

**LEWIS COUNTY GENERAL HOSPITAL
LOWVILLE, NY**

PATIENT ACCOUNTING

SUBJECT: CHARITY CARE/PATIENT FINANCIAL ASSISTANCE

Effective Date: January 1, 2007

Approved By: _____

POLICY

It is the policy of Lewis County General Hospital to provide charity care allowances for individuals who demonstrate that the cost of our services will create a financial hardship. Charity care allowances are available for all services provided by Lewis County General Hospital and Hospital employed physicians. Eligible patients include all patients, regardless of race, religion, creed or national origin. Eligibility will be based upon the individual's income compared to existing federal poverty guidelines. This will be determined from the information provided on the financial assistance application. This information is combined with their eligibility for Medicaid and any other entitlement program to determine any financial assistance awarded. Patient financial assistance is available for financially eligible New York State residents, and may be voluntarily extended to all United States citizens and immigrants on a work visa. Residential Health care services, Swing Bed, Sleep Studies, Orthopedic Hardware, certain optical lenses, and the sale of hearing aides are excluded from this program.

PROCEDURE

General Information:

All information is considered strictly confidential. Applications should be stored in a "locked" file cabinet and be accessible only by the financial counselor within the Patient Accounting department along with the Patient Accounts Manager, and the Chief Financial Officer.

Staff Involved:

Registration Personnel:

- Distribute hospital financial policy along with information about financial assistance eligibility
- Refer those patients who appear to have a need for financial assistance to the Patient Accounting Department

Patient Accounting Department

- Provides charity care application to the patients.
- Assists patients with the completion of the application as necessary or upon request.

Financial Counselor/Billing Office Representative

- Reviews the completed application along with the corresponding accounts to :
 1. Determine that all available insurance and entitlements have been identified and used,
 2. Applies indigency criteria (as defined by the attached policy and principle statement) in conjunction with the federal income poverty guidelines to determine if applicants meet the need criteria.
- Forwards charity care application with recommendation for review and final approvals.
- Notifies patients by letter of final decisions within 5 business days of decision.
- Process approved applications for charity care by applying the appropriate credits to the patient's accounts.
- Maintains monthly ledger of total financial assistance awards.

- Upon receipt of denied applications, contacts the individual responsible to arrange payment of the account.

Patient Account Manager

- Either approves or denies the charity care recommendation, noting the reasons, for the denials.
- Forwards approved applications to the Chief Financial Officer.
- Forwards denied applications to the Chief Financial Officer.

Chief Financial Officer

- Approves or denies charity care recommendation.
- Forwards both approved and denied charity care applications to Credit & Collections.

SIGNATURE AUTHORITY LIMITS FOR CHARITY CARE APPROVAL

All approvals require the signature of the Patient Account Manager and the Chief Financial Officer.

INDIGENCY CRITERIA

While flexibility in applying guidelines to an individual patient's financial situation is clearly needed, objective criteria are essential for consistent and reliable accounting treatment of charity care service and bad debts.

Evaluation of the appropriate criteria in determining whether a patient is eligible for charity services must be ongoing. This review is necessary for the hospital to properly identify the extent of resources devoted to such services and at the same time exercise good stewardship in expending hospital resources. If criteria are narrow and restrictive, the goal of objective and consistent determination may be achieved at the individual patient's expense. If criteria are too broad and general the classifications...bad debts or charity services becomes highly subjective and the possibility of misclassification increases.

Flexible guidelines have been established which allow the hospital to exercise a reasonable degree of latitude in establishing eligibility for charity care. The guidelines include criteria for evaluating future as well as current ability to pay. In order to assure objectivity and consistent implementation of the charity guidelines which are established, the hospital will periodically review samples of patient accounts which have failed to meet determinations criteria as well as those which have been accepted for charity service.

In determining charity care eligibility, the hospital will consider the following guidelines and factors:

- a. Gross income will fall within established or recognized standards for determinations of poverty level, considering family size, and other pertinent factors. As a general rule, patient's gross income must not exceed 300% of the existing federal poverty guidelines. 100% reduction in account will be given when income is at or below federal poverty guidelines – patient responsibility increases as income exceeds the federal poverty guidelines as indicated below:
 1. 251% - 300% poverty guidelines – liability not to exceed reimbursement provided by major insurance companies
 2. 151% - 250% poverty guidelines – discount percentage based on sliding scale from 80% discount to 20% discount.
 3. 101% - 150% poverty guidelines – discount percentage from 10% to 20% discount.
 4. 100% poverty guidelines and lower – discounted in full.
- b. Gross income can be determined by using prior year tax statements, pay stubs, social security statements, etc. Current employment status will also be evaluated along with future earnings capacity.
- c. Eligibility must be established at minimum, on a twelve month interval, or as the applicant's financial circumstances change. A period of less than twelve months will require only a signed re-certification form along with copies of the most recent tax form and/or pay stubs.

APPLICATION PROCESS/ELIGIBILITY DETERMINATION

1. All patient requesting financial assistance must provide Lewis County General Hospital with all requested documents identifying household income.
2. Patients are encouraged to be screened by New York State Navigators or county Department of Social Services to determine eligibility for NYS sponsored programs – Family Health Plus, Child Health Plus, and Medicaid.
3. Patients must initiate financial assistance process prior to the time of collection referral.
4. The first step in that process is encouraging a patient to contact either a New York State Navigator or the county Department of Social Services and completing a Medicaid application. If you are not eligible to apply for assistance, you must complete your charity care application with the required documentation for prompt processing within 120 days from date of service. Extenuating circumstances may extend this time frame by the financial counselor.
5. A final decision of financial assistance eligibility will occur within 30 days of receipt of all necessary documentation. That documentation should include – proof of income, and Medicaid/Family Health Plus (if applicable), etc..eligibility assessment.
6. Once a decision is made a formal letter will be sent to the patient/guarantor within 15 days of decision. The letter will contain description of the decision. If denied, the specific reason for denial including the income qualifications, etc along with identifying the appeal process. If a partial discount is approved the letter will identify the income used to determine the discount percentage along with identifying the amount still due.
7. Appeals must be initiated within 30 days after notification of decision.