

## Administrative Policies and Procedures – UW Medicine

### CHARITY CARE

Policy Number: TBD

Division: Administration

Effective Date: 4/27/15

Review Date: 4/15/15

Reviewer: Jerry Brooks / Matt Lund / Cheryl Sullivan

### POLICY

This Charity Care Policy is intended to ensure that residents of Washington State who are at or near the federal poverty level receive Appropriate Hospital-Based Medical Services, Appropriate Non-Hospital-Based Medical Services, and associated care rendered by UW Physicians (UWP) Members at a cost that is based on their ability to pay for services up to and including care without charge. Charity Care will be granted to all eligible persons regardless of age, race, color, religion, sex, sexual orientation or national origin in accordance with WAC Chapter 246-453 and RCW 70.170.

### POLICY AVAILABILITY

UW Medicine is required to provide notice of its Charity Care program and will make a good faith effort to provide every patient with information regarding its availability. UW Medicine hospitals (inpatient and hospital-based outpatient clinics/facilities) will post signs in Admitting, Financial Counseling, Emergency Department and Outpatient Registration that will notify the public of the Charity Care Policy. POS 11 settings will not be required to post such notice. Eligibility for Charity Care requires that patients must fulfill all requirements and expectations as outlined in the Charity Care Policy. This Charity Care Policy and applications for Charity Care are available in any language spoken by the lesser of five percent of the population or 1,000 individuals in the applicable hospital's service area. Additionally, interpreter services will be made available for other non-English speaking or limited-English speaking or other patients who cannot read or understand the written application materials.

### DEFINITIONS

**Charity Care:** Appropriate UW Medicine Hospital-Based Medical Services, and Non-Hospital-Based Medical Services rendered by UWP Members provided to persons, to the extent that such persons are unable to pay for the care or to pay deductibles or co-insurance amounts required by a third-party payer. Persons who have exhausted any third-party sources, including Medicare and Medicaid, and whose income is equal to or below 300% of the federal poverty standards, adjusted for family size or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payor, may be eligible for Charity Care under this policy.

**UW Medicine:** For the purposes of this policy, "UW Medicine" includes Harborview Medical Center (HMC), University of Washington Medical Center (UWMC), UW Medicine/Northwest dba Northwest Hospital & Medical Center (NWH), The Association of University Physicians dba UW Physicians (UWP), Valley Medical Center (VMC), and UW Neighborhood Clinics (UWNC).

**Appropriate Hospital-Based Medical Services:** Those hospital services which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective, more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. A course of treatment may include mere observation or, where appropriate, no treatment at all. Appropriate Hospital-Based Services do not include care in Place of Service 11 (POS 11) freestanding clinics/physician offices even if associated with a UW Medicine hospital. However, the term

does include professional services provided in the hospital setting by NWH employees and Wholly Owned Subsidiaries of NWH).

**Appropriate Non-Hospital-Based Medical Services:** Those services rendered in Place of Service 11 (POS 11) freestanding clinics/physician offices by UWP Members which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective, more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. A course of treatment may include mere observation or, where appropriate, no treatment at all. For purposes of this Charity Care Policy, preventive care services provided by UWP Members at UWNC locations are considered to be “Appropriate Non-Hospital-Based Medical Services”.

**Emergency Medical Condition:** A medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in:

1. Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;
2. Serious impairment of bodily functions;
3. Serious dysfunction of any bodily organ or part.

With respect to a pregnant woman who is having contractions the term shall mean:

4. That there is inadequate time to effect a safe transfer to another hospital before delivery; or
5. That the transfer may pose a threat to the health or safety of the woman or the unborn child.

**Place of Service 11 (POS 11)** – For purposes of this policy, this term shall indicate all UW Neighborhood Clinics locations and any other freestanding clinic or non-hospital physician office setting in which a healthcare professional renders services and bills a professional fee.

**UW Physicians (UWP) Members** – For purposes of this policy, a physician or other qualified healthcare professional who has executed a practice agreement with UWP, or has otherwise reassigned their services to UWP under a contractual arrangement, and provides services at approved UW Medicine sites of practice.

**Wholly Owned Subsidiaries of NWH** – For purposes of this policy, this term includes The Seattle Arthritis Clinic, Summit Cardiology, and Neurosurgical Consultants of Washington and any other subsidiaries which are or may come under the whole ownership of NWH and are disregarded entities for federal tax purposes.

## **ELIGIBILITY CRITERIA**

Persons seeking Charity Care must meet eligibility requirements and complete an application process, as described herein.

