

	Policy No:	106.14
	Effective Date:	07/28/2009

HOSPITAL POLICIES & PROCEDURES

Category:	Financial
Title:	CHARITY CARE AND PARTIAL CHARITY CARE
Applicability:	Thomas Jefferson University Hospitals, Inc. ("TJUH")

PURPOSE

Thomas Jefferson University Hospitals, Inc. ("TJUH") is committed to treating patients with dignity and consideration regardless of their financial circumstances.

POLICY

It is the policy of TJUH to provide financial assistance in the form of Charity Care and Partial Charity Care to patients residing in its Local Service Areas (see Attachment 1) who require Medically Necessary care and who are ineligible for Medicaid; have exhausted or limited insurance benefits; and meet household income and asset criteria or Medical Indigence standards as set forth in this policy.

TJUH considers each patient's ability to pay for his or her Medically Necessary medical care, and extends Charity Care or Partial Charity Care to eligible patients residing in its Local Service Areas who are unable to pay for their care in accordance with this policy. This policy sets forth the eligibility procedures for Charity Care and Partial Charity Care in compliance with applicable federal, state, and local law.

Patients seeking emergent care at TJUH shall be treated without regard to their ability to pay for such care. TJUH shall operate in accordance with all federal, state, and local requirements for the provision of health services, including screening and transfer requirements under the Federal Emergency Medical Treatment and Active Labor Act (EMTALA). See Policy #113.36.

DEFINITIONS

Charity Care: 100% free medical care for Medically Necessary services provided by TJUH. Patients who are Uninsured or Underinsured for a medically necessary service, who are ineligible for governmental or other insurance coverage, and who have family incomes not in excess of 200% of the Federal Poverty Guidelines are eligible to receive Charity Care. (See Attachment 2).

Medically Indigent: Patients who, despite their income, have a low level of liquid assets such that payment of their medical bills would be seriously detrimental to their basic financial well-being and survival.

Medical Necessity: Any diagnostic study, procedure or treatment needed to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause suffering or pain, result in illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available.

Partial Charity Care: Care at a discounted rate for Medically Necessary services provided by TJUH. Patients who are Uninsured or Underinsured for a medically necessary service, and who have family incomes in excess of 200%, but not exceeding 500%, of the Federal Poverty Guidelines, are eligible to receive Partial Charity Care in the form of a discount of up to sixty-five percent (65%) off inpatient and/or outpatient charges. (See Attachment 3). However, patients who would otherwise qualify for Partial Charity Care but who have sufficient liquid assets available to pay for care without becoming Medically Indigent are not eligible for Partial Charity Care.

Presumptive Charity Care Eligibility: A determination that a patient is presumed eligible for Charity Care when adequate information is provided by the patient or through other sources which allow TJUH to determine that the patient qualifies for Charity Care. (See Attachment 4)

Uninsured Patient: An individual who does not have any third-party health care coverage from either: (a) a third party insurer, (b) an ERISA plan, (c) a Federal Health Care Program (including without limitation Medicare, Medicaid, HealthChoices, CHIP, adult Basic and TRICARE), (d) Workers' Compensation, (e) Healthcare Reinsurance or Savings Accounts, or (f) other coverage, for any part of the bill, including claims against third parties covered by insurance to which TJUH is subrogated, but only if payment is actually made by such insurance company.

Underinsured Patient: An individual who has medical insurance coverage that is limited in the scope of covered services or policy maximums such that his or her medical bills are not fully covered.

PROCEDURE

I. Identifying Patients Eligible for Charity Care or Partial Charity Care

- A. Patients who qualify for Charity Care or Partial Charity Care shall be identified as soon as possible, either before or after care is provided.
- B. If it is difficult to determine a patient's eligibility prior to the provision of care, such determination shall be made as soon as possible, but no later than

18 months after the provision of care.

- C. TJUH shall publish and post signage and internet notices to advise patients of the availability of Charity Care and Partial Charity Care in the English, Spanish, Chinese, and Vietnamese languages.

II. Dissemination of Eligibility Information

- A. Patients identified through the registration process who appear to be Uninsured or Underinsured and who indicate their inability to pay for Medically Necessary services shall receive:
 - 1. A packet of information that describes this Charity Care policy and relevant procedures, including an application for financial assistance and/or,
 - 2. Financial counseling, including an application for financial assistance.
- B. Translation assistance to complete necessary forms is available for those patients who are not proficient in reading, writing, or speaking English.
- C. In order to allow TJUH to properly determine Charity Care or Partial Charity Care eligibility, documents provided to patients by TJUH shall be written in English, and translation assistance will be provided as needed.

III. Eligibility Methodology

- A. TJUH shall adhere to an established methodology to determine eligibility for Charity Care and Partial Charity Care. The methodology shall consider whether health care services meet Medical Necessity criteria, as well as income, family size, and resources available to pay for care.
- B. All available financial resources shall be evaluated before a determination regarding Charity Care or Partial Charity Care is made. TJUH shall consider the financial resources of the patient, as well as other persons having legal responsibility to provide for the patient (e.g. parent of a minor, spouse).
- C. Copies of documents to substantiate income levels and assets shall be provided by the patient/guarantor (e.g.: W-2, Tax Returns, Pay Stubs, Bank Statements)
- D. The patient/guarantor shall be required to provide information sufficient for TJUH to determine whether he or she is eligible for benefits available from insurance, Medicare, Medicaid, Workers' Compensation, third party liability, and other federal, state, or local programs.

