

Wray Community District Hospital
1017 West 7th St.
Wray, CO 80758
(970)332-4811

Subject: Charity Care

Department: Patient Financial Services

Approved By: Jennie Sullivan, CFO _____ Revised: 06/17/2013

I. Purpose:

WCDH is dedicated to providing quality healthcare to all patients regardless of age, sex, race, religion, national origin and/or ability to pay. WCDH assures completion of a charity financial evaluation at the earliest possible point in the registration/billing process for all patients unable to meet their financial obligation once all other options for reimbursement have been exhausted.

II. Policy:

- A. Uninsured or underinsured patients who are unable to pay for hospital services are Charity Patients. Charity Care represents health care services that have been or will be provided but are not expected to result in cash flows. The criteria for charity consideration eligibility will be based upon income (as compared with poverty levels established on an annual basis by the United States Department of Health and Human Services), household size, assets, and liabilities, estimated medical bill, or other extenuating circumstances.
- B. Patients eligible for charity consideration will receive medically necessary services on an uncompensated or reduced level based upon a determination of financial need in accordance with this policy. If only a portion of the bill qualifies for write off, the patient will be responsible for paying the remaining balance.
- C. Upon approval for charity consideration, charity write-offs will be processed promptly in accordance with procedures and state statutes and regulations.
- D. Patients who are able, but unwilling, to pay for hospital services are considered bad debts. Patients who are considered bad debts are referred to outside agencies for collection unless eligible for adjustment under another WCDH policy.
- E. For patients covered by contractual agreement, the difference between gross charges and gross reimbursement is considered a contractual allowance and not charity care.
- F. If a patient qualifies for AHCCCS or a state Medicaid program (“AHCCCS/Medicaid”) after a bill is incurred with WCDH, a bill (or portion thereof) incurred prior to such qualification but which is not covered by AHCCCS/Medicaid solely because of a delay in qualification for AHCCCS/Medicaid will be eligible for a charity write-off. Any bill incurred while the patient was ineligible for AHCCCS/Medicaid due to spend down requirements or excess income is not eligible for a charity write-off unless otherwise eligible under Section II.A above. A patient

who fails to fully cooperate with the Medicaid eligibility process will not be eligible for Charity Care.

G. Charity care may be granted subject to the following approval limits:

Up to \$5,000 – CFO

Over \$5,000 – CEO and CFO

H. The CFO will be responsible for monitoring the appropriateness of charity care charges, patient days, and allowances.

III. Procedure/Intervention(s):

A. Document Charity Care:

1. When a request for Charity Care is initiated, the patient will be referred to the Business Office to be screened. The screening process will be identified as early as possible in the billing cycle. The screening process includes, but is not limited to:
 - *Completion of an application requesting charity care.
 - *Income documentation, such as recent paystubs, bank statement, W-2, or signed attestation from employer verifying gross monthly income.
 - *Proof of denial from AHCCCS/Medicaid, CICIP, & all other governmental programs for which the patient may be eligible.
 - *State or Federal issued Photo I.D.
2. Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination.
3. Approval levels for the Charity Care program will be approved by the CFO or CEO, based on the FPL Guidelines as well as a review of the requested financial documentation.
4. Documentation showing the patient's qualification Charity Care is kept in the Business Office. All documentation will be retained in accordance with WCDH's Record Retention Policy.
5. In the event that the applicant is denied, the patient will be advised of payment plan guidelines available.

Patient's meeting the following criteria will be automatically eligible for Charity Care:

*The individual must be uninsured.

*Family income must be at 400% or less of the Federal Poverty Level (FPL).

*The services provided must not be eligible for discount under the Colorado Indigent Care Program (CICP).

Charity Care information will be made available and readily accessible to the public at all registration areas and on the WCDH website.

IV. Additional Information:

| WCDH CHARITY GUIDELINES* | HOUSEHOLD SIZE |
|--------------------------|----------------|
| \$45,960.00 | 1 |
| \$62,040.00 | 2 |
| \$78,120.00 | 3 |
| \$94,200.00 | 4 |
| \$110,280.00 | 5 |
| \$126,360.00 | 6 |
| \$142,440.00 | 7 |
| \$158,520.00 | 8 |
| \$174,600.00 | 9 |
| \$190,680.00 | 10 |
| \$206,760.00 | 11 |
| \$222,840.00 | 12 |
| \$238,920.00 | 13 |
| \$255,000.00 | 14 |
| \$271,080.00 | 15 |

***Based on 400% of 2012 Federal Poverty Guidelines. The guidelines are to be automatically updated annually to 400% of Federal Poverty Guidelines, as in effect at the time of the charity care evaluation. Additional ability to pay criteria is used in the CICP Ability to Pay Scale. This is used when evaluating eligibility for the program.**

| INCOME LEVEL* | DISCOUNT PERCENTAGE |
|---------------|---------------------|
| 200% or below | 100% |
| 250% | 80% |
| 300% | 60% |
| 350% | 40% |
| 400% | 20% |

***WCDH Charity Care Discount Scale**