### **Residence and Scope of Services**

Eligibility for charity care requires that a person be a Washington State resident and that the medical services sought are Appropriate Hospital-Based Medical Services, as opposed to services which are investigational, elective or experimental in nature. A person is not a Washington State resident and is not eligible for Charity Care when that person enters Washington State solely for the purpose of seeking medical care. Refugees, asylees, and those seeking asylum are exempt from the Washington State residency requirement for Charity Care eligibility. Also exempt from the Washington State residency requirement are those patients who have an emergency medical condition. Charity Care will not be denied based on immigration status. Exceptions to residence and scope of services requirements outlined in this paragraph may be made only in extraordinary circumstances and with the approval of the UW Medicine Chief Financial Officer or designee. While not required by Washington state administrative code, eligibility for Charity Care will be extended to individuals who meet the above criteria and are treated by a UWP Member in a non-hospital-based setting, should that setting be deemed the most appropriate by those individuals involved in the patient's care.

### **Third-Party Coverage**

Charity Care is generally secondary to all other third-party payment resources available to the patient.

This includes:

1. Group or individual medical plans.
2. Workers' compensation programs.
3. Medicare, Medicaid or other medical assistance programs.
4. Other state, federal or military programs.
5. Third-party liability situations. (e.g.: auto accidents or personal injuries).

6. Other situations in which another person or entity may have legal responsibility to pay for the costs of medical services

Charity Care for otherwise eligible patients who do not follow through in obtaining insurance coverage potentially available to them (e.g. Medicaid) will be individually evaluated.

Before being considered for Charity Care, the patient's/guarantor's eligibility for the third-party payment coverage will be assessed and the patient/guarantor may be required to apply for coverage under those programs for which he or she is eligible. Patients who fail to comply with the Charity Care application requirements may be denied financial assistance/Charity Care. Patients who do not elect to receive Medicaid benefits when eligible for Medicaid may be denied Charity Care; however, UW Medicine will not deny Charity Care to a patient solely based upon the patient's refusal to enroll in a plan available to the patient on the Health Benefits Exchange.

### **Income**

By policy, persons whose income is equal to or below 300% of the federal poverty standard may be eligible to receive Charity Care. UW Medicine will consider all sources of income in establishing income eligibility for Charity Care. Income includes: total cash receipts before taxes derived from wages and salaries; welfare payments; Social Security payments; strike benefits; unemployment or disability benefits; child support; alimony; and net earnings from business and investment activities paid to the individual patient/guarantor.

### *Application*

When a patient wishes to apply for Charity Care, the patient shall complete a Confidential Financial Information (CFI) Form and provide necessary and reasonable supplementary financial documentation to support the entries on the CFI. UW Medicine will make an initial determination of a patient's Charity Care status at the time of admission or as soon as possible following the initiation of services to the patient. Charity Care application procedures shall not place an unreasonable burden upon the patient, taking into account any barriers which may hinder the patient's capability of complying with the application procedures. Screening for eligibility for Medicaid or other relevant public assistance benefits will be coordinated through the Patient Access Department, Discharge Planning/Outcomes Management (if not nursing home placement) or through Patient Financial Services.

- a. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of Charity Care eligibility:
  - i. "W-2" withholding statement;
  - ii. pay stubs;
  - iii. an income tax return from the most recently filed calendar year;
  - iv. forms approving or denying eligibility for Medicaid and/or state funded medical assistance;
  - v. forms approving or denying unemployment compensation; or written statements from employers or welfare agencies.
- b. In addition, in the event the patient is not able to provide any of the documents described above, UW Medicine shall rely upon written and signed statements from the responsible party or a letter of support from another party regarding income for making a final determination of eligibility for Charity Care.
- c. Where a patient's income is determined to be at or above 201% of the federal poverty level, the patient may also be asked to provide documentation of outstanding obligations and/or other financial resources (e.g., bank statements, loan documents). Such evidence of excess resources may be considered only if the patient is determined to be at or above 201% of the federal poverty standards. The discount may be reduced for patients over 200% of the federal poverty level if the family has sufficient assets to cover some or all of the costs. UW Medicine may order a credit report where, in its discretion, circumstances so require.
  - i. Additionally the following verifications may be required:
    1. Personal ID (Driver's license, Photo ID, Passport, Birth Certificate)
    2. Social Security Number
    3. Income verification for the past two months
    4. Most recent rent/mortgage verification
    5. Most recent utility verification
    6. Cash surrender value of Life insurance policy
    7. Current financial account statements (checking, savings, CD, stocks bonds, IRA)
- d. In addition, in the event that the responsible party is not able to provide any of the documentation described above, UW Medicine shall rely upon written and signed statements from the responsible party for making a final determination of eligibility and for classification.