1. If in the course of evaluating the patient's financial circumstances it is determined by TJUH that the patient may qualify for federal, state, or local programs or insurance coverage, financial counseling will be provided to assist patients in applying for available coverage. Charity Care and Partial Charity Care will be denied to patients/guarantors who do not cooperate fully in applying for available coverage.
 2. Patients with Healthcare Reinsurance or Medical Savings Accounts are insured for purposes of this policy, and the amount on deposit will be considered as an available resource toward payment for Medically Necessary services.
 3. If a patient has a claim (or potential claim) against a third party from which the hospital's bill may be paid, the hospital will defer its Charity Care determination pending disposition of the third party claim.
- E. Eligibility for Charity Care or Partial Charity Care shall be determined using a sliding scale based on 200-500% of the Federal Poverty Level Guidelines as published annually in the Federal Register, as well as consideration of available assets and any extenuating circumstances. (See Attachment 3)
- F. Eligibility for Charity Care and Partial Charity Care will extend for up to 180 days from the date eligibility is determined.
- G. Patients/guarantors shall be notified in writing when TJUH makes a determination concerning Charity Care or Partial Charity Care.
- H. In the event that TJUH determines that a patient is ineligible for Charity Care or Partial Charity Care, the patient may appeal that decision in writing to the Senior Director of Business Services within thirty (30) days following receipt of the bill for which financial assistance has been requested. Failure to so appeal will result in the decision becoming final. The determination of the Senior Director of Business Services shall not be subject to further appeal.
- I. This policy covers hospital services only. Services provided by physicians and other non-hospital services are not covered by this policy. Patients seeking a discount for such services should contact the physician or other provider directly.
- J. All information obtained from patients and guarantors shall be treated as confidential to the extent required by the Health Insurance Portability and

Accountability Act of 1996 (HIPAA).

IV. Guidelines for Collection

The following collection guidelines shall apply to hospital bills for patients eligible for Partial Charity Care:

- A. Patients extended Partial Charity Care must sign a written agreement to pay the amount of the hospital bill remaining after application of the Partial Charity Care discount. The patient will receive a bill showing charges, the Partial Charity Care discount, and the amount due. TJUH will negotiate and agree upon a reasonable payment schedule with the patient/guarantor.
- B. Payment will not be pursued in a manner that will render the patient Medically Indigent.
- C. Lawsuits shall not be instituted by TJUH unless adequate written opportunity to resolve the unpaid amount has been ignored or rejected by the patient/guarantor. TJUH General Counsel shall pre-approve all lawsuits.
- D. If there is a reasonable belief that there are income or assets available to fulfill the payment obligation, TJUH will not take legal action to place a lien, seize property or garnish wages.
- E. TJUH will not require sale or foreclosure of a primary residence with a market value of less than \$250,000 except in special circumstances approved in writing by TJUH's General Counsel.
- F. When appropriate under applicable law, TJUH may pursue debt collection from financially responsible family members.

V. Presumptive Charity Care Eligibility

- A. A patient may qualify for Charity Care if the patient meets presumptive eligibility guidelines. A patient may be presumed eligible when adequate information is provided by the patient or through other sources which allows TJUH to determine that the patient qualifies for Charity Care. (See Attachment 4)
- B. Presumptive eligibility only applies to Charity Care eligibility determinations, and may not be used for Partial Charity Care eligibility determinations.

VI. Medical Indigence

- A. TJUH shall make a decision about a patient/guarantor's medical indigence by reviewing relevant documentation concerning any circumstance which would demonstrate that a patient should be considered eligible for a Charity Care or Partial Charity Care on the basis of Medical Indigence.
- B. The patient shall apply for Charity Care or Partial Charity Care in accordance with the Charity Care policy.
- C. TJUH shall obtain or generate documentation that supports the Medical Indigence of the patient. The following are examples of such documentation:
 - 1. Copies of all patient/guarantor medical bills.
 - 2. Information related to patient/guarantor drug costs.
 - 3. Information demonstrating multiple instances of high-dollar patient medical liabilities.
 - 4. Other evidence of high-dollar amounts related to healthcare costs, such as documentation that an HSA that has been fully expended.

VII. Charity Care Exception Review

- A. The TJUH Senior Director of Business Services and Senior Vice President for Finance and Chief Financial Officer shall meet as needed to evaluate information related to patient accounts that do not clearly qualify under Charity Care or Partial Charity Care eligibility criteria to determine whether Charity Care or Partial Charity Care is appropriate under the circumstances. The types of patient accounts to be reviewed shall include, but not be limited to:
 - 1. Medically Indigent patients;
 - 2. Patients who do not reside in the Local Service Areas; and
 - 3. Patients who have substantial non-liquid assets.

VIII. Compliance Monitoring

- A. The Chief Compliance Officer (CCO) shall periodically conduct audits to ensure compliance with this Policy.

IX. Amendments/Interpretation

- A. This Policy is subject to change without prior notice, is subject to interpretation by TJUH at its sole discretion, and is not intended to create any contractual relationship or obligation.

- B. The Senior Director for Business Services and Senior Vice President for Finance and Chief Financial Officer shall determine the need for revisions to this Charity Care Policy and shall submit revisions for review to the CCO and General Counsel.

References:

- **JHS Minimum standards for Charity Care, 10/28/04**
- **HHS Poverty Guidelines (Department of Health and Human Services)**

Attachment 1: [Local Service Areas](#)

Attachment 2. [Federal Poverty Guidelines](#)

Attachment 3. [Charity Care and Partial Charity Care Table](#)

Attachment 4. [TJUH Financial Assistance Application Presumptive Eligibility](#)

Contributing Departments: Business Services, Compliance, General Counsel

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	(Signature on File) <hr/> Approved by: Thomas J. Lewis President and CEO, Thomas Jefferson University Hospitals