

PURPOSE

To define Indigent and Charity Care apart from bad debts and to establish procedures for consistent identification and recording including how to define and adjust self-pay balances for discounts, as appropriate.

POLICY:

As a condition of submission and consideration for approval of a Certificate of Need application for the construction of a 50-bed Long Term Acute Care Hospital in Naples, FL and to serve the health care need of our community, Landmark Hospital of Southwest Florida, LLC provides indigent and charity care to patients without financial means to pay for hospital services without regard to race, creed, color, disability or national origin and who are classified as financially indigent or medically indigent according to the hospital's eligibility system.

The hospital shall not be obligated to admit a patient who does not meet the hospital's admission criteria.

ELIGIBILITY FOR INDIGENT CARE

A. Financially Indigent:

1. A financially indigent patient is a person who is uninsured and is accepted for care with no obligation or a discounted obligation to pay for services rendered based on Landmark Hospital's eligibility criteria set forth herein. Patients with medical insurance may also qualify for balances after insurance payment to be discounted provided they meet the income requirements.
2. To be eligible for indigent care as a financially indigent patient, a person's total household income shall be at or below 200% of the current federal poverty guidelines. Landmark Hospital may consider the patient's financial position (assets and liabilities) when determining eligibility.
3. Landmark Hospital will use the most current poverty income guidelines issued by the U.S. Department of Health and Human Services to determine an individual's eligibility for indigent care. The poverty income guidelines are published in the Federal Register in February of each year and for the purposes of this Process will become effective the first day of the month following the month of publication.

B. Medically Indigent:

1. A medically indigent patient is a person whose medical bills after payment by third party payers exceed a specified percentage of the person's annual gross income as set forth herein, and who is unable to pay the remaining balance due.

-
2. To be eligible for charity care as a medically indigent patient, the amount owed by the patient on the hospital bill after payment by third party payers must exceed 50% of the patient's annual household income, and the patient must be unable to pay the remaining balance due. Landmark Hospital may consider the patient's financial position (assets and liabilities) when determining ability to pay.
 3. A determination of the patient's ability to pay the remainder of the balance due will be based on whether the patient reasonably can be expected to pay the account in full over a 2-year (24-month) period from date of discharge.
 4. If a determination is made that a patient has the ability to pay the remainder of the bill, such a determination does not prevent a reassessment of the patient's ability to pay at a later date during the 24-month period.

C. Charity Care:

1. To be eligible for charity care, a person's total household income must be less than 200% of the current federal poverty guidelines. Patients whose total household income is between 125% and 200% of the current federal poverty guidelines will qualify for discounted medical services, while only those patients whose total household income is less than 125% shall be considered medically indigent, qualifying for free care. Landmark Hospital will consider the patient's financial position (assets and liabilities) when determining eligibility.
2. Patients eligible for charity care will have their medical bill discounted at 25%, 50%, or 75% off total charges based on their household income above the Federal poverty guidelines. The remaining balance will be due and payable by the patient and normal collection efforts will continue.

PROCEDURE:

A. Identification of indigent and Charity Cases:

1. All self-pay patients are asked to complete the Financial Assistance Form ("FAF") during the registration process.
2. The FAF will be sent to the Business Office for final processing by the Business Office Manager (BOM).
3. The following information may be requested for verification of income but it is not mandatory:
 - a. Copies of the previous year's income tax return (if available)
 - b. Current copy of employers check stub
 - c. Copy of Department of Social Services (Department of Medical Assistance) denied application for assistance and copies of all other medical bills
4. The patient will need to consent to a credit check to verify the fact that there are no credit cards that the balance could be charged to if they wish to be eligible for charity or indigent care.

-
5. If the patient qualifies as being medically indigent and/or for a partial charity care discount, the approved FAF will be processed by the BOM, prior to write off.
 6. If the FAF is incomplete it will be the responsibility of the BOM to contact the patient via mail and/or telephone *with* the incomplete FAF to be completed.
 7. An incomplete FAF will not be accepted.
 8. Factors to be considered in determining the eligibility of the patient for charity care:
 - a. Gross Income
 - b. Family Size
 - c. Employment status and future earning capacity
 - d. Other Financial resources
 - e. Other financial obligations
 - f. The amount and frequency of hospital and other medical bills
 - g. Has the patient/guarantor applied to Missouri Department of Social Services (Department of Medical Assistance) and the application been denied.
 9. All prospective indigent and/or charity accounts must remain in a self-pay financial class and regular collection efforts will continue until the application and documentation is received. These accounts are not to be left on the active A/R indefinitely, but adjusted off to bad debt and referred to a collection agency if the appropriate information is not received in a timely fashion.

B. Failure to Provide Necessary Information:

1. Failure to provide information necessary to complete a financial assessment may result in a negative determination, but the account may be reconsidered upon receipt of the required information within a reasonable time. A determination of eligibility for charity may NOT be made without a completed assessment form.

C. Timeline:

1. A determination of eligibility will be made by the Business Office within 5 working days after the receipt of all information necessary to make a determination.

D. Documentation

1. Once the eligibility determination has been made, the results will be documented in the comments section on the patient's account and the completed and approved FAF will be filed attached to the adjustment batch in the Indigent/Charity binders.

E. Reporting of Charity Care:

1. Information regarding the amount of indigent and charity care provided by Landmark Hospital in its fiscal year shall be aggregated and included in the annual report submitted to the Board of Managers.

F. Responsibility:

1. It is the responsibility of the Business Office Manager to provide this aggregated information to the CFO for inclusion in the annual report.