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PURPOSE
St. Peter's Hospital is a community of persons committed to being a transforming, healing presence within the communities we serve. Aligned with our core value of Reverence for Each Person, we provide care for persons who are in need and give special consideration to those who are most vulnerable, including those who are unable to pay and those whose limited means make it extremely difficult to meet the expenses incurred in receiving healthcare. The purpose of this policy is to establish guidelines for Charity Care for patients who incur significant financial burden as a result of the amount they are expected to owe “out-of-pocket” for acute care health care services. In addition, this policy provides administrative and accounting guidelines for the identification, classification and reporting of patients as Charity Care as distinguished from Bad Debts.

POLICY STATEMENTS
As members of the Catholic healthcare ministry who are deeply committed to caring for those who are poor, St. Peter’s Hospital has established respectful and effective procedures for addressing the needs of those persons who are unable to pay for all or most of their care. In order to preserve the dignity of these persons and to facilitate the process of securing necessary information, St. Peter's Hospital strongly prefers to perform financial screening upon scheduling, admission or registration as part of the overall Financial Counseling process. Patients who represent increased financial risk as a result of the amount they are expected to owe “out-of-pocket” may be referred to a Financial Counselor for assistance in applying for alternative payment programs (e.g., Medical Assistance), determining Charity Care eligibility, establishing payment plans or other financing arrangements. Financial Counseling services are made available to all elective, urgent and emergent patients.

Patients with insurance other than that afforded to low-income individuals may not have their patient liability unpaid balance, coinsurance, or deductible written-off to Charity Care unless financial hardship can be proven.

DEFINITIONS
Charity Care is provided to a patient with a demonstrated inability to pay. A patient is eligible for Charity Care consideration based upon meeting certain income and resource eligibility criteria as established by the Federal Poverty Income Guideline Sliding Scale.
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Charity care may include unpaid coinsurance, co-payments, and deductibles if the patient meets the Charity Care eligibility criteria.

Charity Care represents health care services that are provided but are never expected to result in payments. As a result, Charity Care does not qualify for recognition as receivable or as patient revenue in the financial statements.

Bad Debt is payment not received for service rendered for which payment was anticipated and credit 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.

SCOPE OF AUTHORITY / COMPETENCE
Staff members who perform assessments of Charity Care includes but is not limited to:
- Financial Counselors
- Registration Associates
- Billing and Collection Representatives

PROCEDURE
St. Peter’s Hospital provides medically necessary care to all regardless of ability to pay. Partial and/or full Charity Care is based on the individual’s ability to pay. The need for Charity Care is a sensitive and personal issue for recipients will be addressed with reverence for those who are in need. Confidentiality of information and individual dignity shall be maintained for all that seek charitable services. The mental, emotional or physical conditions and limitations of the patient may be considered when applying criteria.

St. Peter’s provides annual training and new employee orientation on Charity Care, self-pay discounts, patient responsibility collection practices and other applicable policies for business office staff, patient access staff, departmental managers and appropriate vendor partners. Any individuals placing outbound calls to patients/guarantors about balances due should be thoroughly trained in customer service and utilize a prepared phone script documented in the Self-Pay and Patient Responsibility Collection Practices.

I. Eligibility Criteria: Excluded from coverage are any third parties who may be liable for payment for services.
A. Charity Care Application – Statement of Financial Condition
1. Any individual who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance.
2. The Statement of Financial Condition is used to document each patient’s overall financial situation. This application may be available in the primary language(s) of the service area.
3. Information provided on application is subject to verification by St. Peter’s Hospital.
4. A patient’s employment status and earning capacity is taken into consideration when evaluating a Charity Care request.
5. The data used in making a determination concerning eligibility for Charity Care may be verified to the extent practical in relation to the amount involved.
6. Once a determination has been made a notification form is provided to each applicant advising them of the decision.

B. Full Charity Care - 100% Discount
A patient whose household income (as calculated on the Statement of Financial Condition) is equal to or less than 200% of the most recent Federal Poverty Guidelines qualifies for a Full Charity Care discount.
C. Partial Charity Care
A patient whose household income is greater than 200% and less than 400% of the most recent Federal Poverty Guidelines qualifies for a Partial Charity Care discount. The payment that St. Peter's Hospital accepts from the patient for a service shall not exceed the payment the hospital would have received from Medicare. The discount from charges explicit in this policy is meant to approximate such payment with administrative simplicity. Should the discount calculated for any specific instance result in an amount greater than the amount that Medicare would pay for the same services in a hospital setting, the discount will be further adjusted to equal the amount that would have been expected from Medicare.

