

Financial Assistance Program (Charity Care)

Policy No: CC 1.0



Purpose	South County Health’s Financial Assistance Program is the provision of free or discounted medical services for uninsured, under-insured, low-income Rhode Island residents otherwise ineligible for state, federal, or employer sponsored health insurance.
Effective Date	OED: 12/01/05 Last Review: 04/01/2024 Next Review: 04/01/2025
Related Policies	Billing and Collections Policy – Reference Extraordinary Actions EMTALA Administrative Policy 542 and 543
References	RIGL 23-17.14 HCA US Department of Health and Human Services Federal Poverty Guidelines IRS Revenue Rule 56-185, 1956-1 C.B. 202 IRS Revenue Rule 69-545, 1969-2 C.B 117 Internal Revenue Code 501(r) by the Affordable Care Act http://www.medicaid.gov/State-Resource-Center/MAC-Learning-Collaboratives/Downloads/Primer-for-Eligibility-Workers.pdf Executive Office of Health & Human Services (EOHHS) RIGL 42-35 Amendment
Appendix	South County Health’s Financial Assistance Program Plain Language Summary – APP 1 South County Health’s Financial Eligibility Screening Questionnaire – APP 2 Patient Financial Advocacy Program Checklist – APP 3 Participating Provider Practice List (updated quarterly) – APP 4

Overview: In 1946, Congress passed a law that gave hospitals, nursing homes and other health facilities grants and loans for construction and modernization. In return, they agreed to provide a reasonable volume of services to persons unable to pay and to make those services available to all persons residing in the facility’s area. In 1969 the IRS replaced the charity care requirement of “operating to the extent of its financial ability to patients not able to pay” with a mandated community benefit standard because it believed that Medicare and Medicaid would eliminate the need for charity care. The program stopped providing funds in 1997.

In 2007, the RI DOH implemented hospital licensing regulations that standardized the provision of charity care to uninsured Rhode Islanders with household incomes of up to 200 % of the federal poverty level (FPL). Medicaid Disproportionate Share Hospital (DSH) payments (funded by the federal government and a State revenue match) was established by the Omnibus Budget Reconciliation Act of 1981 to provide additional funding to those hospitals that treat a disproportionate share of Medicaid and low income patients. The RI Department of Human Services (DHS) administers the program and regards it as a funding source to offset hospital charity care, bad debt, and the difference between Medicaid reimbursement and the hospital expenses incurred to provide services to that population. Medicaid deducts a portion of the hospital’s license fee from the yearly DHS payment.

South County Health will provide, regardless of a patient’s ability to pay and without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance. Financial Assistance is not considered to be a substitute for personal responsibility nor is it a comprehensive health insurance. Patients are expected to cooperate with South County Health’s procedures for obtaining financial assistance and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health.

Policy: Following Plain Language Summary Guidelines

South County Health is committed to providing financial assistance to persons who have healthcare needs and are uninsured or underinsured low income individuals who are ineligible for a government program, or otherwise unable to pay, for **medically necessary care** based on their individual financial situation.

Procedure:

1. Eligible Services:

- a) Medically necessary services, evaluated on a case-by-case basis at South County Health's discretion.
 - i. Emergency medical conditions manifesting itself by acute symptoms of sufficient severity (including, without limitation, severe pain) such that the absence of immediate medical attention could reasonably be expected to result in placing the health of the individual or unborn child) in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part.
- b) Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
- c) State of Rhode Island residency requirements.

2. Non-Covered Services:

- a) Elective procedures not medically necessary, as well as services typically not covered by Medicare or defined by Medicare or other health insurance coverage as not medically necessary.
- b) May include, but are limited to Lasik Surgery, Chiropractic Care, Fertility Services, Contacts/Glasses, Cosmetic Surgery/Plastic Services, Hearing Aides, Orthodontics, Dental Services, Optometry, care received from providers not employed by South County Health (e.g. private medical or physician professionals, ambulance transport, etc.) Patients are encouraged to contact these providers directly to inquire into any available assistance and to make payment arrangements directly to those providers of service. Refer to Appendix 4 for full listing of providers covered under this policy and accepting South County Health's Financial Assistance Program.
- c) Deductibles and coinsurance associated with medically necessary services provided to patients as defined by their insurers unless otherwise approved via the appeal process defined in Section 8 of this policy.

