

## RUSH NORTH SHORE MEDICAL CENTER

### STANDARD POLICY AND PROCEDURES

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TITLE:           **CHARITY CARE**

POLICY:

I.           **Definition of Charity Care**

“Charity care” means a discount (up to 100%) granted by the Medical Center from the hospital’s regularly maintained Charge Description Master charges for medically necessary health care services, provided to patients who demonstrate that their financial resources are so limited that the payment of part or all of the self-pay balance would be impossible or would cause serious financial hardship.

II.          **Availability of Charity Care**

Keeping in mind its commitment to the community, Rush North Shore Medical Center recognizes and addresses the financial needs of patients who are unable to afford the charges associated with their medical care. The Medical Center will provide free or discounted health care services to patients who meet the financial and documentation criteria set forth in this policy.

III.         **Medical Center Responsibilities**

In carrying out its commitment to provide charity care to eligible patients, the Medical Center will:

- A. Communicate the availability of charity care to all patients through a variety of means such as placing signage and brochures in appropriate areas of the Medical Center and posting a notice on the Medical Center’s website. Customer Service personnel will be responsible for and trained in the handling of patient inquiries regarding charity care. Other Medical Center personnel will be informed about the charity care policy and how to refer patients for assistance.
- B. Evaluate and determine a patient’s eligibility for financial assistance based on a review of take home pay and other income, amount of liquid assets, other assets and net worth, outstanding financial obligations and charges accrued and number of family members and dependents.
- C. All patients whose principal legal residence is in Illinois are eligible to

apply for charity care. Patients whose principal residence is outside Illinois are eligible to apply for charity care only if they have sought emergent treatment through the emergency department. In all other cases, unless the Medical Center in its discretion makes an exception, persons who reside outside Illinois (including but not limited to those patients who are transferred to the Medical Center from a hospital outside of Illinois) may not apply for charity care.

- D. Ask patients requesting charity care to complete a patient financial statement and submit supporting documentation. The Medical Center will run a credit report for account balances over \$5000. For account balances of \$5000 or less, the Medical Center may run a credit report at its discretion in appropriate circumstances.
- E. Assist patients in applying for Public Aid or other assistance if eligible.
- F. Review each request for charity care individually and take into consideration extenuating circumstances.
- G. A determination that a patient is eligible for charity care will affect only the patient's account balance as of the date of receipt of the charity care application.
- H. Provide a full (100%) discount to uninsured patients who can demonstrate family income at or below 200% of federal poverty guidelines. Patients with demonstrated family income above 200% of federal poverty guidelines will receive a partial discount. In determining the amount of the discount the Medical Center will use the Charity and Financial Assistance Adjustment Table (Adjustment Table) developed by the Patient Accounts Department. The Adjustment Table is a sliding scale based upon 200% of the Income Poverty Guidelines established by the Department of Health and Human Services, as published in the *Federal Register* annually. The Patient Accounts Department will update the Adjustment Table on an annual basis.
- I. In cases where the Medical Center believes that the above income criterion does not accurately or fully measure the patient or guarantor's economic need, the Medical Center may request additional economic information from the patient or guarantor. The Medical Center may then deny charity care to persons who meet the income criterion in situations where it determines, in its sole discretion, that payment of the self-pay balance would not cause serious financial hardship. In exceptional cases, the Medical Center may also extend charity care to persons who do not meet the income criterion if it determines, in its sole discretion, that payment of the entire self-pay balance would either be impossible or would cause serious financial hardship. In making such determinations, the Medical Center may request and consider, among

other factors, information on (a) assets and net worth; (b) employment status, both current and future; (c) family size; (d) outstanding financial obligations, with special consideration to other medical obligations; (e) amount of estimated or actual Medical Center charges on all open accounts for medically necessary services (both inpatient and outpatient); (f) other financial resources available from family, employer, friends, etc.; and (g) major issues and/or problems that may contribute to an inability to pay.