A patient with partial charity care, who expresses concern regarding the ability to pay remainder of liability due to income and assets, will be reviewed for Catastrophic Charity Qualification (see Section D).

St. Peter's will provide options for payment arrangements without requiring that the patient select higher cost options for repayment. Examples of options could include allowing for prompt pay discounts for large balances and/or establishing payment plan parameters (normally limited to 10% patients/guarantors monthly gross income. All payments are subject to the New York State Assessment for cash receipts received from Self Pay patients. Flexible, interest-free payment plans are available (e.g., extended payment terms), as appropriate. Refer to Self-Pay and Patient Responsibility Collection Procedures.

D. Catastrophic Charity Care
In order to qualify for Catastrophic Charity Care circumstances, the patient must have medical expenses unreimbursed through other means equal to at least 50% of the difference between the annual adjusted household income and 100% of the annual Federal Poverty level for the appropriate household size.

E. Medicaid Denied Patient Days and Non-covered Services
Compliant Medicaid patients are eligible for Charity Care write-offs related to denied stays, denied days of care, and non-covered services. These Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medicaid patients are to be classified as charity.

F. Presumptive Eligibility
Medicaid recipients are presumptively eligible for any services covered under the Charity Care Program but not covered by Medicaid.

G. Persons Who Are Homeless
Emergency Room patients without a payment source are classified as Self-Pay until it is determined that they do not have a mailing address (residence) and Insurance, then they can be re-classified as Charity Care.

H. Governmental Assistance
In determining whether each individual qualifies for Charity Care, other county or governmental assistance programs may also be considered. Many applicants are not aware that they may be eligible for assistance such as Medicaid, Healthy Families Program, Victims of Crime, State Children Services, etc. St. Peter's will assist the individual in determining if they are eligible for any governmental assistance.

Persons eligible for programs such as Medicaid but whose eligibility status is not established for the period during which the medical services were rendered, will be granted Charity Care for those services. St. Peter's can make the granting of charity contingent upon applying for governmental assistance, unless the application of such assistance is contrary to the person's beliefs or religion. This may be prudent,
especially if the particular patient requires ongoing services. Patients may be required to complete a Medicaid application if the hospital judges that a patient may be eligible for Medicaid.

To be eligible for Charity Care, Medicare eligible beneficiaries are required to enroll in Medicare Parts B and D. Medicare beneficiaries are not eligible for prescription coverage through the Charity Care Program.

I. CHHA (Certified Home Health Agency) Services
With respect to St. Peter's certified home health agency, it is St. Peter's intention to meet the requirements of 10 NYCRR 763.11. Charity care with respect to such services is defined as care that is provided at no charge or a reduced charge for the services the agency is certified to provide to consumers who are unable to pay full charges, are not eligible for covered benefits until Title XVIII or XIX of the Social Security Act, are not covered by private insurance, and whose household income is less than four hundred percent (400%) of the Federal poverty level.

J. Hospital Collection Efforts
Accounts with applications pending for Charity Care or other assistance programs are held until the outcome of the application. It is acceptable (but not preferable) to take an account through the full collection cycle and later reclassify it as Charity Care, as long as a consistent process is followed and a legitimate basis exists that the patient is unable to pay.

Self-pay balances are transferred to professional collection agencies when the accounts complete a patient statement dummy cycle (e.g., 120 days) with insufficient payment from the patient or proof of eligibility for Charity Care or other programs.

St. Peter's will not pursue collections against any patient who was eligible for Medicaid at the times services were rendered. St. Peter's will not force the sale or foreclosure of a patient's primary residence to collect an outstanding debt.

K. Collection Agency
In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. Accordingly, each collection agency engaged will be made aware of the St. Peter's Hospital Charity Care policy. St. Peter's Hospital requires that all contracted collection agencies be compliant with all financial assistance policies. Collection agencies will be required to notify patients of St. Peter's Hospital financial assistance program. This allows the agency to report amounts that they have determined to be uncollectible due to the inability to pay in accordance with the Charity Care eligibility guidelines.

Collection agencies shall not, in dealing with patients identified as at or below the 200% Federal Poverty Level, use or threaten to use wage garnishments or liens on primary residences as a means of collecting on unpaid hospital bills. If a collection agency identifies special circumstances demonstrating a particular patient as being unable (versus unwilling) to pay their bill, their liability may be considered Charity Care, even if they were originally classified as a Bad Debt. Collection agencies must obtain the hospital's written consent before commencing legal action.