UW Medicine may waive income requirements, documentation and verification if Charity Care eligibility is obvious. UW Medicine staff discretion will be exercised in situations where factors such as social or health issues exist. In such

cases, UW Medicine shall rely upon written and signed statements from the responsible party for making a final determination of eligibility.

## FINANCIAL CRITERIA

UW Medicine will provide Charity Care for full charges for any patient/guarantor whose gross family income is at or below 200% of the current federal poverty guidelines.

UW Medicine will provide Charity Care using its UW Medicine Financial Assistance/Charity Care Sliding Scale (“Sliding Scale”), a sliding fee scale for any patient/guarantor whose gross family income is between 200% and 300% of the current federal poverty guidelines after all funding possibilities available to the patient/guarantor have been exhausted or denied.

UW Medicine Financial Assistance/Charity Care Sliding Scale<sup>1</sup>

<b>Percentage of Federal Poverty Line</b>	<b>0% to 200%</b>	<b>201% to 250%</b>	<b>251% to 300%</b>
<b>Financial Assistance Charity Care Award Percentage</b>	<b>100%</b>	<b>60%</b>	<b>40%</b>

When documented circumstances indicate severe financial hardship, UW Medicine may elect to write off billed charges as charity for persons whose family income exceeds 300% of the current federal poverty guidelines.

In addition, if the patient/guarantor’s net assets, excluding their primary residence, are less than the incurred financial obligations due to UW Medicine, eligibility for varying amounts of Charity Care will be evaluated on an individual basis.

UW Medicine will request the patient pay any remaining financial obligation upon completion of the charity assessment and upon determination of the amount to be written off. If the patient is unable to make payment in full by the date payment is due, a payment arrangement can be considered. Any payment arrangement shall require that payment be made over a reasonable period of time, without interest or late fees. In the event that a responsible party pays a portion or all of the charges related to Appropriate Hospital-Based Medical Care Services and is subsequently found to have met the criteria for Charity Care under this policy, any payments made in excess of the amount determined to be appropriate under the UW Medicine Financial Assistance/Charity Care Sliding Scale shall be refunded to the patient within 30 days of UW Medicine’s determination that the patient is eligible for Charity Care.

## PROCEDURE

### Responsible Party: Financial Counseling

#### A. Guidelines/Steps

Persons may request an application for charity at any time. The application consists of a Confidential Financial Information Form and Confidential Financial Information Form Instructions (see Attachment 1) which lists documentation that is required as part of the charity assessment process.

Patients will be screened for other forms of coverage such as Medicaid and Health Benefits Exchange eligibility.

This application, along with full disclosure of their financial status with supporting documentation, will be considered in the final determination of eligibility.

UW Medicine will not initiate collection efforts until an initial determination of Charity Care eligibility status is made. Where UW Medicine initially determines that a patient may be eligible for Charity Care, any and all extraordinary collection actions (including civil actions, garnishments, and reports to collections or credit agencies) shall cease

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<sup>1</sup> Consistent with the Patient Protection and Affordable Care Act, hospitals which are nonprofit and recognized as 501(c)(3) organizations (including **Northwest Hospital and Valley Medical Center**) shall limit amounts charged for emergency or other medically necessary care provided to individuals eligible for assistance under this Charity Care Policy to not more than the amounts generally billed to individuals who have insurance covering such care and may not collect “gross charges” from such individuals. See 26 USC §501(r)(5)(A) and (B). Northwest Hospital and Valley Medical Center provide information regarding this policy to local nonprofit and public agencies that address the health needs of their respective communities’ low income populations. Additionally, Northwest Hospital and Valley Medical Center maintain plain language summaries of this policy, available in languages spoken by more than the lesser of 5% of the population or 1,000 individuals in the applicable hospital’s service area. Northwest Hospital and Valley Medical Center will provide copies of this policy, its plain language summary, and application free of charge on their websites, upon request where medical services are performed and via US Mail at: Northwest Hospital Patient Financial Services, 10330 Meridian Ave N., Suite 260, Seattle, WA 98133-9851; (206) 368-6440 or (877) 364-6440; (open M to F, 8:00 a.m. to 4:30 p.m.) and Valley Medical Center Financial Counseling, 400 South 43<sup>rd</sup> St., Renton, WA 98055-5010; (425) 251-5178; (open M to F, 8:30 a.m. to 4:30 p.m.).

pending a final determination of Charity Care eligibility. However, as set forth in WAC 246-453-020 (5), the failure of a patient or responsible party to reasonably complete Charity Care application procedures under this policy shall be sufficient grounds for UW Medicine to initiate collection efforts directed at the patient. Accordingly, for purposes of this policy, a patient or responsible party has failed to reasonably complete charity application procedures when the patient or responsible party does not submit application materials within 15 business days of the patient's or responsible party's receipt of the materials. Any collection efforts will be halted if the patient or responsible party reengages in the application process.