- J. Make charity care available to eligible patients only for medically necessary hospital services provided by the Medical Center. "Medically necessary services" means services that (a) the patient's attending physician has determined to be medically necessary, and (b) would be covered at the Medical Center by Medicare if provided to Medicare patients. Charity care is not available for certain services such as cosmetic surgery, in vitro fertilization procedures and Cardiac Rehabilitation Phase III, nor does it apply to physician services.
- K. Review charity care applications and notify patients of the Medical Center's determination within a reasonable time after receiving the application and supporting documentation.
- L. In exceptional cases justified by special economic circumstances, the Medical Center may, in its sole discretion, afford an approved charity care applicant a higher or lower discount than the one determined by the above rules.

#### IV. **Patient Responsibilities**

In order to qualify for charity care under this policy, patients will be expected to:

- A. Cooperate with the Medical Center to provide the information and documentation necessary to apply for Public Aid or other financial assistance that may be available to pay for the health care services.
- B. Provide the Medical Center with financial and other information needed to determine eligibility within thirty (30) days of requests for such information. The information provided must be accurate and truthful. Falsification of information will result in the denial of charity care.
- C. If receiving a partial discount, cooperate with the Medical Center to establish a reasonable payment plan that takes into account available income and assets, the amount of the discounted bill and any prior payments. Payment plans must be agreed to by the patient within thirty (30) days of the date of the initial patient bill. If no plan is agreed upon

within thirty (30) days, the Medical Center may refer the patient's bill to an outside collection agency.

- D. Make a good faith effort to honor the payment plans for their partially discounted bills and notify the Medical Center of any change in their financial situation that may affect their ability to pay their discounted bills. If a patient does not honor his/her payment plan, the Medical Center may not refer the patient's bill to an outside collection agency until a payment has been overdue for thirty (30) days.

V. **Determination Process**

- A. Completed charity care applications and supporting documentation are sent to the Manager, Patient Accounts.
- B. After reviewing the patient's income and assets, the Manager, Patient Accounts will determine if the patient qualifies for charity care based upon the Adjustment Table.
- C. The Manager, Patient Accounts may authorize charity care write-offs of \$5000 or less. Charity care write-offs over \$5000 require the following authorization:
  - \$5,001 to \$10,000: Director, Patient Financial Services
  - \$10,001 to \$25,000: Assistant Vice President, Finance
  - \$25,001 to \$100,000: Vice President, Finance
  - Over \$100,000: President
- D. Write-offs in the Invision system will be made by the Manager, Patient Accounts or the Director, Patient Financial Services.
- E. All reviewed charity care applications will be forwarded to Patient Accounts Department personnel to complete and send a determination letter to the patient.

VI. **Collection Practices**

- A. The Medical Center will use fair collection practices in seeking to collect payment from all patients, including patients receiving partial charity care discounts and will require outside collection agencies to do the same.
- B. The Medical Center will work with patients receiving a partial charity care discount to set up a reasonable payment plan that takes into

account available income and assets, the amount of the discounted bills and any prior payments. The Medical Center will inform patients of their responsibilities with respect to the payment plan and the Medical Center's collection practices.

- C. The Medical Center will make all reasonable efforts to settle outstanding medical bills before resorting to legal action against the patient or responsible party.
- D. The Medical Center will not take legal action for nonpayment of bills against patients or responsible parties who have demonstrated that they do not have sufficient income or assets to pay these bills.
- E. The Medical Center may take legal action, including garnishment of wages, to obtain payment in accordance with the payment plan if there is evidence that the patient or responsible party has sufficient income and assets to meet his or her financial obligation.
- F. The Medical Center will not initiate collection against uninsured patients until sixty (60) days after the patient has been given the opportunity to apply for charity care.
- G. The Medical Center will not execute a lien by forcing the sale or foreclosure of a patient's primary residence to pay for an outstanding medical bill.
- H. The Medical Center will require any outside collection agency hired to assist it in obtaining payment of outstanding bills to follow the guidelines outlined above and to obtain authorization from the Medical Center before taking any legal action against the patient or responsible party.