L. Eligibility Period
Effective for Charity Care applications approved on or after January 1, 2005, all outstanding balances for Hospital Services rendered will be eligible under this policy for the level of Charity Care granted in accordance with this policy at the time the application is approved.
M. Time Requirements for Determination  
While it is desirable to determine the amount of Charity Care for which a patient is eligible as close to the time of service as possible, patients can apply for assistance within at least ninety days of the date of discharge or date of service and will be allowed 30 days to submit a completed application. In some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information. Every effort may be made to determine a patient’s eligibility for Charity Care at the earliest reasonable date. Upon receipt of all required and/or adequate documentation to make a determination for qualification of Charity Care under this policy, such determination shall be communicated within the time frame required by law.

N. Definition of Income  
Income is defined as annual earnings and cash benefits from all sources before taxes, less payments made for alimony and child support. Income will include wages, interest, dividends, rents, pension, social security, unemployment benefits, court ordered payments and any other monies that may accrue to the applicant or members of the applicant’s household. Income may be determined by presentation of a statement of wages, tax returns, or by other recognized means of verification. Proof of earnings may be determined by annualizing pay at current earnings rate.

O. Appeals  
Any determinations made under this policy may be appealed in writing to St. Peter’s Hospital, Director of Patient Financial Services, 315 S. Manning Blvd. Albany, NY 12208. The Director of Patient Financial Services reviews all denials through the Charity Care Workgroup in which individual appeal cases are discussed and a final determination is made.

II. Approval Matrix  
Authorization for Charity Care form depicts the approval matrix for Charity Care.

III. Accounting for Charity Care  
Charity Care write-offs are accounted for in separate Deduction from Revenue general ledger accounts. One account may be used to track Charity Care given under the Full and Partial Charity Care provision; the other account may be used to track Charity Care given under the catastrophic coverage component. This allows tracking and monitoring of the amount and type of Charity Care being granted. The transaction codes used for accounting for Charity Care and their mapping to the General Ledger must be reviewed annually to ensure accuracy.

IV. Roles and Responsibilities  
An annual, collaborative review between the Mission Executive and the Chief Financial Officer shall occur. Approval and reporting to St. Peter’s Board occurs to ensure oversight and accountability.

V. Recordkeeping  
Records relating to potential Charity Care patients will be readily obtainable. A central file of the Statement of Financial Condition and other Charity Care summary forms will be accessible. In addition, notes relating to the Charity Care application and approval or denial may be entered on the patient’s account.

VI. Public Notice and Posting  
Public notice of the availability of assistance through this policy is made through each of the following means:
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1. Notices are posted in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as emergency departments, billing offices, admitting offices, and hospital outpatient service settings.

2. Information regarding financial aid (Charity Care) is included on all patient liability statements (bills) and statements sent to patients indicating:
   a. that if the patient meets certain income requirements that the patient may be eligible for a government sponsored program or for financial assistance from the hospital, and
   b. a hospital contact name and phone number that patients may call in order to gain information on the hospital’s Charity Care, reduced payment, and other financial assistance policies.

3. Availability of assistance, contact names and phone numbers posted on St. Peter’s Hospital web site.

4. Uninsured patients are provided with a copy of the Charity Care Application and Brochure upon registration.

5. St. Peter’s annually makes available to the public on a reasonable basis the costs of charity care provided and the unreimbursed costs of care provided to beneficiaries of government programs that serve the poor.

Posted notices are in the primary language(s) of the service area and in a manner consistent with all applicable federal and state laws and regulations.

May any provision of this Policy conflict with the requirement of the law of the State of New York, state law shall supersede the conflicting policy provision and St. Peter’s shall act in conformance with applicable state law.

MEASURES OF SUCCESS
KPI - Increase the percentage of adult New Yorkers with health coverage.

STAFF/PATIENT RESOURCE LINKS
Charity Care Program Information Sheet
Household Income & Resource Guidelines
Statement of Financial Condition

REFERENCES
New York State Public Health Law 2807-k (9-a) – Financial Aid

REPLACES
FS-020 Charity Care Policy

Key Reviewers: Coordinating Group, Service Committee of the Board, SPHCS Board, Charity Care Workgroup, CFO & VP Mission Services, Legal Counsel

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