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Owner Rosie Hartmann:  
Revenue Cycle  
Director  
Policy Area Patient Financial  
Services

## Financial Assistance and Charity Care Policy and Procedure\*

### PURPOSE

- I. Three Rivers Hospital (TRH) is committed to providing health care services to all persons in need of emergency medical attention regardless of ability to pay.
- II. Three Rivers Hospital is committed to providing health care services to all persons within a framework of standard hospital billing processes.
- III. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of financial assistance and charity care (FA/CC), consistent with the requirements of the Washington Administrative Code, Chapter 246-453, Hospital Charity Care, are established.

### SCOPE

This policy applies to all patients seeking or receiving care at Three Rivers Hospital.

### POLICY

- I. Financial Assistance and Charity Care is generally secondary to all other financial resources available to the patient.
  - A. These secondary payer resources include:
    1. Group or individual commercial medical plans;
    2. Worker's compensation;
    3. Medicare, Medicaid or state or federal medical assistance programs;
    4. Military health care services benefit programs;
    5. Third party liability situations (e.g. auto accidents or personal injuries); or,

6. Any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.
- II. Patients will be eligible to receive financial assistance without discrimination due to age, race, color creed, ethnicity, religion, national origin, martial status,sex, sexual orientation, gender identity or expression, association, veteran or military status, the presence of any sensory, metal, or physical disability or the related need for a trained dog guide or service animal, or any other basis prohibited by federal, state, or local law.
  - III. Financial Assistance and charity care will be limited to coverage of "appropriate hospital-based medical services as defined in WAC 245-453-010(7)".
    - A. Exclusions: Qualified FA/CC does not include coverage for:
      1. Outpatient pharmacy;
      2. Clinic weight loss services;
      3. Flu and pneumonia vaccination clinics;
      4. Services deemed not medically necessary for which an Advance Beneficiary Notice (ABN) has been provided and signed by the patient;
      5. Physician and other professional fees not billed by TRH (including visiting specialists), pathology fees not billed by TRH; or
      6. Any elective or cosmetic procedures.
  - IV. Services that are eligible for payment from any other sources are not eligible for inclusion under qualified FA/CC.
  - V. In those situations, where appropriate primary payment sources are not available, patients will be considered for FA/CC under this hospital policy based on the following criteria:
    - A. Discounts made under the FA/CC will be based on the patient's family income, Federal Poverty Level published by the US Department of Health and Human Services (consistent with WAC 246-435).
    - B. To calculate discounts which are determined by the TRH financial staff and represents the average percent of billed charges paid by Medicare and Medicaid programs and commercial insurance plans. To calculate discounts the percentage will be applied to billed charges as follows:
      - a. Patients with family incomes at or below: 200% of the Federal Poverty Levels: 100% discount.
      - b. Patients with family incomes between 201% and 250% of the Federal Poverty Levels: 75% discount.
      - c. Patients with family incomes between 251% and 300% of the Federal Poverty Levels: 50% discount.
    - C. Catastrophic Charity: The hospital may write off as FA/CC amounts for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss.
    - D. TRH shall not require a disclosure of the existence of availability of family assets from financial assistance and charity care applicants.

- E. The FA/CC schedule of discounts will be reviewed and updated annually by TRH financial staff as applicable to the state of Washington and the income levels by family size used for eligibility determination. Federal Poverty Levels are determined annually by the US Department of Health and Human Services that are shown at <https://aspe.hhs.gov/poverty-guidelines>. The description of the FA/CC shown on TRH website will include the Program's current Schedule of Discounts and will also include this hyper-link.
  - F. For the purpose of determining family income, TRH will require inclusion of the incomes of those persons defined in WAC 246-453-010 as family members.
- VI. The responsible party's financial obligation which remains after the application of any sliding fee schedule will be payable in 12 equal monthly installments per hospital policy, without interest or late fees, as negotiated between the hospital and the responsible party.
- A. The responsible party's account will not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account and there is no satisfactory contact with the patient.
  - B. TRH reserves the right to use an outside agency to manage any negotiated payment installment.
  - C. If at any time after said arrangements are made, the patient makes known to TRH an extenuating circumstance or a change in their current financial situation that creates a financial hardship resulting in their ability to pay over an extended period, TRH will make arrangements for the account to be put in a "hold" status where collections will cease until such time that TRH can perform a timely review of the current account balance and make an additional determination.
  - D. If the change in financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate financial assistance or charity care.
  - E. In such cases where the responsible party's financial obligation cannot be paid in 12 equal monthly installments, TRH reserves the right to assist the patient with other payment financing options.

