

<b>Community HealthCare System</b>	
<b>Department:</b> Business Office	<b>Document Owner:</b> Patient Accounts Manager
<b>Policy Name:</b> Financial Assistance	<b>Date of Origin:</b> 1/1/2015 <b>Revision:</b> 1/1/2016, 3/23/2018, 11/29/2022, 2/1/2024
<b>Approved By:</b> Chief Financial Officer	<b>Page #:</b> 1 of 5

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**Purpose:**

The purpose of this policy is to define the eligibility criteria for charity care assistance and provide administrative guidelines for the identification, evaluation, classification, and documentation of patient accounts as charity care.

**Policy Statement:**

It is the object of this policy to assure compliance with all aspects of state and federal laws including the recent enactment of the *Patient Protection and Affordable Care Act of 2010* and the requirements of the *Internal Revenue Code Section 501(r)*.

**Scope Statement:**

This policy is used in the business office department, social services, health related professionals assisting in financial welfare of patients.

**Definitions:**

Definition of Income – For the purposes of this policy, income is defined as all sources of income including employment income and any unearned income.

1. Examples of income include, but are not limited to:
 

“Income includes money wages and salaries before any deductions, gross receipts from non-farm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, before deductions excluding non-cash deductions for business expenses); gross receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, before deductions for farm operating expenses excluding noncash expenses; regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker’s compensation, veterans payments, public assistance (including aid for families, SSI, etc.) and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividend, interest, net rental income, net royalties, and net gambling or lottery winnings.”
  
2. Examples of what would not be included as income include:
 

Capital gains, any assets drawn down as withdrawals from a bank, the sale of a property, a house, or a car; tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits, such as the employer-paid or union aid portion of medical insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value or rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefits programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance.

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**Procedure:**

In order to better serve the community and further our mission, Community HealthCare System (CHCS) will accept a wide variety of payment methods and will offer resources to assist the patient and responsible party in resolving any outstanding balance. CHCS will treat all patients equitably, with dignity, respect, and compassion, and wherever possible help patients who cannot pay for all or part of their care.

CHCS recognizes that there are unfortunate occasions when a patient is not financially able to pay for their medical care, and is not eligible for federal or state medical assistance programs. Since the provision of care is not dependent on patient's ability to pay, CHCS has established guidelines in which a patient may apply and qualify for charity care assistance. CHCS strives to balance needed patient financial assistance with the broader fiscal health system responsibilities to ensure our mission is viable for all we serve in our community.

We will ensure our policy is effectively communicated to those in need, that we assist patients in applying and qualifying for known programs of financial assistance, including Medicaid, and that all policies are accurately and consistently applied. We will administer this policy in conjunction with the CHCS Uninsured Discount Program.

Community HealthCare System identifies two types of charity care assistance: those patients who will qualify for fully discounted services, and those eligible to receive sliding scale partial discounted services. This amount of assistance will be based on information provided by the patient, as outlined in the following documentation. Our income guidelines will be based on the US Department of Health and Human Services Poverty Guidelines, updated annually. In addition, CHCS offers assistance to determine eligibility in government sponsored programs, other insurance coverage, and assist in setting up payment arrangements if necessary.

1. It is the policy of CHCS to identify charity care that is provided to patients according to the guidelines included in this document.
2. Charity care is defined as medical care/services provided at a discounted rate (either partial or fully) to patients who do not have or cannot obtain adequate financial resources or other means to pay for their care.
3. All patients eligible for financial assistance will be charged less than gross charges for any emergency and medically necessary care. Eligible patients will not be charged more than the amounts generally billed to individuals who have insurance covering such care.
4. Partially discounted and full charity care will be based solely on ability to pay and will not be judged on the basis of any particular race, color, religion, national origin, ancestry, creed, handicap, sex, age, marital status, physical or mental handicap, sexual orientation, or citizenship status.

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5. Emergency admission, treatment, screening, and/or stabilization services will not be delayed or denied due to coverage or payment ability.
6. Classification of medical services as charity care can occur at any time with all reasonable efforts being made first to determine other available financial resources.
7. Charity is applicable to all emergency care and “medically necessary” health care services provided by CHCS and its employed providers. (Please see list of providers under the “Our Physicians” tab at [chcsks.org](http://chcsks.org).) “Medically necessary,” for this purpose, means any hospital service including supplies provided by a hospital to a patient for services. Specifically excluded from coverage under this policy are elective or cosmetic surgeries, but not plastic surgeries designed to correct disfigurement caused by injury, illness, or congenital defect or deformity.

