



Business Office

Business Office P&P Manual

Policy Name: Charity Care
Policy Number: BS.404
Approval Date: 07/08/2010
Approved by: Don Gardner

I. POLICY

To provide financial relief for qualifying medical expenses incurred by qualifying patients who do not have adequate resources to pay for acute medical care received at Caldwell Memorial Hospital (CMH) and Caldwell Physicians Network (CPN). CMH and CPN each year provides medical services at minimal or no cost to persons meeting financial eligibility based on Family size and Income utilizing Poverty Guidelines established by the Department of Health and Human Services, as well as and other criteria.

II. PURPOSE

To ensure universal access to quality medical care for non-elective services provided by Caldwell Memorial Hospital regardless of ability to pay for patients meeting defined criteria. Charity care for patients seen by the CPN is limited to those services that are acute or relate to treating a chronic condition.

III. PROCEDURE

A. Caldwell Memorial Hospital's charity care guidelines are established based upon Family Size, Income Poverty Guidelines published annually by the Department of Health and Human Services, household income and assets.

B. Charity care is secondary to all other financial resources available to the patient, including group or individual medical plans, workers' compensation, Medicare, Medicaid, medical assistance programs, other state, federal, or military programs, third party liability situations (e.g., auto accidents or personal injuries), or any other situation in which another person or entity may have a legal or implied responsibility to pay for the costs of medical services. In addition, Charity care will not apply to account(s) with an aggregate balance under \$1,000 for the Hospital or balances under \$250 for the CPN.

C. Formal applications for consideration must be complete, accurate and include verifiable proof of income and/or assets (which cannot exceed \$3,000). (i.e. W-2 forms, tax returns, payroll check stubs, a written statement from an employer, bank statements, letter/forms approving or denying Medicaid, etc.) It is the

responsibility of the patient to provide this information as soon as possible and before services are rendered if at all possible. If application is submitted after services are rendered, it must be completed within 14 days of the date of service when medically possible.

D. Only residents of Caldwell county and employees of CMH will be eligible under this charity care policy. Services covered are those that are of an emergent or urgent (acute) nature. Services do not include those that are elective or that are of a non-emergent or non-acute nature.

E. Patients with catastrophic hospitalization costs (CMH uses the guidelines of outliers under the definitions established by Medicare and other insurance plans to gauge catastrophic) in relation to their personal assets and income, may be considered medically indigent and qualify for charity care. Poverty guidelines and sliding scale fee schedules below are based on the total number of dependents in the family, gross income of the household and other household resources.

- Medical care--No cost to patient: may be available for those whose income level is below 125% of the National Poverty Guidelines income level.
- Medical care--Those whose income level is between 125% and 200% of the National Poverty Guidelines May receive a percentage of service at no cost based on a sliding scale.

F. Once an application is approved for charity care, all retroactive accounts (excluding bad debt accounts) may be included in the charity care determination. Patients can only be approved for charity care once a year for the Hospital and once every six months for the CPN. Recurring services, such as physical therapy or wound services may be approved on a six month basis. If any bills occur after the charity care adjustments have been made, they will not be considered under the Charity care approval. Charity care applications and documentation will be kept on file for seven years after the approval date for audit purposes.

G. Caldwell Memorial Hospital reserves the right to reverse uncompensated services provided by this Charity care policy if the information provided on the application is determined to be false or if proof is obtained that the applicant has received compensation for services from another source.

H. CMH views the responsibility for medical services rendered to patients without resources for non elective services to be a community responsibility. CMH will work in concert and cooperation with the Caldwell County Safety Net initiative, the Department of Health, the Division of Medical Assistance, Federal Rural Health Centers (West Caldwell Health Council), Helping Hands clinic and other agencies and organizations in the County.

I. Notwithstanding CMH's desire to make medical services available regardless of a patient's ability to pay, charity care is subject to annually determined budgeted amounts. In order to remain financially viable and to practice prudent fiscal stewardship, annual budgeted amounts will be determined in concert with the Hospital's annual budgeting process.