## RESPONSIBILITIES

- I. The Revenue Cycle Director and Chief Financial Officer are responsible for ensuring compliance with this policy.
- II. Three Rivers Hospital will make available on its website, [www.threerivershospital.net](http://www.threerivershospital.net), current versions of this policy, a plain language summary of this policy, and the Three Rivers Hospital Charity Care application form.
- III. Notice and Language Requirements:
  - A. The written notices, the verbal explanations, the policy summary and the application form will be available in any language spoken by more than ten percent of the population in the Three Rivers Hospital service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanations. The following non-English translation of these are currently made available in Spanish

- B. A notice advising patients that Three Rivers Hospital provides Financial Assistance and Charity Care will be posted in key public areas of the hospital, including Admissions and/or Registration, the Emergency Department, Billing, and Financial Services.
- C. Three Rivers Hospital billing statements and other written communications concerning billing or collection of a hospital bill by Three Rivers Hospital will include the following statement on the first page of the statement in both English and Spanish:
  - 1. "You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial counselor at (509) 645-3365.

IV. Human Resources Staff Training Requirements:

- A. Three Rivers Hospital has established a standard training program on its Financial Assistance and Charity Care policy and the use of interpreter services to assist persons with limited English proficiency and non-English speaking persons in understanding information about its Financial Assistance and Charity Care policy.
- B. Three Rivers Hospital provides regular training to front-line staff who work in registration, admissions and billing, and any other appropriate staff, to answer Financial Assistance and Charity Care questions effectively, obtain necessary interpreter services, and direct inquiries to the appropriate department in a timely manner.

V. Hospital and Clinic Responsibilities: Timing of Income Determinations:

- A. Annual family income of the applicant will be determined as of the time the appropriate Three Rivers Hospital/Clinic services were provided; or,
- B. At the time of the application for Charity Care or Financial Assistance if the application is made; or,
- C. Within two years of the time the appropriate medical services were provided,

- VI. Patient Responsibilities: the applicant must make good faith efforts towards payment for the services, provide all requested financial documents such as payroll stubs, evidence of other income, tax statements for the applicant to demonstrate eligibility for Charity Care and/or Financial Assistance.

## DEFINITIONS

I. Charity Care:

- A. Charity Care and/or Financial Assistance means providing financial support for medically necessary hospital or clinic health care rendered to indigent persons when third-party coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductible, co-payment or co-insurance amounts required by a third-party payer based on the criteria in this policy.

II. Third Party Coverage:

- A. Third-party coverage means an obligation on the part of:
  - 1. An insurance company, health care service contractor, health maintenance organization, group health plan;
  - 2. Government program such as Medicare, Medicaid or medical assistance programs, workers compensation, veteran benefits, tribal health benefits; or
  - 3. Health care sharing ministry (as defined in 26 U.S.C. Sec. 5000A) to pay for the care of covered patients and services; and,
  - 4. May include settlements, judgments, or awards actually received related to the negligent acts of others (for example, auto accidents or personal injuries) which have resulted in the medical condition for which the patient has received hospital health care services.

