

## ***Addendum 1 to Stewardship Policy No. 15***

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**POLICY SUBJECT:**

***Financial Assistance***

**EFFECTIVE DATE: 07-01-2016**

*To be reviewed every three years by  
Executive Management*

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**REVIEW BY: 07-01-2019**

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### **PURPOSE**

This Addendum 1 modifies and supplements CHI Stewardship Policy 15 – *Financial Assistance* (“Policy 15”) as necessary to comply with Washington statutes and regulations regarding provision of Hospital Charity Care, in accordance with the “Coordination with Other Laws” section of Policy 15. This Addendum 1 applies to all Catholic Health Initiatives Direct Affiliates and Tax-Exempt Subsidiaries in the state of Washington, as defined in Policy 15.

For ease of reference, section headings in this Addendum 1 correspond with the section headings of Policy 15. Facility revenue cycle teams along with Hospital Facility leadership are responsible for the implementation of this Addendum 1 and Policy 15.

### **POLICY**

References in Policy 15 to Emergency and other Medically Necessary Care (EMCare) are to be interpreted consistently with the definitions of “Appropriate Hospital Facility-based medical services” and “Emergency care or emergency services” contained in WAC 246-453-010(7) and (11), respectively.

### **DEFINITIONS**

“Family Income” means total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual, in accordance with WAC 246-453-020 (17).

### **ELIGIBILITY FOR FINANCIAL ASSISTANCE**

1. No minimum account balance shall be required for a patient to qualify for Financial Assistance.
2. “Patient Cooperation Standards,” as defined in Policy 15, shall only apply to the extent they will:

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- allow the Hospital Facility to pursue reimbursement from any third-party coverage that may be identified to the Hospital Facility, in accordance with WAC 246-453-020(1);
- allow the Hospital Facility to make every reasonable effort to determine the existence or nonexistence of third-party sponsorship that might cover in full or in part the charges for services provided to each patient, in accordance with WAC 246-453-020(4); and
- not impose application procedures for charity care sponsorship which place an unreasonable burden upon the responsible party, taking into account any physical, mental, intellectual, or sensory deficiencies or language barriers which may hinder the responsible party's capability of complying with the application procedures, in accordance with WAC 246-453-020(5).

### **THE METHOD FOR APPLYING FOR FINANCIAL ASSISTANCE**

1. For the purposes of reaching an initial determination of sponsorship status, Hospital Facilities shall rely upon information provided orally by the responsible party. The Hospital Facility may require the responsible party to sign a statement attesting to the accuracy of the information provided to the Hospital Facility for purposes of the initial determination of sponsorship status, in accordance with WAC 246-453-030(1).
2. In accordance with WAC 246-453-030(2), in addition to the documents listed in Policy 15, any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care sponsorship status, when the income information is annualized as may be appropriate:
  - Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
  - Forms approving or denying unemployment compensation; or
  - Written statements from employers or welfare agencies.
3. If there is indication that due to the patient's mental, physical or intellectual capacity, or due to a language barrier, completing the application procedure would place an unreasonable burden on the patients, the Hospital Facility will take reasonable measures to facilitate the application process, including engaging an interpreter to assist the patient through the application process if necessary.

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4. Hospital Facilities shall make every reasonable effort to reach initial and final determinations of eligibility for financial assistance in a timely manner. Nevertheless, Hospital Facilities shall make those determinations at any time, even after the Application Period, upon learning of facts or receiving the documentation described herein, indicating that the responsible party's income is equal to or below two hundred percent (200%) of the federal poverty guidelines as adjusted for family size. The timing of reaching a final determination of eligibility for financial assistance shall have no bearing on the Hospital Facility's identification of charity care deductions from revenue as distinct from bad debts. WAC 246-453-020(10).
5. Any responsible party who has been initially determined to meet the criteria for receiving financial assistance shall be provided with at least fourteen (14) calendar days or such time as the person's medical condition may require, or such time as may be reasonably necessary to secure and to present documentation described within WAC 246-453-020(3) prior to receiving a final determination of sponsorship status.
6. In accordance with WAC 246-453-030(4), in the event that the responsible party is not able to provide any of the documentation described above, the Hospital Facility shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person.
7. In accordance with WAC 245-453-030(5), information requests from the Hospital Facility to the responsible party for the verification of income and family size shall be limited to that which is reasonably necessary and readily available to substantiate the responsible party's qualification for charity sponsorship, and may not be used to discourage applications for such sponsorship. Only those facts relevant to eligibility may be verified, and duplicate forms of verification shall not be demanded.
8. The Hospital Facility shall notify persons applying for financial assistance of their final determination of sponsorship status within fourteen (14) calendar days of receiving information in accordance with WAC 246-453-020(7); such notification shall include a determination of the amount for which the responsible party will be held financially accountable.
9. In the event that the Hospital Facility denies the responsible party's application for financial assistance, the Hospital Facility shall notify the responsible party of the denial and the basis for the denial.

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10. In the event that a responsible party pays a portion or all of the charges related to appropriate EMCare, and is subsequently found to have met the financial assistance criteria at the time that services were provided, any payments in excess of the amount determined to be appropriate shall be refunded to the patient within thirty (30) days of achieving the charity care designation. WAC 246-453-020(11).

### **PRESUMPTIVE ELIGIBILITY**

1. In the event the responsible party's identification as an indigent person is obvious to Hospital Facility personnel, and the Hospital Facility personnel are able to establish the position of the income level within the broad criteria described in WAC 246-453-040, based on the individual life circumstances contained within Policy 15 or otherwise, the Hospital Facility is not obligated to establish the exact income level or to request documentation from the responsible party, unless the responsible party requests further review.

### **ADDITIONAL PROVISION – APPEALS**

1. All responsible parties denied financial assistance shall be provided with, and notified of, an appeals procedure that enables them to correct any deficiencies in documentation or request review of the denial and results in review of the determination by the Hospital Facility's chief financial officer.
2. Responsible parties shall be notified that they have thirty (30) calendar days within which to request an appeal of the final determination of their eligibility for financial assistance. Within the first fourteen (14) days of this period, the Hospital Facility shall not refer the account at issue to an external collection agency. If the Hospital Facility has initiated collection activities and discovers an appeal has been filed, it shall cease collection efforts until the appeal is finalized. After the fourteen (14) day period, if no appeal has been filed, the hospital may initiate collection activities.
3. If the final determination of the appeal affirms the previous denial of financial assistance, the Hospital Facility shall send written notification to the responsible party and the Department of Health in accordance with state law.

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