patients/guarantors who have demonstrated their limited financial ability to pay for services. The qualification for Charity Care is dependant upon but not limited to income, assets and liabilities. The primary tools used to assist in the determination of the level of ability to pay are:

1. Charity Care Application Form (8221-8): This form provides income, asset and liability information that is used for qualification.
2. The Federal Poverty Guidelines (FPG) modified to allow an additional 25% of income: In addition to the FPG plus 25% of income which is the income section qualifier for 100% Charity Care adjustment, income at ranges above 125% of the FPG may qualify a patient/guarantor with a partial Charity Care adjustment from their hospital bill. The partial adjustments are set at 25%, 50% and 75% based on the income level calculations on the Application for Charity Care Consideration Form and the Form 8221-8 for the income, asset and liability evaluation. Patients approved for a partial Charity Care adjustment are not subject to the co-payment described below. When information received is not sufficient to make a determination, a credit report and/or property search may also be requested by BAH. The income and write-off levels are available in the Business Office upon request by the patient/guarantor and are attached at the end of this policy.

Charity Care Co-Pay: Patients who are approved for 100% Charity Care adjustment need to realize there is a value for the services they have received and therefore will be required to pay a small co-payment based on the following scale:

Emergency Services - \$25.00 per visit

Outpatient Services - \$25.00 per visit

RTC, IV Therapy - \$10.00 per visit
Inpatient Services - \$60.00 per inpatient admission

Psychiatric Clinic Services: These services are provided in a physician office setting and for patients who qualify for 100% write-off under the charity care policy, the following scale will be used for the patient's co-payment:

Initial evaluation: \$25.00
Subsequent Office Visits: \$20.00 per visit

If the patient qualifies for less than 100% charity care write-off under the policy, the co-payment above does not apply; the calculated percent write-off will apply, 25%, 50% or 75%. When the 100% Charity Care Adjustment is processed, a small balance will be left owing to cover the co-payment. By sharing in the cost of their care, the patient will realize there is a value for healthcare services.

Charity Care Documentation Requirements:

1. Completion of the Application for Charity Care Form (8221-8) which is attached at the end of this policy.
2. Proof of income
3. Copy of the last year of Federal Income Tax Form 1040 and any backup schedules that may be relevant.
4. If patient/guarantor states no income, then the income from the last year of Federal Income Tax Return of the person who claims the patient/guarantor as a dependant will be utilized.

Income: Income comes in many forms: paychecks from jobs, business income, unemployment compensation, Public Assistance – ADC, child support, alimony, workers compensation, Social Security, Pensions, Veterans benefits, Military allotments, annuities dividends, interest income, rental income etc.

Living Expenses: Living expenses including food, clothing, housing (mortgage or rent), automobile expenses, insurance, and child support will be considered. Living expenses are subject to a financial reasonableness threshold consistent with that allowed by the State of Oregon for Medicaid eligibility determination – the amount above the threshold is considered discretionary.

Assets: All assets will be reviewed to determine what excess property may exist as allowed by the State of Oregon for Medicaid/OHP eligibility. Excess property may include: real estate other than primary residence, savings accounts or accessible balances in "investment" type accounts, trust funds, multiple vehicles; recreational vehicles and other assets.

Existing Medical Debt: All existing medical bills and health insurance premiums

shall be considered.

Discretionary Debt: Examples include: Auto loans, RV loans, department store or other revolving accounts, credit card debt. Loans/debt will be subject to a reasonableness threshold - the amount above the threshold is considered discretionary debt.

Potential Additional Requirements:

1. Debt consolidation through a professional consumer credit organization may be required prior to approval of some level of Charity Care adjustment when the ratio of Discretionary Debt to income and/or assets is above the established threshold level.
2. Documentation of a denial of eligibility by Medicaid or OHP that includes the reason for denial.

Limitations and Disqualifications:

1. If an employer group health plan (individual and/or family) is available and the employee has chosen to not pay the insurance premium resulting in medical expenses that otherwise would have been covered, the required payment from the patient would be at the percent of billed charges at the then current Medicaid rate.
2. For patients who are insured and meet the Charity Care eligibility, the amount of Charity Care is limited to the patient deductibles and co-pays.
3. Non-covered services and/or procedures as defined by Medicare and/or Medicaid are not eligible for Charity Care write off unless the services are determined to be an immediate life threatening emergency.
4. Services that would have been covered by Medicaid if performed in a Medicaid specified site other than a hospital will not receive a Charity Care adjustment.
5. Charity Care may be limited or denied based upon an individual's future ability to pay; i.e. when their lack of income is temporary, usually due to the existence of the medical bills.
6. Only medically necessary services are eligible for Charity Care adjustments. Elective services such as cosmetic surgery and gastric bypass surgery are not eligible for charity care.

Timeliness of Application for Charity Care and additional considerations:

Charity Care applications should be completed:

1. Prior to services whenever possible
2. As soon after services are rendered as possible, not later than 180 days.
3. If financial circumstances change materially while the hospital debt is being paid, there may be further consideration to provide a Charity Care adjustment.

4. Future earnings potential may be considered when there is a history of earnings prior to application for Charity Care and the likelihood of restoration of the earnings returning.
5. Charity Care Applications must be updated at least every 6 months when services continue to be rendered. Oregon Health Plan application must also be updated to confirm eligibility or non-eligibility.
6. Oregon Law: 109.010 Duty of support. Parents are bound to maintain their children who are poor and unable to work to maintain themselves; and children are bound to maintain their parents in like circumstances.

EFFECTIVE DATE: 10/1/2005

REVIEW DATE: 12/21/2006