UW Medicine shall make a final determination within 14 days of receipt of charity applications and supporting documentation. Supporting documentation includes, items listed on the Confidential Financial Information Form Instructions.

#### **B. Notifications**

UW Medicine shall notify persons applying for Charity Care of its determination of eligibility for Charity Care within 14 days of a receiving person's completed application for Charity Care and supporting documentation. Approvals or denials for Charity Care applications shall be in writing and shall include instructions for appeal or reconsideration. In the event that UW Medicine denies Charity Care, UW Medicine shall notify the person applying for Charity Care of the basis for the denial. If denied the patient/guarantor may provide additional documentation to UW Medicine or request review by the Chief Financial Officer or their designee within 30 days of receipt of the notification of denial. If this review affirms the previous denial of Charity Care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

#### **C. Documentation of Records**

All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the charity application form and retained for seven years.

#### **CROSS REFERENCE**

- Washington Administrative Code, Chapter 246-453, "Hospital Charity Care" with specific reference to the following:
  - o WAC 246-453-020 Uniform procedures for the identification of indigent persons
  - o WAC 246-453-030 Data requirements for the identification of indigent persons
  - o WAC 246-453-040 Uniform criteria for the identification of indigent persons
- RCW 70.170.060 Charity Care — Prohibited and required hospital practices and policies
- 26 USC §501(r)(5)(A) and (B)
- Northwest Hospital & Medical Center Patient Account Collections Policy
- Valley Medical Center Billing and Collections Policy
- UW Medicine (HMC/UWMC) Patient Financial Services Bad Debt Outside Collection Agency Policy
- UW Medicine Policy Number COM-007 – "Application of and Compliance with the Emergency Medical Treatment and Active Labor Act (EMTALA)"

#### **ATTACHMENTS:**

Attachment 1: Confidential Financial Information Form and Instructions

**REVIEW/REVISION DATES:** 3/2/2015

#### **SIGNATURE:**

Originated By: Jerry Brooks on behalf of the UW Medicine Charity Committee

Approved By: Department of Health (DOH) 3/2/2015

**UW Medicine Signatures:**

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Interim Associate  
Administrator/Process Owner:



Date: 3/12/15

UW Medicine Chief Financial  
Officer:



Date: 3/13/15

**Harborview Medical Center Signatures:**

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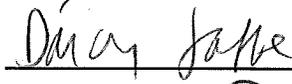
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Interim Associate  
Administrator/Process Owner:



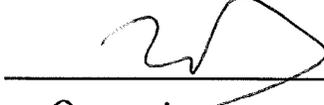
Date: 3/12/15

HMC Chief Nursing Officer & Sr.  
Associate Administrator:



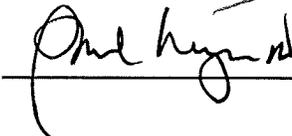
Date: 3/18/15

HMC Medical Director:



Date: 3/17/15

HMC Executive Director:



Date: March 16, 2015

**University of Washington Medical Center Signatures:**

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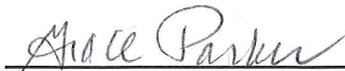
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Interim Associate  
Administrator/Process Owner:



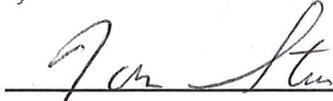
Date: 3/12/15

UWMC Chief Nursing Officer:



Date: 3/16/15

UWMC Medical Director:



Date: 3/27/15

UWMC Executive Director:



Date: 04/01/15

**University of Washington Physician Signature:**

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Executive Director:

Catherine Koelbe

Date:

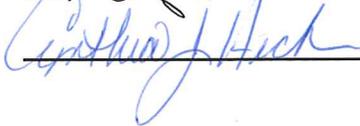
3-5-13

**Northwest Hospital Signatures:**

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Senior Director of Finance:  Date: 3/19/2015

Executive Director:  Date: 3/11/2015

**Valley Medical Center Signatures:**

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Vice President Patient Financial  
Services:

Andrea Cannon

Date: 3/11/15

CFO and Senior Vice President of  
Finance:

[Signature]

Date: 3/11/15