

SUBJECT: CHARITY CARE	REFERENCE #
DEPARTMENT: CFO/BUSINESS OFFICE	PAGE: 1
	OF: 5
APPROVED BY: CCMH BoD 06/15/2016	EFFECTIVE: 1/15/2007
	REVISED:11/01/2016

## Cavalier County Memorial Hospital – Charity Care Policy

### Purpose:

To provide the steps necessary for administration of Charity Care by this hospital.

### Definitions:

1. Charity Care is defined as inpatient and outpatient medical treatment and diagnostic services for uninsured or underinsured patients who cannot afford to pay for the care according to established hospital guidelines. Charity Care does not include bad debt or contractual shortfalls from government programs, but may include insurance co-payments, co-insurance, recipient liability, deductibles or a combination.
2. Bad Debt is defined as expenses resulting from treatment or services provided to a patient and/or guarantor who, having the requisite financial resources to pay for health care services, has demonstrated by his/her actions an unwillingness to comply with the contractual arrangements to resolve a bill.
3. Amounts Generally Billed is defined as the average amount billed to insurance organizations from CCMH, to include contractual discount. The “AGB limit” is the average amount billed after discount across all payors for CCMH.

### Policy:

1. Non-discrimination: This hospital shall render services to all members of the community who are in need of medical care regardless of the ability of the patient to pay for such services. The determination of full or partial Charity Care will be based on the patient's ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, sexual orientation or national origin.
2. Charity Care Services: All available health care services, inpatient and outpatient, shall be available to all individuals under this policy.
3. Confidentiality: The need for Charity Care may be a sensitive and deeply personal issue for recipients. Confidentiality of information and preservation of individual dignity shall be maintained for all who seek charitable services. Orientation of staff and the selection of personnel who will implement this policy and procedure should be guided by these values.
4. Staff Information: All hospital employees in patient accounting, billing, and registration will be fully versed in the hospital's Charity Care policy, have access to the application forms, and be able to direct questions to the appropriate hospital representatives.

SUBJECT: CHARITY CARE	REFERENCE #
DEPARTMENT: CFO/BUSINESS OFFICE	PAGE: 2 OF: 5
	EFFECTIVE: 1/15/2007
APPROVED BY: CCMH BoD 06/15/2016	REVISED:11/01/2016

5. Amounts Generally Billed (AGB): CCMH will calculate the AGB limit based upon annual audited financial data, and will update this quarterly with the discount data calculated internally. Patients qualifying for a charity care discount will not pay more for services than the AGB discount limit.

6. Criteria: The facility criteria for charity care will minimally follow the Federal poverty Income Guidelines. Those individuals whose income fall below the minimum criteria would be eligible for 100% charity care allowance. All other discount criteria are listed in the chart below (based purely on income and family size). Charity Care Discounts will be evaluated on remaining patient responsibility (after insurance payments and discounts are applied). Charity Care Discounts will look back 12 months from the initial application date.

7. Family/Household Income: Income will be calculated on a weighted scale utilizing the last 3 months' income and the previous years' income. Income documentation to be provided includes last year's tax return, bank statements, and paystubs. No assets or liabilities will be utilized in the calculation for Charity Care, only income and family size.

Definitions (NHSC):

- Family is defined as: a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.
- Income includes: earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. Noncash benefits (such as food stamps and housing subsidies) **do not** count.

SUBJECT: CHARITY CARE	REFERENCE #
	PAGE: 3 OF: 5
DEPARTMENT: CFO/BUSINESS OFFICE	EFFECTIVE: 1/15/2007
	REVISED:11/01/2016
APPROVED BY: CCMH BoD 06/15/2016	

The patient share is listed at the bottom of the table:

2016 CCMH Charity Care Discount Schedule: (Based on 2016 Federal Poverty Income Guidelines):

Family Size	Less Than/ Equal To	Greater Than	Less Than/ Equal To	Greater Than	Less Than/ Equal To
1	\$11,880	\$11,880	\$17,820	\$17,820	\$23,760
2	16,020	\$16,020	\$24,030	\$24,030	\$32,040
3	20,160	\$20,160	\$30,240	\$30,240	\$40,320
4	24,300	\$24,300	\$36,450	\$36,450	\$48,600
5	28,440	\$28,440	\$42,660	\$42,660	\$56,880
6	32,580	\$32,580	\$48,870	\$48,870	\$65,160
7	36,730	\$36,730	\$55,095	\$55,095	\$73,460
8	40,890	\$40,890	\$61,335	\$61,335	\$81,780
Each Add'l Family Member	4,160	6,240		8,320	
% Poverty Level	100%	150%		200%	
Charity Care Discount	100%	70%		40%	
Patient Share	0%	30%		60%	

