Washington State Hospital Association

New Charity Care Requirements
Model Provisions to Add to Charity Care Policies
Updated 5/26/2022

- **New Mandatory Discount Language (includes asset consideration option):**

Tier 1 Hospitals (Hospitals owned or operated by a health system that owns or operates three or more acute hospitals licensed under chapter 70.41 RCW, an acute care hospital with over 300 licensed beds located in the most populous county in Washington, or an acute care hospital with over 200 licensed beds located in a county with at least 450,000 residents and located on Washington's southern border)

Criteria for Financial Assistance and Charity Care: For medically necessary hospital care received on or after July 1, 2022, HOSPITAL will consider patients for financial assistance and charity care under this policy, when third-party coverage, if any, has been exhausted, based on the following criteria:

1. The full amount of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is at or below 300% of the current federal poverty level, adjusted for family size. [
    a. HOSPITAL will not consider the existence, availability, or value of assets for individuals in this category.][1]
2. Seventy-five percent of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 301% and 350% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below][2].
3. Fifty percent of uncovered hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 351% and 400% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below].[3]

[1] Include bracketed statement only if HOSPITAL is considering assets.
[2] Include bracketed statement only if HOSPITAL is considering assets.
[3] Include bracketed statement only if HOSPITAL is considering assets.

Tier 2 Hospitals (all non-Tier 1 Hospitals (independent and small hospitals and behavioral health hospitals not owned by a system)

Criteria for Financial Assistance and Charity Care: For medically necessary hospital care received on or after July 1, 2022, HOSPITAL will consider patients for financial assistance and charity care under this policy, when third-party coverage, if any, has been exhausted, based on the following criteria:

1. The full amount of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is at or below 200% of the current federal poverty level, adjusted for family size. [
    a. HOSPITAL will not consider the value of assets to reduce charity care discounts for individuals in this category.][4]
2. Seventy-five percent of patient or guarantor responsibility for hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 201% and 250% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below][5].
3. Fifty percent of uncovered hospital charges will be determined to be charity care for a patient or their guarantor whose income is between 251% and 300% of the current federal poverty level, adjusted for family size [, which percentage discount may be reduced by amounts reasonably related to assets considered as set forth below].[6]

Consideration of Assets: [For hospitals in either tier, include the following only if considering assets.]

When determining eligibility for financial assistance and charity care under this policy for care received on or after July 1, 2022, for patients and/or guarantors not eligible for charity care for the full amount of hospital charges, HOSPITAL may take into consideration the existence, availability, and value of assets or the patient and/or guarantor to reduce the amount of the discount granted. In doing so, HOSPITAL will exclude from consideration:

- The first $5000 in monetary assets for an individual, $8000 for a family of two, and $1500 of monetary assets for each additional family member; the value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid;
- Equity in a primary residence;
- Retirement plans other than 401(k) plans;

[4] Include bracketed statement only if HOSPITAL is considering assets.
[5] Include bracketed statement only if HOSPITAL is considering assets.
[6] Include bracketed statement only if HOSPITAL is considering assets.

- One motor vehicle (and a second motor vehicle if it is necessary for employment or medical purposes);
- Prepaid burial contracts or burial plots; and
- Life insurance policies with a face value of $10,000 or less.

With respect to those assets that may be taken into consideration, HOSPITAL will seek only such information regarding assets as is reasonably necessary and readily available to determine the existence, availability, and value of such assets.

1. HOSPITAL will consider assets and collect information related to such assets as required by the Centers for Medicare and Medicaid (CMS) for Medicare cost reporting.
    a. Such information may include reporting of assets convertible to cash and unnecessary for the patient's daily living.
2. Duplicate forms of verification will not be requested.
    a. Only one current account statement is required to verify monetary assets.
3. If no documentation for an asset is available, a written and signed statement from the patient or guarantor is sufficient.
4. Asset information will not be used for collection activities.

- **Medicaid and Health Benefit Exchange Obligations**
  [UPDATED May 26, 2022 to add detail about retroactive coverage to section 2 and remove reference to the Washington Health Benefit Exchange in sections 3 and 4]:

  <u>Identification of Patients Eligible for Certain Third-Party Coverage</u>: For services provided to patients on or after July 1, 2022, the following procedures will apply for identifying patients and/or their guarantors who may be eligible for health care coverage through Washington medical assistance programs (e.g., Apple Health) or the Washington Health Benefit Exchange:

  1. As a part of the charity care application process for determining eligibility for financial assistance and charity care, HOSPITAL will query as to whether a patient or their guarantor meets the criteria for health care coverage under medical assistance programs under chapter 74.09 RCW or the Washington Health Benefit Exchange.
  2. If information in the application indicates that the patient or their guarantor is eligible for retroactive coverage through the medical assistance programs under chapter 74.09 RCW, HOSPITAL will assist the patient or their guarantor in applying by, among other things, [*insert specific activities the HOSPITAL will perform, e.g.: providing the patient or their guarantor with information about the necessary forms that must be completed or connecting them with other individuals or agencies who can assist].*

a. In providing assistance to the application process, HOSPITAL will take into account any physical, mental, intellectual, sensory deficiencies or language barriers which may hinder either the patient or their guarantor from complying with the application procedures and will not impose procedures on the patient or guarantor that would constitute an unreasonable burden.

3. [OPTIONAL] If the patient or guarantor fails to make reasonable efforts to cooperate with HOSPITAL in applying for coverage under chapter 74.09~~,~~ HOSPITAL is not obligated to provide charity care to such patient.
4. If a patient or their guarantor is obviously or categorically ineligible or has been deemed ineligible for coverage through medical assistance programs under chapter 74.09 RCW in the prior 12 months, HOSPITAL will not require the patient or their guarantor to apply for such coverage.

- **Remove outdated terminology and provisions**:
  - Delete all references to sliding fee schedule for care provided on or after July 1, 2022

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May 2022