## PROCEDURE

- I. Three Rivers Hospital's financial assistance and charity care policy is made publicly available in the following ways:
  - A. A notice advising patients that the hospital provides financial assistance and charity care will be posted in key areas of the hospital, including Admissions, the Emergency Department, Billing and Financial Services.
  - B. The hospital makes a good faith effort to provide a written summary of the policy to patients at the time the hospital requests information pertaining to third party coverage, upon intake or at the time of discharge.
    - 1. This written information will also be verbally explained. The patient must then sign the notice, indicating that he/she was duly informed of the availability of FA/CC.
    - 2. A copy of the signed notice will be placed in the patient's file.
    - 3. If for some reason (for example, an emergency situation) the patient is not notified of FA/CC before receiving treatment, the patient will be notified in writing as soon as possible thereafter.
  - C. Both the written information and the verbal explanation will be available in any language spoken by more than ten percent of the population in the hospital's service area, and interpreted for other non-English speaking or Limited-English speaking patients and for other patients who cannot understand the writing and/or explanation.
    - 1. The hospital finds that the following non-English translation(s) of this document will be made available: Spanish.
  - D. The hospital trains front-line staff to answer FA/CC questions effectively or direct such inquiries to the appropriate department in a timely manner.
  - E. The hospital's Financial Assistance and Charity Care Policy is available to any person

who requests the information, either by mail, by telephone or in person. The hospital's sliding fee schedule, if applicable, will also be made available upon request.

II. Initial determination for eligibility will occur as follows:

- A. The hospital uses an application process for determining eligibility for FA/CC.
  - 1. Requests to provide FA/CC will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel, and the patient, provided any further use or disclosure of the information contained in the request will be subject to the Health Insurance Portability and Accountability Act (HIPAA) privacy regulations and the hospital's policies.
  - 2. All requests will identify the party that is financially responsible for the patient ("responsible party").
- B. The initial determination of eligibility for FA/CC is completed as early in the patient's admission as possible.
  - a. Three Rivers Hospital will assist patient or their guarantors in identifying and applying for available assistance programs including Medicaid and coverage available on the Washington Health Benefit Exchange.
- C. Patients who are referred to TRH for medical services on an outpatient or scheduled basis will be contacted prior to the date of service to determine eligibility.
- D. During the patient registration process, intake, or as soon as possible following initiation of services and after the patient has been notified of the existence and availability of FA/CC, the hospital will make an initial determination of eligibility based on a verbal or written application.
- E. Pending final eligibility determination, the hospital will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a final determination of sponsorship status.
- F. If the hospital becomes aware of factors which might qualify the patient for assistance under this policy, it will advise the patient of this potential and make an initial determination that such account is to be treated as qualified to receive FA/CC.

III. Final determination for eligibility will occur as follows:

- A. Prima Face Write-Offs.
  - 1. In the event the responsible party's identification as an indigent person is obvious to hospital personnel, and the hospital can establish that the applicant's income is clearly within the range of eligibility, the hospital will grant charity care based solely on this initial determination.
  - 2. In these cases, the hospital is not required to complete full verification or documentation. (In accordance with WAC 246-453-030 (3).)
- B. Financial assistance and charity care forms, instructions, and written applications will be furnished to patients or the responsible party when requested, when need is

indicated, or when financial screening indicates potential need.

- C. All applications, whether initiated by the patient or the hospital, should be accompanied by documentation to verify income amounts indicated on the application form.
- D. Any one of the following documents will be considered sufficient evidence upon which to base the final determination of charity care eligibility:
  - 1. A "W-2" withholding statement;
  - 2. Pay stubs from all employment during the relevant time period;
  - 3. An income tax return from the most recently filed calendar year;
  - 4. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
  - 5. Forms approving or denying unemployment compensation; or
  - 6. Written statements from employers or Department of Social and Health Services (DSHS) employees.
- E. During the initial request period, the patient and the hospital may pursue other sources of funding, including Medical Assistance and Medicare.
  - 1. The hospital may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
- F. Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
- G. Income will be annualized from the date of application based upon documentation provided and upon verbal information provided by the patient. The annual income will be determined by the hospital and will take into consideration seasonal employment and temporary increases and/or decreased of income.
- H. In the event the responsible party is not able to provide any of the documentation described above, the hospital will rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person. (WAC 246-453-030 (4).)

