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## Policy : Charity Care

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**Overlake Medical Center**  
**Charity Care/Financial Assistance Policy**  
**Effective September 1, 2021**

### **Purpose**

Overlake Medical Center (OMC) is committed to the provision of medically necessary health care services to all persons in need of such services regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of Charity Care/Financial Assistance, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, are established.

### **Communication to the Public**

OMC's Charity Care/Financial Assistance policy shall be made publicly available through the following elements:

- A. A notice advising patients that OMC provides Charity Care/Financial Assistance shall be displayed in key areas of the hospital, including Admitting locations, and the Emergency Department. A copy of the policy will also reside on the [Overlakehospital.org](http://Overlakehospital.org) website.
- B. OMC will make available a written notice indicating the policy to patients in the form of a "plain language" flyer. This written information will be available throughout the hospital and shall also be verbally explained on request. If for some reason, for example in an emergency situation, the patient is not notified of the existence of Charity Care/Financial Assistance before receiving treatment; he/she shall be notified as soon as possible.
- C. Both the written information and the verbal explanation shall be available in any language spoken by more than 1000 people in OMC's primary 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.
- D. OMC shall train front-line staff to answer Charity Care/Financial Assistance questions effectively or direct such inquiries to the appropriate department in a timely manner.
- E. Written information about OMC Charity Care/Financial Assistance Policy shall be made available to any person who requests the information, either by mail, by telephone or in person.

### **Eligibility Criteria**

Charity Care/Financial Assistance is secondary to all other financial resources available to the patient, including but not limited to group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical

services such as automobile or home owner liability insurance. The medically indigent patient will be granted Charity Care/Financial Assistance regardless of race, national origin, or immigration status.

In those situations where appropriate primary payment sources are not available, or for balances after payments from other sources, patients shall be considered for Charity Care/Financial Assistance under OMC's policy based on the following criteria:

A. To meet the requirements of WAC 246-453-040 and WAC 246-453-050, and IRS 501R requirements, OMC has adopted the following model:

1. The full amount of OMC's charges will be determined to be Charity Care/Financial Assistance for a patient where their gross family income is at or below 300% of the current federal poverty level.
  2. The following sliding fee schedule shall be used to determine the amount that shall be written off for patients with incomes between 301% and 400% of the current federal poverty level. Family is defined as a group of two or more persons related by birth, marriage, or adoption that live together; all such related persons are considered as members of one family.
  3. The amount an individual is personally responsible for paying after all discounts, deductions, and reimbursements are applied (including those from insurance and the hospital facility's financial assistance policy) shall not be more than the Amounts Generally Billed (AGB) to individuals who have insurance covering such care. OMC have elected to use the 12 month look-back method based on a blend of Medicare fee-for-service claims and private health insurers that pay claims to the hospital to determine the AGB.
  4. The responsible party's financial obligation remaining after the application of any sliding fee schedule shall be payable in monthly installments over a reasonable period of time, in accordance with the Self Pay Follow Up Policy. The responsible party's account shall 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.
- Note: Income is defined as total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual.

B. OMC may offer Catastrophic Charity, which means OMC may write off as Charity Care/Financial Assistance amounts for patients with family income in excess of 300% of the federal poverty level when circumstances indicate severe financial hardship or personal loss that goes beyond the Charity Care/Financial Assistance discount as outlined above. In these cases, patients should submit a written request for a further review along with the details of the catastrophic situation. The decision to grant Catastrophic Charity and the amount to be written off shall lie with OMC Pricing Committee in accordance with other existing policies regarding the approval for authority to purchase/spend OMC financial resources.

C. OMC provision of Charity Care/Financial Assistance is for the benefit of the community served by OMC and, as such, patients who are not residents of Washington State will be eligible for Charity Care/Financial Assistance only for services provided within the Emergency Department or as a result of a direct admission from the Emergency Department. In addition, the services must be determined to be a medical emergency by an OMC Emergency Department physician.

D. Exceptions to the Washington State residency requirement shall also include refugees, asylees, and those seeking asylum that possess, and/or can present, INS documentation.

