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Owner: *Demetrius Hagins*  
Policy Area: *Patient Financial Services/  
Business Office*  
Applicability: *Nash Health Care*

## Financial Assistance (Charity) - BUS 301.04

### Applies To:

Patient Financial Services

### Purpose:

The purpose of this policy is to set forth the criteria by which patients may qualify for financial assistance adjustments for medically necessary services provided to them by Nash Health Care Systems.

### Scope:

Patient Financial Services (PFS)/Business Office

### Relative to Meaningful Use Objectives:

N/A

### Definitions:

- A. Tangible Assets – include cash and/or cash equivalents (e.g. certificates of deposit, commercial paper, etc.), marketable securities (e.g. stocks, bonds, etc.), and real estate excluding primary residence, net of related mortgage. Liabilities include mortgage debt only on other properties. Tangible assets as defined herein exclude automobiles.

### Policy Statement:

It is the policy of Nash Health Care Systems to grant a charity adjustment to those patients who qualify based on the criteria set forth below in the Procedure Section. All patients who are identified as self-pay will be screened for alternative sources of funding to meet their medical expenses. If a patient fails to apply for alternative sources of funding, they will not be allowed to apply for financial assistance through Nash Health Care Systems. If no alternative sources are found, the patient will be considered for debt forgiveness under the medical indigence guidelines by Nash Health Care Systems.

### Procedure:

- A. Determination of Responsible Party Indigent Criteria

1. The responsible party's income must be within the ranges established by Nash Health Care Systems based on federal government poverty level ("FPL") guidelines. Refer to Section C.1 for income guidelines.
2. Additionally, the responsible party must meet an asset test. Under the asset test, a charity adjustment is equal to medical bills less 50% of assets in excess of \$10,000. Tangible assets are subject to a \$10,000 (net asset excluding primary residence) floor. In other words, if the patient has less than \$10,000 in Tangible assets then the asset test does not apply.
3. Once the charity adjustments are calculated individually based on the incomes test and the asset test, the lesser charity adjustment amount is to be applied to the patient's balance.
4. The head of household (biological parent, legal parent, and legal spouse) must qualify as indigent when dependents are applying for assistance.
5. Patients who are 18 years of age or older are of legal age, and will be considered the responsible party.
6. The patient, or head of household, who is a full time student (beyond high school) will not qualify as indigent unless the education is financed by themselves or a government grant.
7. The patient is not supported by parents, or claimed as a dependent on their parents' income taxes.
8. If the patient is living with a grandparent(s) who does not have legal custody, the grandparents(s) income will not be considered.
9. Charity adjustments also apply to a patient's self pay balance after insurance payments, subject to both the income and the asset test as set forth above.

B. Application Process and Eligibility Determination

1. The responsible party as determined under the Indigent Criteria section must complete a financial statement (Application for Uncompensated Care). This statement must be signed and dated by the responsible party. When the financial information is obtained during a phone conversation, the interviewer must document that the information was obtained via telephone. When an application is mailed to the patient to complete and return, refer to Section 5 of the application process. Failure to complete the Application for Uncompensated Care within 30 days of the request will terminate the patient's consideration for indigent status.
2. A new financial statement is completed for each visit, unless an application has been completed within 180 days of the prior visit. If within 180 days, the Financial Counselor will re-verify the information obtained on the previous application.
3. The income of the patient or responsible party is calculated six months forward and six months backward.
4. The responsible party is responsible for providing documentation of income and assets. If the responsible party does not provide documentation for income and assets within 30 days, the Financial Counselor will complete the following: credit check, asset check, food stamp verification (if applicable) and housing authority verification (if applicable). The application will then be reviewed and processed based on the completeness of the application, credit and asset check information. If necessary, the application will be discussed in the charity committee meeting. One or more of the following items may be required to determine income level or establish a lack of alternative funding:
  - a. Income Tax Returns
  - b. Payroll check stubs

- c. Independent verification of family size
  - d. Verification of wages from employer
  - e. Documentation of established bank or credit card accounts
  - f. Letter from current or previous employer regarding the hire or termination date of employment
  - g. Documentation of denial of assistance by other agencies
5. A charity committee will be established to review specific requests when special circumstances apply. The committee will use the standard guidelines contained within this policy. The charity committee will consist of the CFO, Executive Director, Business Office Manager and Supervisor of Patient Financial Services.
  6. Catastrophic Charity Care will be offered to individuals whose medical bills exceed 30% of their annual income. The medical bill charges in excess of the 30% qualify to be adjusted as charity care. This adjustment is also subject to the asset test described above.

**C. Nash Health Care Systems Matrix**

1. Income guidelines – An individual will qualify for the following charity adjustment based on his/her family's income as determined by family size:

<b>Federal Poverty Guideline</b>	
<b>Family Size</b>	<b>2017 FPG</b>
1	12,060
2	16,240
3	20,420
4	24,600
5	28,780
6	32,960
7	37,140
8	41,320

2. \*For families/households with more than 8 persons, add \$4,180 for each additional person.  
\*Business Office will maintain a matrix of income levels based on family size and income and will update the matrix yearly as the FPL changes.

**Related Documents/Cross-Referenced Policies:**

N/A

**References:**

N/A

**Replaces:**

N/A

## Reviewed/Revised:

- A. Original: 1/17/2005
- B. Reviewed:
- C. Revised: 4/12/2017

## Attachments:

No Attachments

## Approval Signatures

Approver	Date
David Paugh	04/2017
Demetrius Hagins	04/2017

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