

# SVMC

100 HOSPITAL DRIVE, BENNINGTON VT 05201



## POLICY • PROCEDURES • GUIDELINES

### Charity Care Eligibility Policy

Pertains to: Patient Accounting

Effective Date:01/01/05

Revised Date:01/06, 03/06, 3/08, 12/08, 2/09, 6/11, 3/12, 5/13

Review Date: 6/11

#### I. POLICY:

Southwestern Vermont Health Care will-

- Treat all patient equitably, with dignity, with respect and compassion
- Serve the emergency health care needs of everyone, regardless of a patient's ability to pay for care
- Assist patient who cannot pay for part of all of the care they receive
- Balance needed financial assistance for some patients with broader fiscal responsibilities in order to keep the hospital's doors open for all who are need care in a community

Southwestern Vermont will render Charity Care to persons with a demonstrated inability to pay, regardless of race, color or creed. Charity Care represents medical services provided to a person for which the hospital has no expectation of receiving full payment. Charity Care eligibility may include an amount the patient or household is expected to pay, in addition to an amount which is written off.

We recognize that it will be necessary to identify the medically indigent patient and establish the amount of charity service to be rendered in a manner most responsible to the need of the community. Southwestern Vermont Healthcare will recognize Charity Care by clearly distinguishing it from Bad Debt. Charity Care will be identified and recorded as such, as early as possible in the registration and collection process.

Length of eligibility for Charity Care will be reviewed every six months for patients who receive wages from employment or have income that may fluctuate to determine if a change in status has occurred. Patients who receive Social Security and pensions that do not change are granted for 1 year.

An individual who does not have the means to meet his or her medical expenses is generally categorized as medically indigent. The term includes persons whose income is sufficient to pay for basic living expenses, but not adequate to pay for unexpected and/or large medical bills. Charity Care will be determined based upon family size and household income.

#### Helping Patient With the Payment for Hospital Care

Communication:

- We will provide financial counseling to patient about their hospital bills and will make the availability of such counseling widely known
- We will respond promptly to the patient's questions about their bills and to requests for financial assistance.
- We will use a billing process that is clear, concise, correct and patient friendly.

#### Helping Patients Quality for Coverage

- We will make available to the public information on hospital-base charity care policy

## II. PROCEDURES:

### **Eligibility Criteria for Routine Determinations:**

Southwestern Vermont Health Care (SVHC) – Southwestern Vermont Medical Center (SVMC) will use the following criteria to determine if a patient qualifies for Charity Care at SVMC:

1. The patient's household average monthly income and/or assistance from all sources for the 12 month period prior to receiving services at SVMC/SVHC, on average, did not exceed 200% of the monthly existing Federal Poverty Income Guidelines (see Chart A). The number of dependents and others in the household must be taken into account in making this determination.
  - a. "Patient's household income and/or assistance" includes all funds received by all members of the patient's household that support the household.
  - b. "Household" is defined as all dependents who live in the same residence as the patient and/or guarantor.
  - c. A "dependent" is defined as a person who can be claimed by the guarantor and/or patient as a dependent on their federal tax return.
2. The patient has no medical insurance, liability or other third-party coverage that will pay for the services the patient received at SVMC or SVHC.
  - a. SVHC does reserve the right to request a copy of the Medicaid Denial of Assistance if proof of income appears to be within the Medicaid Eligibility Guidelines for is income can not be verified.
  - b. The Charity Care determination will be rescinded should the patient subsequently receive medical, liability or third-party coverage that will pay for the services.
3. The patient has assets and resources, excluding their primary residence and automobile(s) of \$500 or less.
  - a. "Primary residence" includes appliances, furnishings, accessories, clothing and other personal articles necessary to maintain a basic standard of living.
  - b. "Basis standard of living" is defined as those items or services necessary for each resident of the primary residence to meet essential health, safety, legal liabilities and comfort needs.
  - c. The automobile(s) the person owns should have a fair market value less than \$15,000 (each if more than one in the household).

### **Determination Process for Routine Determinations:**

1. The patient indicates to any Access Services or Financial Services Representative that they would like to apply for Charity Care.
2. If a patient presents to the emergency room with no insurance coverage, he/she will be considered a candidate for Charity Care.
3. A SVHC [Application for Financial Assistance](#) is completed with supporting documentation and forwarded to a Financial Advisor. Supporting documentation shall include at least two of the following types:
  - a. W-2 Withholding Forms
  - b. Payroll Stub
  - c. Income Tax Returns
  - d. Forms approving or denying unemployment compensation or Worker Compensation, if appropriate
  - e. Written verification of wage from employer
  - f. Written verification from public welfare agencies or any other government agency, which can attest to the income status for the past twelve (12) months.
4. Patients with excessively large account balances that apply and do not qualify but may have extenuating circumstances should be referred to one of the following for review: Refer to "Presumptive Determinations", below.

