PURPOSE:

To identify and provide assistance to patients that are financially or medically indigent and demonstrate an inability to pay for the services provided to them or their dependents. This program is intended for use by those patients who are truly unable to pay for emergency and medically necessary care and who qualify under eligibility guidelines and evaluation processes defined in this policy.

POLICY:

Grady Memorial Hospital Authority (dba Grady Memorial Hospital) is committed to meeting the healthcare needs of the community. Part of that need will be for those persons who are uninsured, underinsured, ineligible for governmental assistance, or otherwise unable to pay for medically necessary care.

It is the intent of Grady Memorial Hospital (GMH) to recognize and implement policies which will strive to provide healthcare services to persons who cannot pay for medical services. Persons meeting the federal poverty level income guidelines will qualify to be considered for charity care or payment assistance. Patients are expected to cooperate with GMH’s procedures for obtaining charity or other forms of payment assistance, and to contribute to the cost of their care based on their individual ability to pay.

It is understood that a claim will be filed for patients who have an active Medicaid card or would be approved for medical assistance. If the services are denied for service not covered, the patient would qualify for charity based on the state’s approval for Medicaid coverage.

It is further understood that an account can be considered for charity or payment assistance if a person’s income exceeds the federal poverty guidelines up to 299% or hardship circumstances exist. Charity Care/Payment Assistance is not intended to be a substitute for personal responsibility. A determination can be made after procedural actions have been taken and if documentation is appropriate.

GMH may also extend charity discounts to other tax-exempt charitable community based organizations to be able to provide services under contract to their population groups.
DEFINITIONS

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from GMH’s policy to provide healthcare services free or at a discount to individuals who meet the established criteria. Charity care does not include bad debt, contractual allowances from government programs and insurance, uninsured patient discounts but may include insurance co-payments and/or deductibles.

Income: Money, wages, and salaries before any deductions, net receipts from a non-farm self-employment, net receipts from farm self-employment, regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker’s compensation, veteran’s payments, public assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income and non-federally-funded General Assistance or General Relief money payments), and training stipends, alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household, private pensions, government employee pensions (including military retirement pay) and regular insurance or annuity payments, grants, fellowships, and assistantships, any dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Uninsured: An individual who has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: An individual with some level of insurance or third party assistance but still has out-of-pocket expenses that exceed his/her financial ability to pay.


Medically necessary: Services or items reasonable and necessary for the diagnosis or treatment of illness or injury and not considered cosmetic in nature; emergency medical services provided in an emergency room setting, services for a condition which, if not promptly treated, would lead to an adverse change in the health status of the individual, non-elective services provided in response to life-threatening circumstances in a non-emergency room setting, and medically necessary services evaluated on a case-by-case basis at GMH’s discretion.

Medically Indigent: An individual whose medical bills after payment by third party payer(s), if applicable, exceed 100% of the household’s annual gross income and who is unable to pay the remaining balance.

PROCEDURE

Identification of Charity Cases or Need for Payment Assistance

1. Upon registration, and after all EMTALA requirements are met, patients without Medicare, Medicaid, third-party insurance, other local healthcare financial assistance, or adequate health insurance shall receive financial counseling assistance from GMH staff. Registration should refer patients who may qualify for financial assistance from a governmental program to the appropriate program, such as Medicaid.

2. If the patient is an inpatient, after reviewing records if a possibility of financial need is recognized, communicate with Social Services Coordinator when applicable.
3. Patients who desire to apply for charity care/payment assistance should receive a Payment Assistance letter printed from Meditech and an Application for Payment Assistance form. It is the patient/guarantor’s responsibility to provide, to the best of their knowledge, accurate, honest, and complete information regarding their application and billing information. The patient/guarantor shall be required to provide information and verification of ineligibility for benefits available from insurance, Medicare, Medicaid, Worker’s Compensation, third-party liability (i.e. auto accident or personal injury) and other programs. The completed Application for Payment Assistance should be returned to the GMH Business Office.

4. An Application for Payment Assistance will not be completed if the account is under $250.00.

5. If a previous account within the last year has had payment assistance, or had been deemed a charity status, no new application will be completed.

6. As soon as sufficient information is available concerning the patient’s financial resources and eligibility for government assistance, a determination should be made concerning the patient’s eligibility. The determination decision should be made within 30 days of receipt of completed application. No collection efforts should be pursued on a charity account after such determination is made.

7. If the patient meets all criteria and qualifies for charity, an adjustment is initiated by entering the charity amount into the Meditech system.

The granting of charity care/payment assistance shall be based on an individualized determination of financial need, and shall not take into account race, color, national origin, religion, sex, gender identity, sexual orientation, disability, age, marital status, socioeconomic status, or source of payment.

Key criteria for determining eligibility for Charity Care/Payment Assistance:

a. Income below 300% of the federal poverty guideline.

b. Limited assets.

c. Amount owed to GMH and to other healthcare providers.

d. Cost of routine monthly necessities (required for health or safety), including prescriptions.

e. Patient’s effort to pay any portion of dollars owed.

f. Financial and personal consideration of others in the household.

