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Applicability:	<i>Sutter Health System</i>

Medical Foundation Charity Care and Low Income Uninsured Policy, 14-284

PURPOSE

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

POLICY

Sutter Health’s mission statement, **“To enhance the health and well-being of people in the communities we serve through compassion and excellence”**, reflects Sutter’s social accountability to the communities in which we are located. Providing charity care (financial assistance) to the low-income uninsured, along with other community benefit services is important evidence of Sutter’s mission fulfillment. It is imperative that the determination, reporting, and tracking of charity care are in concert with our not-for-profit mission and community obligation.

Charity care will be based on the individual’s ability to pay as defined by Federal Poverty Income Guidelines. Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPAA requirements.

All Sutter Medical Foundations will use this policy along with individualized implementation procedures. Sutter Health must approve any modification in writing.

Definition of Charity Care:

A low-income uninsured patient is eligible for Charity Care consideration based on meeting the income eligibility criteria as established by the Federal Poverty Income Guidelines.

Charity care and discounts provided by this policy are generally not available for “elective procedures”, however, in certain cases an exception may be made. These exceptions require approval by the medical foundation administration. Specialized, high-cost services (i.e. experimental procedures, etc.) requiring charity care are also subject to the review of medical foundation administration prior to the provision of service.

Final determination regarding eligibility for charity care for patients traveling from outside of the medical foundation’s immediate service area is left to the discretion of the individual medical foundation.

PROCEDURES

Eligibility Criteria:

A. Charity Care Application:

1. A low income uninsured medical foundation patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for charity care assistance.
2. The Sutter Health standardized application form, shown as the "Statement of Financial Condition" on **attachment A**, will be used to document each patient's overall financial situation. This application should be available in the primary language(s) of the medical foundation service area.
3. A sample of the "Medical Foundation Charity Care Calculation Worksheet" (**see attachment B**) is provided to aid the medical foundations in determining the amount and type of charity care for which the patient may be eligible.
4. Once a determination has been made a "Notification Form" (**see attachment C**) will be sent to applicants advising them of the facility's decision.
5. Credit reports may be used when appropriate to verify an individual's financial status.
6. A patient's employment status may be taken into consideration when evaluating charity care status as well as potential payments from pending litigation and third party liens related to the incident of care.
7. The amount and frequency of medical foundation bills may also be considered.
8. The data used in making a determination concerning eligibility for charity care should be verified to the extent practical in relation to the amount involved.

B. Full Charity Care:

The basic standard for full charity care write-off will be a minimum 200% of the most recent Federal Poverty Income Guidelines.

C. Medi-Cal Denied Patient Days and Non-covered Services:

Medi-Cal patients are eligible for charity care write-offs related to denied charges and non-covered services. These Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal patients are to be classified as charity.

D. Catastrophic Charity Care:

In order to qualify for Catastrophic Charity Care Circumstances the uninsured medical foundation patient must meet the expense qualification as described below:

Expense Qualification: The patient's Allowable Medical Expenses must exceed 30 percent of his or her Family Income determined as follows:

- i. The Medical Foundation will multiply the Family Income as determined in Section J by 30 %
- ii. The Medical Foundation will determine the patient's Allowable Medical Expenses.
- iii. The Medical Foundation will compare 30% of the Family Income as determined in Section J to the total amount of the patient's Allowable Medical expenses. If the total of the Allowable Medical Expenses is greater than 30% of the Family Income, then the patient meets the Catastrophic Charity Care qualification. The Medical Foundation will subtract 30% of the Family Income from the Allowable Medical Expenses to determine the amount by which the Allowable Medical Expenses exceed the available income; this amount is then eligible for a charity care write-off.

Eligibility Period: The eligibility period is one year from the date of the initial eligibility determination, unless over the course of that year the patient's family income or insurance status changes to such an extent that the patient becomes ineligible.

E. Homeless Patients:

Homeless patients without a payment source may be classified as charity if they do not have a job, mailing address, residence, or insurance.

F. Collection Agency:

If a collection agency identifies a patient meeting the medical foundations charity care eligibility criteria their patient account may be considered charity care, even if they were originally classified as a bad debt. Collection agency patient accounts meeting charity care criteria should be returned to the medical foundation billing office and reviewed for charity care eligibility.

G. Special Circumstances:

1. Deceased patients without an estate or third party coverage will be eligible for charity.
2. Patients who are in bankruptcy or recently completed bankruptcy may be eligible for charity.
3. While it is not the policy of Sutter Health to routinely waive co-pays and deductibles, a patient's individual circumstances may be such that while they do not meet the regular charity care criteria in this policy, they do not have the ability to pay their bill. In these situations, with the approval of management, part or all of their cost of care may be written off as charity care. There must be complete documentation of why the decision was made to do so and why the patient did not meet the regular criteria. The documentation should include an asset test and/or credit check.

H. Governmental Assistance:

1. In determining whether each individual qualifies for charity care, other county or governmental assistance programs should also be considered. Many applicants are not aware that they may be eligible for assistance such as Medi-Cal, the Healthy Families Program, Victims of Crime, or California Children Services
2. The medical foundation should assist the individual in determining if they are eligible for any governmental or other assistance.
3. Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for the period during which the medical services were rendered, may be granted charity care for those services. A medical foundation may make the granting of charity contingent upon applying for governmental program assistance. This may be prudent, especially if the particular patient requires ongoing services.

I. Time Requirements for Determination:

1. While it is desirable to determine the amount of charity care for which a patient is eligible as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information.
2. Every effort should be made to determine a patient's eligibility for charity care. In some cases, a patient eligible for charity care may not have been identified prior to initiating external collection action. Accordingly, each entity's collection agency should be made aware of the policy on charity care. This will allow the agency to report amounts that they have determined to be uncollectible due

to the inability to pay in accordance with the facility's charity care eligibility guidelines.