### Process for Eligibility Determination

#### A. Initial Determination:

1. OMC shall use an application process for determining eligibility for Charity Care/Financial Assistance. Requests to provide Charity Care/Financial Assistance will be accepted from sources such as patient's family, physicians, community/religious groups, social services, financial services staff, and the patient.
2. During the patient registration process, or at any time after the patient has been notified of the existence and availability of Charity Care/Financial Assistance, OMC will make an initial determination of eligibility based on verbal or written application for Charity Care/Financial Assistance.
3. Pending final eligibility determination, OMC will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with OMC efforts to reach a final determination of uncompensated care status.
4. If OMC becomes aware of factors which might qualify the patient for Charity Care/Financial Assistance under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as Charity Care/Financial Assistance.
5. Determination of coverage will be dependent upon financial need at the services were rendered.

#### B. Final Determination:

1. Prima Facie Write-Offs. In the event that 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, OMC may grant Charity Care/Financial Assistance solely on this initial determination. This same criteria holds true for deceased patients where OMC cannot identify a spouse, estate or other assets. In these cases, OMC is not required to complete full verification or documentation, per WAC 246-453-030 (3).
2. Charity Care/Financial Assistance forms, instructions, and written applications shall be furnished to patients when Charity Care/Financial Assistance is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or OMC, should be accompanied by documentation to verify income amounts indicated on the application form. :
  - a. Applications for Charity Care/Financial Assistance will require a completed application and any one of the following documents:
    1. W-2 withholding statements;
    2. the 3 most current pay stubs;
    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;
    6. written statements from employers; or welfare agencies; or

7. letters of support from family members who are providing living expenses to applicant when other income verification is not available.

b. Balances above \$15,000 will be reviewed for potential Presumptive Charity based on the Healthcare Credit report for the patient.

3. During the initial request period, the patient and OMC may pursue other sources of funding, including Medical Assistance Administration and Medicare. OMC may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.

4. 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.

5. In the event that the responsible party is not able to provide any of the documentation described above, OMC shall 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)).

C. OMC will allow a patient to apply for Charity Care/Financial Assistance at any point from pre-admission recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in the need for charity services. If the change in financial status is temporary, OMC may choose to suspend payments temporarily rather than initiate Charity Care/Financial Assistance.

D. Time Frame for Final Determination and Appeals.

1. Each Charity Care/Financial Assistance applicant who has been initially determined eligible for Charity Care/Financial Assistance shall be provided with at least (30) calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her Charity Care/Financial Assistance application prior to receiving a final determination of uncompensated care status

2. OMC shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material

3. The patient/guarantor may appeal the determination of eligibility for Charity Care/Financial Assistance by providing additional verification of income or family size to the Director of Revenue Cycle within thirty (30) days of receipt of notification

a. Second level of appeal will be handled at the discretion of the OMC Pricing Committee.

b. The timing of reaching a final determination of Charity Care/Financial Assistance status shall have no bearing on the identification of Charity Care/Financial Assistance deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).

c. All collection activity shall cease pending outcome of the appeal determination

F. If the patient has paid some or all of the bill for medical services and is later found to have been eligible for Charity Care/Financial Assistance at the time the payment was made, he/she shall be reimbursed for any amounts in excess of what is determined to be owed within 30 days of that determination.

G. Adequate notice of denial:

1. When a patient's application for Charity Care/Financial Assistance is denied, the patient shall receive a written notice of denial which includes.

- a. The reason(s) for the denial and the rules to support OMC decision;
- b. The date of the decision; and
- c. Instructions for appeal or reconsideration.

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

- a. A description of the information that was requested and not provided, including the date the information was requested;
- b. A statement that eligibility for Charity Care/Financial Assistance cannot be established based on information available to OMC ; and
- c. 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.

3. The Pricing Committee will review all second level appeals. If this review affirms the previous denial for Charity Care/Financial Assistance, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

### Approval Process

Once a determination of eligibility and amount is made, the application and accompanying information shall be reviewed sequentially by the appropriate persons as noted below:

- Patient Financial Services Manager/Supervisor Up to \$1,000
- Director Revenue Cycle Up to \$100,000
- Vice President Finance/VFO Over \$100,000

### Documentation and Records

A. Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.

B. Documents pertaining to the charity case shall be retained according to the retention policy.

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**Review Date:**

**Attachments:**

(REFERENCED BY THIS DOCUMENT)

**Other Documents:**

(WHICH REFERENCE THIS DOCUMENT)

Laboratory Compliance Summary

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