**Self-Pay Discount**

In 2006, Oklahoma House Bill 2842 established a discount program for qualified self-pay patients. Patients that complete the Application for Payment Assistance process may be approved for a discount based on the estimated Medicare reimbursement for services provided as long as the following criteria are met:

1. Patient or responsible party must request a discount on the balance owed.
2. Patient or responsible party’s income must fall below 300% of poverty guidelines, but is not required for patients who are eligible for or enrolled in private or public insurance plans providing hospital coverage, including indemnity plans.

3. Documentation must be submitted with the Application for Payment Assistance to show proof of this income.

4. Patient does not have third-party insurance coverage or access to a third party insurance plan.

**Income Guidelines**

The guidelines used during the eligibility determination process shall be based on the poverty guidelines determined by the Department of Human Services.

The current poverty guidelines (effective January 2019) are as follows:

**2019 Federal Poverty Guidelines for the 48 Contiguous States and the District of Columbia**

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>Poverty Guideline</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>$12,490</td>
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<td>4</td>
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<td>5</td>
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<td>6</td>
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<td>7</td>
<td>39,010</td>
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<tr>
<td>8</td>
<td>43,430</td>
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</tbody>
</table>

*For families/households with more than 8 persons add $4,420 for each additional person.

**Asset Guidelines** - The current guidelines relating to net worth are as follows:

1. The applicant’s liquid assets (i.e. cash, savings, life insurance cash surrender value, etc.) cannot exceed $1,300.00 for a one member family unit or $1,800.00 for a two member. For a family unit with more than two members, add $250.00 for each additional member.

2. The applicant’s home will be exempt from any charity consideration.

3. Adequate transportation will be exempt from charity consideration (auto value not to exceed $20,000 market value).
Rate of Forgiveness Guidelines

To help assure the financial assistance program is applied to each applicant on a consistent basis, guidelines relating to the rate of forgiveness are described below. The guidelines are flexible to allow for individual consideration customized to each obligation.

<table>
<thead>
<tr>
<th>% of Poverty</th>
<th>Discount from Charges</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Poverty</td>
<td>100%</td>
<td>indigent</td>
</tr>
<tr>
<td>100-119%</td>
<td>90%</td>
<td>Charity Care</td>
</tr>
<tr>
<td>120-139%</td>
<td>80%</td>
<td>Charity Care</td>
</tr>
<tr>
<td>140-169%</td>
<td>70%</td>
<td>Charity Care</td>
</tr>
<tr>
<td>170-199%</td>
<td>60%</td>
<td>Charity Care</td>
</tr>
<tr>
<td>200-249%</td>
<td>50%</td>
<td>Charity Care</td>
</tr>
<tr>
<td>250-299%</td>
<td>30%</td>
<td>Charity Care</td>
</tr>
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Denying Charity Care

Reasons for denial:

a. Income/net worth values exceed criteria specified in policy guidelines.
b. Incomplete information and/or failure to cooperate.
c. Service is not within allocated Charity Care Services.
d. If any information on the Application for Payment Assistance provided is found to be false.
e. If completed application is not received within 30 days.

PRESUMPTIVE CHARITY CARE ELIGIBILITY:

The determination of presumptive eligibility for a 100% charity care discount shall be made by GMH on the basis of patient/guarantor income, not solely based on the income of the affected patient.

- Patient is homeless and/or has received care from a homeless clinic.
- Patients who have no income.
- Patient is deceased and has no known estate.
- Individual has received Medicaid benefits. Service dates for up to one year prior to the Medicaid qualification and six months past the Medicaid eligibility date will be considered for Charity Care/Payment Assistance.

Other scenarios could indicate that a person might qualify for Charity Care/Payment Assistance. All of these assume that a 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 foreign national.
c. They are a full-time student who is on their own.
d. A large cumulative balance equal to 30% or more of the patient’s annual income is owed to the hospital.
e. The patient is age 25 or below living on their own.
f. The patient is disabled or unemployed.
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 or more) period.
h. The patient has any other indicator that would suggest the inability to pay their hospital bill.

The following individuals are authorized to examine the facts of a potential presumptive charity case and make a determination as to whether or not to approve the write-off:

a. Business Office Supervisor
b. Director of Business Services
c. VP of Finance

General Information

1. All inquiries regarding payment assistance shall be referred to the Business Office Supervisor.

2. Exceptions to this policy can be made by the VP of Finance.
U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs

[Prior Poverty Guidelines and Federal Register References Since 1982]

[Frequently Asked Questions (FAQs)]

[Further Resources on Poverty Measurement, Poverty Lines, and Their History]

[Computations for the 2019 Poverty Guidelines]

There are two slightly different versions of the federal poverty measure:

- The poverty thresholds, and
- The poverty guidelines.

The poverty thresholds are the original version of the federal poverty measure. They are updated each year by the Census Bureau. The thresholds are used mainly for statistical purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) Poverty thresholds since 1973 (and for selected earlier years) and weighted average poverty thresholds since 1959 are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "How the Census Bureau Measures Poverty" on the Census Bureau's web site.

The poverty guidelines are the other version of the federal poverty measure. They are issued each year in the Federal Register by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for use for administrative purposes — for instance, determining financial eligibility for certain federal programs.
The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under Frequently Asked Questions (FAQs). See also the discussion of this topic on the Institute for Research on Poverty's web site.5

The following figures are the 2019 HHS poverty guidelines which will be published in the Federal Register.

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### 2019 Poverty Guidelines for Alaska