3. Financial Assistance Eligibility:

- a) The decision to extend financial assistance will be based solely on the applicant's financial status as indicated by the Department of Health and Human Services poverty guidelines.
- b) Eligibility for financial assistance is considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy.
- c) The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
- d) The patient or the patient's guarantor are required to cooperate and supply personal, financial and

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other information and documentation relevant to making a determination of financial need.

- e) Patients are allowed to use oral communications, as well as written communications, to complete the application process.
- f) Documents required to review the financial assistance application are:
 - i. A Rhode Island license or other government issued card with address for verification or a copy of a utility bill (to serve as proof of residency).
 - ii. A listing of all dependents (who are included as family members listed on prior year's tax return as a dependent, canceled checks, or copies of money orders for support expenses).
 - iii. The official poverty definition uses money income from applicant before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).
 - iv. Proof of Income:
 - 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. If the patient has no income, a letter from unemployment or from person who supplies food and lodging indicating same.
 - 3. Current federal income tax return
 - a. If patient did not file federal income tax, the patient must request a letter #1722 from the IRS which states taxes were not filed.
 - 4. Copies of three consecutive months of current paychecks and bank statements
 - 5. Reportable income of all wage earners in the household (or injury compensation)
 - a. A family unit is defined as a group of two or more persons related by birth, adoption, marriage (legal or common law), or other legal means who either live together or who live apart and are claimed as dependents.
 - b. If a person lives with a family, the total income of all family members are used.
 - c. Non-relatives, such as housemates, do not count.
 - 6. If the above information is not available, the patient may call the Patient Financial Advocacy Office to discuss other evidence they may provide.

4. Timeframe to file:

- a) Applicants must file their applications for financial assistance within 240 days of the date of service or in the case of an inpatient stay, at date of discharge.

5. Application Review:

- a) Financial Assistance will be given to patients with gross family income equal to or below 200% of the FPL, adjusted for family size, provided such patients are not eligible for other private or public health coverage and do not exceed the assets protection threshold.

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- b) If approved, the hospital will apply 100 percentage discount and, therefore, will not require the amounts generally billed for medically necessary care to be calculated.
- c) The hospital may reserve the right to revoke financial assistance if it determines a patient has knowingly misrepresented their financial condition, the number of dependents or any other information necessary to determine financial status for purposes of this policy.
- d) Include reasonable efforts by South County Health to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs.
- e) Take into account the patient's available assets, and all other financial resources available to the patient.
- f) Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
- g) If an applicant is determined eligible for assistance, South County Health will grant financial assistance for a period of six (6) months. Financial assistance will also be applied retroactively to all unpaid bills for eligible accounts incurred for services received one (1) year prior to application date.
- h) A change in financial situation or the addition of third party payer eligibility may alter the approval period and require further review.
- i) No patient shall be denied assistance based on failure to provide information or documentation required in the application.
- j) South County Health shall determine whether or not patients are eligible to receive financial assistance for deductibles, co-insurance, or co-payment responsibilities based on appeal.
- k) Requests for financial assistance shall be processed promptly and South County Health shall notify the applicant in writing within 30 days of receipt of a **completed** application.
- l) Patients with no third-party coverage will be provided an uninsured discount at the time that the undiscounted charges are rendered. This applies to patients with no insurance coverage (self pay).

