ELLENVILLE REGIONAL HOSPITAL

TITLE: CHARITY CARE

DEPARTMENT: PATIENT FINANCIAL SERVICES

APPROVED BY: PATRICIA GAVIS, CFO

EFFECTIVE: 6/2004

REVISED: 1/2008

STATEMENT & PURPOSE:
To establish guidelines for processing and approving Charity Care.

POLICY:
Ellenville Regional Hospital recognizes the responsibility to provide access to quality health care services that reflects the community's needs. Within the service area of the hospital there are those citizens requiring healthcare whom access complete funding to pay for services delivered to them.

Patients who present themselves for emergency or urgent care will not be turned away because of their inability to pay. Charity care will not be made available for non-medically necessary services such, but limited to, cosmetic surgery, patient convenience items or elective procedures.

Charity care is defined as health care services provided at no charge or at a reduced charge to patients who do not have nor cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to bad debt which is defined as a patient and/or guarantor who, having the financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve a bill. Partial or full charity care will be based solely on ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, or national origin.

PROCEDURE:
1. Obtain a request for financial assistance.
2. Review the patient’s information for possible insurance coverage and other self-pay options, such as credit cards and payment plans. Charity write-offs require due diligence and every effort should be made to collect on the account including utilizing standard collection procedures until charity criteria are established. After all third party and personal resources have been exhausted, evaluate the patient for Medicaid. A Medicaid application is required to be completed and received by Medicaid in a timely manner (within 2 weeks) from the responsible party.
   A. If Medicaid denies the application due to not qualifying, the guarantor is responsible for supplying the Financial Counselor with a copy of the Medicaid denial letter.
   B. Upon receipt of the Medicaid denial letter, a Charity Care application is required to be completed in a timely manner by the responsible party. The time period allowed for completion of the application is ten (10) working days. The patient/responsible party

Developed By: Geri Miedreich
Date: 6/04
must include the most recent Federal Tax return, last two (2) pay stubs and a complete financial statement.

3. The Financial Counselor receives the required information along with the Charity Care application and verifies employment. If the information is false the application will be immediately denied.

4. The Financial Counselor evaluates the information provided in the application in conjunction with Ellenville Regional Hospital Poverty Guidelines to determine the write-off percentage. The following guidelines will be used in the sliding scale.

- Families with incomes at or below the HHS guidelines will receive 100% discount.
- Families with incomes between the HHS guideline and 150% will receive 75% discount
- Families with incomes between 151% and 250% will receive a 50% discount
- Families with incomes between 251% and 300% will receive a 25% discount
- Charity Care will not be considered for families with incomes over the 300% threshold

The following schedule of uncompensated care will be used in determining the family’s qualification:

**CHARITY CARE GUIDELINES**

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>HHS POVERTY</th>
<th>150%</th>
<th>250%</th>
<th>300%</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$10,400</td>
<td>$15,600</td>
<td>$26,000</td>
<td>$31,200</td>
</tr>
<tr>
<td>2</td>
<td>$14,000</td>
<td>$21,000</td>
<td>$35,000</td>
<td>$42,000</td>
</tr>
<tr>
<td>3</td>
<td>$17,600</td>
<td>$26,400</td>
<td>$44,000</td>
<td>$52,800</td>
</tr>
<tr>
<td>4</td>
<td>$21,200</td>
<td>$31,800</td>
<td>$53,000</td>
<td>$63,600</td>
</tr>
<tr>
<td>5</td>
<td>$24,800</td>
<td>$37,200</td>
<td>$62,000</td>
<td>$74,400</td>
</tr>
<tr>
<td>6</td>
<td>$28,400</td>
<td>$42,600</td>
<td>$71,000</td>
<td>$85,200</td>
</tr>
<tr>
<td>7</td>
<td>$32,000</td>
<td>$48,000</td>
<td>$80,000</td>
<td>$96,000</td>
</tr>
<tr>
<td>8</td>
<td>$35,600</td>
<td>$53,400</td>
<td>$89,000</td>
<td>$106,800</td>
</tr>
</tbody>
</table>

% OF DISCOUNT | 100% | 75% | 50% | 25% |

**FOR FAMILIES WITH MORE THAN EIGHT MEMBERS, ADD $3,600 FOR EACH ADDITIONAL MEMBER.**

The Ellenville Regional Hospital Poverty Guidelines are to be updated annually with the basis being the Department of Health and Human Services (HHS) Federal Poverty Guidelines.
5. If the information supplied supports the fact that the patient qualifies, and “Adjustment Request” form is completed and sent to the appropriate authorization level for approval.

<table>
<thead>
<tr>
<th>AUTHORIZATION LEVELS</th>
<th>APPROVAL RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Counselor</td>
<td>$0.00 - $1000.00</td>
</tr>
<tr>
<td>Manager PFS</td>
<td>$1000.00 and above</td>
</tr>
</tbody>
</table>

6. After review and determination, the original is returned to the Financial Counselor:
   A. If denied, a denial letter will be mailed to the patient/guarantor
   B. If approved for 100%, the patient will be mailed an approval letter
   C. If the patient qualifies for Charity Care based on the sliding scale, the patient will be required to pay the outstanding amount. The Financial Counselor will contact the patient and establish payment plans. If the agreed upon payment or payment plan is not abided by, the account will revert back to the original charges and the patient held responsible for the entire bill.
   D. Monthly installment payments are capped at 10% of the patient’s gross monthly income.

7. Financial Counselors notates all activity in the CPSI system and files the original documents in the Charity file.

8. Upon approval request adjust accounts using the appropriate adjustment code.

9. Our primary service area is the following counties: Ulster, Dutchess, Orange, Sullivan, Delaware, Greene and Columbia.

EXHIBIT
1. Denial Letter
2. Approval Letter
3. Financial Statement
4. Adjustment Request Form

Developed By: Geri Miedreich
Date: 6/04