8. Requests for Information: Charity care approval will require the patient's cooperation in supplying information as follows:

- A. Medical Assistance Determination (proof of Medicaid denial required)
- B. Most recent tax return copy
- C. Copy of current wage verification (3 months paystubs/bank statements)
- D. Completed Charity care application

If the above items are not received, then the application cannot be processed. A notification will be sent out to the applicant requesting this information. Patients who are unable to provide written verification must provide a signed statement of income, and why they are unable to provide independent verification. This statement will be presented to CCMH's Executive Team for review and final determination as to the sliding fee percentage. Self-declared patients will be responsible for 100% of their charges until management determines the appropriate category.

SUBJECT: CHARITY CARE	REFERENCE #
DEPARTMENT: CFO/BUSINESS OFFICE	PAGE: 4
	OF: 5
APPROVED BY: CCMH BoD 06/15/2016	EFFECTIVE: 1/15/2007
	REVISED:11/01/2016

9. Approval Notification: Charity requests may be submitted to the approved facility representative(s). At that time, approval of the request will be granted within ten (10) working days if all aspects of the application are met. Approval for charity care must be reviewed and approved by the Business Office Manager and/or the Chief Financial Officer.

10. Denial: If a patient is denied Charity Care, the patient shall be informed in writing within ten (10) working days.

11. Continuing Eligibility: If a patient has applied and obtained Charity Care within the last twelve (12) months and the patient's financial circumstances have not changed, the patient shall be deemed eligible for Charity Care without having to submit a new Charity Care application.

12. Expired Patients: Patients who have died and have no estate are deemed to have no income for the purpose of determining Charity Care eligibility.

13. Collections: If a patient that is eligible for Charity Care fails to make regular payments, the discount will be removed when they are sent to collections (after 4 months of continuous statements). Further information on CCMH's collections can be found in our collections policy.

14. Bad Debt: If payments are not received on the account and it goes into collections, then any charity care discount received will be reversed prior to going to bad debt. Bad debt collections will collect 100% of the original amount due.

Alternative Payment Arrangements:

Upon denial of a patient's Charity Care application, the patient will be afforded the opportunity to pay the amount over a reasonable period of time.

Recordkeeping:

1. Internal Recordkeeping: All Charity Care applications will be logged in the Charity Care control log and will be given a sequential control number. The completed applications will be kept on file for five (5) years. A copy of the patient's Charity Care application and all correspondence with the patient regarding the Charity Care application, approval, denial, etc. will be maintained in the patient's file.

2. Accounting: Charity care shall be recorded using the direct write-off method and shall comply with all accounting regulations by the American Institute for Certified Public Accounting.

Public Access:

1. The hospital shall make this policy available to the public upon request, listed on the hospital's website, and it will be posted at the entrance of the facility.

If you, or someone you know, would like a Charity Care application, please contact Marcus R. Lewis at 701-256-6177 or contact our business office at 701-256-6100. All inquiries are confidential

SUBJECT: CHARITY CARE	REFERENCE #
DEPARTMENT: CFO/BUSINESS OFFICE	PAGE: 5
	OF: 5
APPROVED BY: CCMH BoD 06/15/2016	EFFECTIVE: 1/15/2007
	REVISED:11/01/2016

### **Appendix A – Participating Providers**

1. Appendix A will be updated quarterly to maintain an accurate listing of participating providers. This entire policy will be approved by CCMH Board of Directors annually.

2. Eligible/Participating Providers – Services rendered, referred, or ordered by the following providers will be billed on a CCMH Statement and are eligible for Charity Care discount:

- Lynne Didrickson, MD
- Edgar Oliveira, MD
- Elizabeth Sillers, FNP-C
- Danielle Skaar, FNP-C
- Pamela Lorenz, PA-C
- Ashton Fischer, PA-C
- Mark Peterson, MD
- Any additional provider (locum tenens) that is billed on CCMH Statements.

3. Outreach Providers – CCMH has many outreach providers that provide services within our facility. These providers bill separately and are not eligible for the CCMH Financial Assistance Policy. Common Outreach Providers include Altru Health System, Valley Bone & Joint, Northern Valley OB, Voyager Radiology, & Stadter Center.

Any questions on Charity Care qualified services can be directed to our Business Office Manager at 256-6279 or our Chief Financial Officer at 256-6177.