6. Presumptive Financial Assistance Eligibility:

- a) The Rhode Island Executive Office of Health and Human Services (EOHHS) provide training on the Hospital Presumptive Eligibility (HPE) Program, which allows hospital financial advocate staff to determine certain individuals as presumptively eligible for Medicaid. HPE improves individuals' access to Medicaid and necessary services by providing another channel to apply for coverage. It ensures the hospital will be reimbursed for services provided, just as if the individual was enrolled in standard Medicaid and it provides individuals with an opportunity to get connected to longer-term coverage options
- b) There are instances when a patient may appear eligible for financial assistance, but there is no application on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with financial assistance.
- c) In the event there is no evidence to support a patient's eligibility for financial assistance, South County Health may use its discretion or a third-party in determining if the patient is likely to be eligible for financial assistance or potential discount amounts.
- d) The criteria used to make determinations are:
 - i. patient is homeless
 - ii. has been approved by the court for bankruptcy

- iii. is deceased with no known estate
 - iv. patient is eligible for other unfunded state or local assistance programs
 - v. patient is eligible for food stamps or subsidized school lunch program
 - vi. patient's valid address is considered low-income or subsidized housing
 - vii. patient receives free care from a community clinic and is referred to hospital for further treatment.
 - viii. Approval of other local (RI) hospital's financial assistance programs.
- e) If South County Health determines that the patient is presumptively eligible, it provides 100% financial assistance for medical necessary treatment under the presumptive eligibility guidelines.

7. Eligibility Criteria and Amounts Charged to Patients:

- a) Services eligible under this Policy will be made available to the patient at 100%, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination.
- b) Once a patient has been determined by South County Health to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges.
 - i. Financial Assistance/Charity Care is the unbilled charges for services delivered but never recognized as revenue. The hospital's bad debt represents charges for care provided to patients who fail to pay and are written off as an operating expense.

8. Appeal Process:

- a) The patient/guarantor may appeal a denial of eligibility for financial assistance by providing additional verification of income or family size within thirty (30) days of receipt of notification of denial.
- b) Individual consideration may be provided to a patient that can demonstrate undue financial hardship, even though gross income may exceed the FPL. Exceptions must be approved by the Chief Financial Officer (CFO) or his/her designee.
- c) All appeals will be reviewed by the Chief Financial Officer (CFO) or her/his designee for final determination. An appeal by definition requires a review by at least one management level higher than that given for the original application.
- d) A request for appeal must be processed within 30 days from receipt of an appeal request. Written notification of the appeal results must be provided to the patient/guarantor.

9. Certified Application Counselors:

- a) The Rhode Island Health Center Association (RIHCA), under its contract with Healthsource RI (HSRI) and the Executive Office of Health and Human Services (EOHHS), provides Certified Application Counselor (CAC) training to Patient Financial Advocates of South County Health. The Advocates then provide application and enrollment assistance to individuals and families seeking health insurance coverage through HealthSource RI.

10. Communication of Financial Assistance Program to Patients and Within the Community:

- a) Notification about financial assistance available from South County Health, which shall include a contact number, shall be disseminated by South County Health by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in

emergency rooms, at urgent care centers, admitting and registration departments, hospital business offices, and patient financial advocate office which are located on facility campuses, and at other public places as South County Health may elect. South County Health also shall publish and widely publicize a plain language summary of this charity care/financial assistance policy on organization's website, in brochures available in patient access sites and at other places within the community served by the hospital as South County Health may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by South County Health when that population reaches 5%. Currently the notices and summary information is translated in Spanish, Italian, and French despite the fact that the population threshold has not been met.

- b) Currently the Referral of patients for financial assistance may be made by any member of the South County Health's staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

11. Relationship to Collection Policies:

- a) South County Health's policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from South County Health, and a patient's good faith effort to comply with his or her payment agreements with South County Health.
 - i. Before engaging in ECAs to obtain payment for care, South County Health WILL make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy. Refer to Patient Accounts Policy "Billing & Collections", Section II B.
- b) Patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, South County Health may:
 - i. Offer extended payment plans.
 - ii. Will not send unpaid bills to outside collection agencies.
 - iii. Will cease all collection efforts during the approval period.
 - iv. Will not impose extraordinary collection actions such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy.
- b) Reasonable efforts shall include:
 - i. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital.
 - ii. Documentation that South County Health has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements.
 - iii. Documentation that the patient does not qualify for financial assistance on a presumptive basis;

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- iv. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

12. Regulatory Requirements:

- a) In implementing this Policy, South County Health management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.