

Washington County Hospital

Financial Assistance / Charity Policy

Washington County Hospital recognizes people who owe the hospital money often delay seeking essential medical care. This often leads to avoidable hospitalizations, late stage diagnoses of cancer and other serious diseases, and the unchecked spread of communicable diseases. In an effort to improve health and promote wellness in our community, WCH has developed the **Financial Assistance Plan**.

The **Financial Assistance Plan** will be applied to any medically necessary inpatient or outpatient service, and any medically necessary prescription drug. Assistance will apply after all third party payments have been applied. The amount of assistance will be based on the Federal Poverty Guidelines at a graduated step level recognizing family size and family income, as well as other resources available to the family.

Patients with insurance other than that afforded to low income individuals will not have their unpaid balances written off unless financial hardship can be proven. A special catastrophic provision will apply to those whose income exceeds the upper limit for partial assistance but whose medical expenses have depleted individual or family income and resources to the point that they cannot pay for medically necessary services. Under the catastrophic provision any medically necessary services which have a patient liability which exceeds fifty percent (50%) of their annual income will qualify for assistance.

A Patient Financial Assistance Worksheet and supporting documents must be submitted before consideration is given for financial assistance. Household expenses or debts are not considered because they are difficult to verify. Application should be made while the account is a current account with the hospital. Approval for financial assistance will be as follows:

Less than \$2,500.00

Director of Patient Accounts

Greater than \$2,500.00

Chief Financial Officer

Financial Assistance / Charity Policy Procedures

Washington County Hospital will implement a formal charity procedure called the **Financial Assistance Plan**.

Bad Debt is defined as payment not received for services rendered for which payment is anticipated and credit is extended. Bad debt patients do not meet the criteria for charity care; that is they are considered able to pay, but unwilling to satisfy their outstanding obligations.

Charity Care is defined to include all the under reimbursed costs of caring for low income patients who either are enrolled in a government program, such as Medicaid, or are uninsured. These patients' circumstances meet the Hospital's established charity care policy, and the patients are judged to be financially unable to satisfy their obligations. Services eligible for charity care "free care" include any medically necessary service, whether delivered on an inpatient or outpatient basis, and any medically necessary prescription drug.

Criteria for determining the amount of charity services for which a patient is eligible at the time of service or during the billing and collection process could include a mixture of any of the following factors:

- Individual or family income or net worth
- Employment status and earning capacity
- Family size
- Other sources of payment for services rendered
- Type of services provided, whether elective or medically necessary
- Cost to provide services exceeds third party payments for services

The Financial Assistance Plan consists of two separate programs:

- **Regular Financial Assistance:** Provisions for full free care for the uninsured or underinsured up to an income level that reflects the federal poverty level based on family income and family size. Provisions for partial free care for the uninsured or underinsured whose income is between the limit for free care and an upper limit of 200% of the federal poverty level based on family income and family size.

A patient financial assistance worksheet is to be completed by the debtor. Supporting documentation must be submitted to substantiate financial need. Two or more of the following may be used:

- Form W-2
- Income tax return (Federal or Iowa)
- Forms approving or denying unemployment or workers compensation.
- Written verification from public welfare agency or any government agency attesting to patients income status for the past twelve months

Family income is compared to the attached chart which is based on the Federal Poverty Guidelines. A review is made to see if there are any assets that can be used to pay the account.

- **Catastrophic Financial Assistance:** Provisions for free care for those whose income exceeds the upper limit for partial free care but whose medical expenses have depleted individual or family income and resources to the point that they cannot pay for medically necessary services.

To qualify for this program the patient's portion of the bill must exceed fifty percent (50%) of the annual family income.

All steps for regular financial assistance are to be followed for documenting the need.

The portion that will be written off is that portion that exceeds the fifty percent (50%) of the annual family income.