J. Definition of Income:

1. Annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support.
2. Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earning rates.

K. Approval Matrix of who can grant Charity Care Write-off's:

Each medical foundation, depending on their departmental make-up, levels of management and size, should have an approval level matrix for charity care (**see attachment E**).

L. Accounting for Charity Care:

To allow the Medical Foundations to track and monitor the amount and type of charity care being granted, each medical foundation will account for the charity care write-offs in separate Deduction from Revenue general ledger accounts for outpatients as follows:

44800-0000 Charity write-offs using the full charity care provision

44800-0002 Charity write-offs using the catastrophic charity care provision

The transaction codes used for accounting for charity care and their mapping to the General Ledger must be reviewed periodically to ensure accuracy.

M. Roles and Responsibilities:

Procedures must be adopted that clearly address the various responsibilities in the determination of charity care. This includes the contact with the patient, provision of information and assistance to the patient, making the determination of charity care eligibility, and notifying the patient.

N. Recordkeeping:

Records relating to potential charity care patients must be readily obtained. Consideration should be given to maintaining a central file and spreadsheet of the Statement of Financial Condition, Charity Care Recommendation Summary forms and final disposition.

In addition, notes relating to charity application and approval or denial should be entered on the patient's account.

O. Application of Policy:

This policy does not create an obligation to pay for any charges or services not included on the medical foundation bill for the date of service approved for Charity Care. This policy does not apply to services provided by Radiologists, Pathologist etc.

P. Public Notice and Posting:

Public notice of the availability of assistance through this policy should be made through each of the following means:

1. Posting notices in a visible manner in locations where there is a high volume of patient admitting/ registration, billing offices, admitting offices, clinics and other point of service settings.
2. Including language on bills sent to uninsured patients statements indicating:
 - a. If the patient meets certain income requirements the patient may be eligible for a government-sponsored program or for financial assistance from the medical foundation.
 - b. A medical foundation phone number that patients may call for further information.

3. Posting notice of the availability of assistance and a contact phone number on the medical foundation's web site.
4. Providing uninsured patients a matrix outlining the types of financial assistance available.

Posted notices (as listed above) shall be in the primary language(s) of the medical foundations service area and in a manner consistent with all applicable federal and state laws and regulations. Posted notices shall contain the following information:

1. A statement indicating that the medical foundation has a financial assistance policy for low-income uninsured patients who may not be able to pay their bill and that this policy provides for full or partial charity care write-off.
2. Identification of a medical foundation contact phone number that the patient can call to obtain more information about the policy and about how to apply for assistance.

All revision dates:

1/1/2009

Attachments:

[Exhibit A - Statement of Financial Condition](#)
[Exhibit B - Medical Foundation Charity Care Calculation Worksheet](#)
[Exhibit C - Notification Form: Sutter Health Eligibility Determination for Charity Care](#)
[Exhibit D - Sutter Health Charity Care Eligibility Guide](#)
[Exhibit E - Authorization for Charity Write-Off](#)

Applicability

Alta Bates Summit Medical Center, Briggsmore Specialty Center, California Pacific Medical Center, Capitol City Surgery Center, Carlsbad Surgery Center, Central Valley Region, Coast Center Orthopedic & Arthroscopic Surgery, East Bay Endoscopy Center, East Bay Region, Eden Medical Center, Fort Sutter Surgery Center, Golden Gate Endoscopy Center, Mills Peninsula Orthopedic Surgery Center, Memorial Hospital Los Banos, Memorial Medical Center Modesto, Penolo Park Medical Hospital, Mid-Peninsula Endoscopy Center, Mills-Peninsula Medical Center, North Bay Regional Surgery Center, Novato Community Hospital, Otay Lakes Surgery Center, PAMF Surgery Center Fremont, PAMF Surgery Center Los Altos, PAMF Surgery Center Mountain View, PAMF Surgery Center Palo Alto, PAMF Surgery Center San Carlos, PAMF Surgery Center San Jose, Palo Alto Medical Foundation, Peninsula Eye Surgery Center, SMF-Surgery and Endoscopy Center, Sac Sierra Region, Samuel Merritt University, San Francisco Endoscopy Center, San Leandro Surgery Center, Santa Rosa Surgery and Endoscopy Center, Stanislaus Surgical Hospital, Stockton Surgery Center, Sutter Alhambra Surgery Center, Sutter Amador Hospital, Sutter Amador Surgery Center, Sutter Auburn Faith Hospital, Sutter Auburn Surgery Center, Sutter Care at Home, Sutter Center for Psychiatry, Sutter Coast Hospital, Sutter Davis Hospital, Sutter Delta Medical Center, Sutter East Bay Medical Foundation, Sutter Elk Grove Surgery Center, Sutter Fairfield Surgery Center, Sutter Gould Medical Foundation, Sutter Health Plus, Sutter Health System, Sutter Health System Office, Sutter Institute for Medical Research, Sutter Lakeside Hospital, Sutter Maternity & Surgery Center, Sutter Medical Center Sacramento, Sutter Medical Foundation, Sutter Pacific - Kahi Mohala, Sutter Pacific Medical Foundation, Sutter Physician Services, Sutter Roseville Endoscopy Center, Sutter Roseville Medical Center, Sutter Santa Rosa Regional Hospital, Sutter Senior Care, Sutter Shared Lab, Sutter Sierra Surgery Center, Sutter Solano Medical Center, Sutter Surgery Center Division, Sutter Surgical Hospital North Valley, Sutter Tracy Community Hospital, Walnut Creek Endoscopy Center, West Bay Region