The intent of this policy is to meet the healthcare service needs in our community for those patients served by CHCS that are uninsured or significantly underinsured.

Community HealthCare System will have a means of communicating the availability of the charity care policy to all patients. Forms of communicating the charity care policy include, but are not limited to:

1. Placing signage, applications, brochures, etc. in prominent locations throughout the facility, including but not limited to patient check-in locations at each clinic.
2. Designating staff members or a department to explain the charity care policy to the patient.
3. Using strategies with statements to provide patients with charity contact information, including application information, coverage issues, and other third party governmental programs.
4. Providing a link on CHCS’s website at [www.chcsks.org](http://www.chcsks.org).

CHCS staff in the Patient Financial Services and Registration departments will understand the charity care policy and will be able to direct questions regarding the policy to the proper representative. The staff that regularly interacts with patients will also be familiar with the charity care policy, and if necessary will be able to direct questions regarding the policy to a knowledgeable representative or department.

### **Qualifications & Eligibility Guidelines**

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Eligibility for financial assistance is based upon an individual or family income in total compared to the CHCS Schedule of Discounts, based on the current year's HHS Poverty Guidelines. These guidelines are revised annually, subject to changes in the CPI and are published in the spring of each year. At a minimum, the schedule of discounts will define a financially qualified uninsured/underinsured patient as being eligible for up to a 100% discount with income up to **250%** of federal poverty guidelines.

\*All patients who are approved for full charity will owe a nominal fee for service as follows:

Clinic/Lab/Radiology/Therapy Services	\$25.00	per visit
Inpatient/Observation/ER Services	\$100.00	per visit

**Documentation required for Income Verification**

1. Last three paycheck stubs with income listed
2. Completed income tax return with W2s for the previous calendar year, if required to file
3. A statement of earnings from the Social Security Office, if no W2s
4. Any other information that CHCS may deem necessary to make the most appropriate charity determination.

Failure to meet the above criteria provides grounds for denial of charity care. Charity care levels of income may be verified for either the previous twelve months or annualized. In addition to historical information, future earning capacity along with the ability to meet those obligations within a reasonable time may be considered. Providing false information or excluding requested information may result in the denial of application and eligibility. This financial information is considered confidential and is protected to ensure that such information will only be used to assist in enrolling or evaluating eligibility for financial assistance.

Upon approval of a patient for charity care, the services charity will carry forward for a period of 90 days, upon which time you will be required to re-apply for assistance.

Any residual balances after Crime Victim Compensation payment has been received will be treated as charity and adjusted off accordingly.

Documentation showing assistance from State or Federal Programs (i.e. Food Stamps, Section 8 Housing, or other programs) would be considered a complete application without other documentation required.

**Procedure for Assistance from CHCS Staff:**

1. Complete financial assessment of patient.
  - a. Include family living arrangements, employment, income and resources.
2. Discuss options and resources with patient.
3. Assist patient in completing applications and/or forms for appropriate resources and/or hospital financial assistance if needed.
4. Notify Business Office if financial assistance application is needed.

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5. If patient makes too much money, if requested by the patient contact other agencies in community or county for assistance.

### **Presumptive Charity Eligibility**

In the absence of a completed charity application, charity may be considered when supported by other collaborating information. There are cases where a patient may be eligible for charity care, but has failed to cooperate by completing a charity application or providing adequate supporting documentation. When there is adequate third party collaborating information obtained through alternative sources (including the use of a Third Party Financial Assistance Screening Tool), this information could provide sufficient evidence to provide the patient up to 100% charity care assistance.

### **Approval Process**

Charity care must be approved by our CFO. These approval limits will be considered for all open accounts on an account-by-account basis as opposed to aggregate, where a patient has multiple qualifying accounts. All applications will be notified of their ultimate approval or denial. See [Federal Poverty Checklist](#)

### **Actions in the Event of Non-Payment**

CHCS will not engage in extraordinary collections actions against patients before making reasonable efforts to determine whether the patient has insurance coverage or is eligible for financial assistance.

### **Related Documents:**

[Financial Assistance Application](#)  
[Poverty Checklist](#)

### **References:**

1. Department of Health & Human Services Federal Poverty Guidelines
2. **KanCare Application for Families and Children**  
[kc-1100-families-with-children-medical-assistance-application-6-21.pdf \(ks.gov\)](#)
3. **Kancare Application for the Disabled and Elderly;**  
[kc-1500-elderly-and-persons-with-disabilities-medical-assistance-application-06-21.pdf \(ks.gov\)](#)
4. **Federal Poverty Guideline:** [Federal Register :: Annual Update of the HHS Poverty Guidelines](#)