IV. The time frame for final determination and appeals is as follows:

- A. Each applicant who has been initially determined eligible will be provided with at least thirty (30) calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her charity care application prior to receiving a final determination of sponsorship status.
- B. The hospital will notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.
- C. The responsible party may appeal the determination of eligibility by providing additional verification of income or family size to the Patient Financial Services



Manager within thirty (30) days of receipt of notification. If the responsible party appeals the denial, TRH will cease collection efforts until the appeal is finalized.

- D. The timing of reaching a final determination of charity care status will have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).

V. Adequate notice of denial:

- A. When a patient's application is denied, the patient will receive a written notice of denial which includes:

- 1. The reason or reasons for the denial and the rules to support the hospital's decision;
- 2. The date of the decision; and
- 3. Instructions for appeal or reconsideration.

- B. When the applicant does not provide requested information and there is not enough information available for the hospital to determine eligibility, the denial notice also includes:

- 1. A description of the information that was requested and not provided, including the date the information was requested;
- 2. A statement that eligibility for charity care cannot be established based on information available to the hospital; and
- 3. That eligibility will be determined if, within thirty days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.

- VI. The Chief Financial Officer or Chief Executive Officer will review all appeals. If this review affirms the previous denial of charity care, under the criteria described in WAC 246-453-040 (1) or (2), written notification will be sent to the patient/guarantor and the Department of Health with copies of the documentation upon which the decision was based.

- VII. All information relating to applications made for FA/CC program benefits, including supporting documentation provided and copies of any related correspondence, will be kept confidential and not disclosed to any outside parties, except as required by law.

- VIII. In accordance with the State of Washington's Record REtention requirements for Pubic Hospital Districts, documents pertaining to FA/CC will be retained for six years following final account activity.

- IX. The hospital will allow a patient to apply for FA/CC at any time post patient discharge date, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for FA/CC services that did not exist at the initial time of service.

- A. Any determination will be applied to the current account balance at the time of said documented notification and any future payments.

- B. If the change in financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate FA/CC.



- X. If the patient has paid a portion or all of the bill for medical services and is later found to have been eligible for charity care at the time services were provided:
  - A. They will be reimbursed for any payments in excess of the amount determined to be appropriate in accordance with WAC 246-453-040.
  - B. The patient will be reimbursed within thirty (30) days of receiving the charity care designation.
  
- XI. If a patient has been found eligible for FA/CC care and continues receiving recurring services such as physical therapy or IV therapy/infusion services for an extended period of time without completing a new application:
  - A. The hospital will re-evaluate the patient's eligibility quarterly to confirm that the patient is still eligible.
  - B. The hospital may require the responsible party to submit a new application and documentation.
  
- XII. If a patient has multiple visits for different eligible services within the same quarterly time period and has been found eligible for FA/CC,;
  - A. The hospital may combine multiple visits on one application.
  - B. The hospital will re-evaluate the patient's eligibility quarterly to confirm that the patient is still eligible.
  - C. The hospital may require the responsible party to submit a new application and documentation.
  
- XIII. If more than one family member in the same household receive services at TRH that qualify for FA/CC, each family member must complete a separate application. Only qualifying services received by the same person may be combined on a single application.

## REFERENCES

RCW 70.170.060 Health Data and Charity Care, Prohibited and required hospital practices and policies.

WAC 246-453 Hospital Charity Care.

**\*ACTION REQUIRED\*** If this policy is updated or changed, the revised version must be forwarded to the Department of Health and posted on our website.

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## Attachments

[2016FAACC THREE RIVERS.doc](#)

[TRH FAA coverletterApp.docx](#)

## Approval Signatures

Step Description	Approver	Date
CEO	James Graham: Chief Executive Officer (CEO)	12/2022
Policy Committee	Shauna Field: Administrative Assistant	11/2022
CFO	Jennifer Munson: Chief Financial Officer	11/2022
Revenue Cycle Director	Rosie Hartmann: Revenue Cycle Director	11/2022

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