- a. Supervisor of Patient Accounts
  - b. Director of Revenue Cycle Management
  - c. Chief Financial Officer
5. If the application is approved, the following actions should occur:
- a. The Supervisor of Patient Financial Services or their designee (Patient Financial Advisor) will prepare the necessary paperwork to post the appropriate adjustment
  - b. The Financial Advisor will notify the patient by letter that their request for the services to be written off to Charity Care has been approved.
6. If the application is denied, the following actions should occur:
- a. The application for Charity Care will be retained on file.
  - b. The Financial Advisor will notify the patient by letter that their request to have services written off to Charity Care has been denied.

**Eligibility Criteria for Presumptive Determinations:**

Known circumstances surrounding a patient's personal situation support the conclusion that they are medically indigent. In addition, the patient is either unable to apply for Charity Care and/or provide required supporting documentation to make a routine determination of eligibility.

**Determination Process for Presumptive Determinations:**

Some common, specific scenarios where a patient may be medically indigent but unable to document it are listed below. This is not an all-encompassing list. Unique situations that suggest the patient is medically indigent that are not listed may occur and should be evaluated independently.

- a. A patient is a foreign national who was in the area for a limited period of time and appears to have limited means as best we can tell. We can confirm or have a reasonable belief that the patient has returned to their country and it is questionable whether they will return to this area again. Furthermore, they do not qualify for any kind of other assistance program.
- b. The patient is deceased. There is no probate filed in the local jurisdiction where the person resided. There may or may not be family we can locate. We have no reason to believe that the patient has assets that would cover the bill (as determined from whatever sources of information available). No assistance programs are available to cover the patient's services.
- c. The patient is known to be homeless. They do not have a job and no assets. They do not qualify for any kind of assistance program.

In addition to specific scenarios, there may be "triggers" that could indicate that a person might qualify for charity care. All of these triggers assume that the person has no or very limited insurance coverage.

- a. Their income is below \$5,000 per annum for each family member in the household.
- b. They are a full-time student who is on their own.
- c. A large cumulative balance of \$20,000 or more is owed to the hospital.
- d. The patient is age 25 or below living on their own.
- e. The patient is disabled or unemployed.
- f. The patient is elderly and is not on Medicare or had Medicare Part B only.
- g. The patient has a serious or debilitating illness or injury that could cause a person who was previously employed to be unable to work for an extended (6 months for more) period.
- h. The patient has any other indicator (trigger) that would suggest the inability to pay their hospital bill.

Triggers by themselves are not a definitive reason to grant presumptive charity, but are an indicator that further review of the patient's circumstances may be warranted.

The following individuals are authorized to examine the facts of a potential presumptive charity case and make a determination as to whether to approve the write-off:

- a. \$1 to \$1,999 Supervisor Patient Accounting
- b. \$2,000 to \$5,000 Director of Revenue Cycle Management
- c. Greater than \$5,000 Chief Financial Officer

Once an affirmative determination is made, prepare an administrative adjustment form with the rationale why presumptive charity is being approved. The process thereafter to post the adjustment and distribute copies to the appropriate persons is the same for presumptive determinations as it is for routing determinations.

## CHARITY CARE ELIGIBILITY ADJUSTMENT CRITERIA POLICY

Effective January 1, 2013 the income requirements are:

### Chart A

Family Size	200% FPL	300%FPL	400%FPL
	100% Discount	25% Discount	10% Discount
1.	\$22,980	\$34,470	\$45,960
2.	\$31,020	\$46,530	\$62,040
3.	\$39,060	\$58,590	\$78,120
4.	\$47,100	\$70,650	<b>\$94,200</b>
5.	\$55,140	\$82,710	\$110,280
6.	\$63,180	\$94,770	\$126,360
7.	\$71,220	\$106,830	\$142,440
8.	\$79,260	\$118,890	\$158,520
Over 8	\$8,040 per person	Add \$12,060 per person	Add \$16,080 per person

All applications must have proof of income attached. Proof can be a copy of an income tax return, a statement from employer, pay stub with year-to-date earnings, or an unemployment statement. Applications should be filed prior to service, during, or within sixty (60) days following services or change in status. This policy is intended to be flexible and sensitive to the patient who has the inability to pay for his/her bill. In addition to the specific charity care guidelines above, those patients whose household income falls in the range of 200 – 400 percent of the Federal Poverty Income Guidelines will be considered for a 0 – 25 percent discount. The Vice President of Finance or his/her designee will determine the amount of discount to be given.

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