

Medlink Management Services, Inc.
Lake Butler Hospital
Patient Accounts Department Policy Manual

Policy #: 11-02-15
and Write Off

Title: Charity/Indigent Care Qualification

Applies To: Patient Accounts and Accounting

PURPOSE: To establish guidelines on the qualification and write-offs of charity/indigent care services provided by Medlink Management Services, Inc. d/b/a Lake Butler Hospital (LBH) and Lake Butler Hospital Rehabilitation Center.

POLICY: It shall be the policy of Medlink Management Services, Inc., d/b/a/ Lake Butler Hospital (LBH) to identify all charity/indigent care patients, identified as having no third-party liability coverage and whose monthly income is 200% or less of the currently published federal poverty guidelines, through a qualification process and to appropriately qualify and write-off indigent care accounts for all hospital services monthly.

DEFINITIONS:

SERVICES COVERED UNDER THIS POLICY:

- A. Emergency or urgent inpatient and outpatient hospital services that are necessary to prevent loss of life, irreparable physical damage or loss or serious impairment of body functions and;
1. The emergency arose from an accident or illness;
 2. The health of the individual would be endangered if the care and services were postponed for any reason;
 3. The hospital has the necessary treatment resources, such as diagnostic equipment or physicians on duty specialized in the service needed to treat the patients available.

All other outpatient services not covered as stated above, such as surgery, outpatient diagnostic testing, outpatient rehabilitation treatment and other non-emergency services.

STANDARDS:

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FINANCIAL ASSESSMENT COMPLETION:

1. LBH will complete a Financial Assessment (see Attachment A) on those patients without verifiable insurance to determine eligibility for the hospital's charity/indigent program or State Medicaid benefits. If qualifying patient for the Medicaid program or the Health Care Responsibility Act Program, proof of residency, such as a driver's license or voter registration card, along with proof of income (ex: pay stub, W2, income tax, social security income voucher, child support, disability income, workers compensation) must be supplied by the patient and copies scanned and attached to the patient's registration account; otherwise, only a Financial Assessment is required to be completed and signed by the patient attesting that the information provided is correct and accurate.

INDIGENT CARE QUALIFICATION:

1. If the patient does not have any health insurance benefits or third-party liability available to pay for the services covered under this policy, and their income meets the current federal poverty guidelines at 200% or less for the household as published by the most recent Federal Register (see Attachment B), proceed with offering the sliding fee schedule discount as outlined in Uninsured Discount Policy 11-02-24.
2. If the patient does not have any health insurance benefits or third-party liability available to pay for the services covered under this policy, and meets at least 100% or less of the current federal poverty guidelines and;
 - a. qualifies for Medicaid and patient is agreeable, an attempt shall be made to secure Medicaid coverage by completing a Medically Needy application and sending to the HRS Office. If the patient is denied for Medicaid, the account should be adjusted off as an Indigent/Charity Write Off.

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- b. does not qualify for Medicaid, but qualifies for Share of Cost, proceed with appropriate collection efforts as outlined in the Up-Front Collections policy 11-02-06. In the event LBH is unable to collect the patient's required share of cost after statement cycles and collection process is completed, the account shall be written off as Charity/Indigent.
 - c. does not qualify for Medicaid, nor Share of Cost, but qualifies under the HealthCare Responsibility Act as a Union County or out-of-county emergency, the account shall be billed to the county of residence under the HCRA program. After appropriate collection attempts are made, any uncollected balances shall be written off as Charity/Indigent.
3. If the patient meets at least 200% or less of the current federal poverty guidelines and;
 - a. does not qualify for Medicaid, but qualifies for Share of Cost, proceed with appropriate collection efforts as outlined in the Up-Front Collections policy 11-02-06. In the event LBH is unable to collect the patient's required share of cost after statement cycles and collection process is completed, the account shall be written off as Charity/Indigent.
 - b. does not qualify for Medicaid, nor Share of Cost, but qualifies under the Health Care Responsibility Act as an out-of-county emergency, the account shall be billed to the county of residence under the HCRA program per policy PM 11-02-28 Health Care Responsibility Act. After appropriate collection attempts are made, any uncollected balances shall be written off as Charity/Indigent.
 - c. does not qualify for Medicaid, nor Share of Cost, nor qualifies under the Health Care Responsibility Act, the account shall be written off as Charity/Indigent.

VERIFICATION OF INCOME:

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1. For qualification under the Medicaid Program or Health Care Responsibility Act Program, the hospital shall request documentation required to verify the patient's income received during the four weeks prior to the date of admission or treatment. Examples of documentation required is a proof of residency, such as a driver's license or voter registration card, along with proof of income (ex: pay stub, W2, income tax, social security income voucher, child support, disability income, workers compensation). If the patient is unable to supply appropriate documentation, the hospital will attempt to verify. Income to be considered: the sum of income a family unit receives or is entitled to receive at the time of application. For types of income and verification see the guidelines as stated in PM 11-02-15, Health Care Responsibility Act, which also qualify under the Health Care Responsibility Act.

WRITE OFF PROCEDURES:

1. All accounts qualifying as Charity/Indigent shall be reviewed monthly by the Patient Accounts Department to verify that all required documentation and applications for assistance were completed and included in the patient's electronic registration record and appropriate qualification criteria were followed. After review of all eligible accounts and authorization by the Revenue Cycle Director, the qualifying accounts shall be written off as Charity/Indigent Write Offs monthly. An electronic Excel file will be compiled and reconciled with the actual write offs for the month and submitted monthly to the accounting office for all accounts written off as Charity/Indigent Write Offs during the reporting period. The qualification of any accounts as charity/indigent under this policy does not prevent the collection of any accounts written off as charity/indigent from being collected at any time third party liability is identified. In the event the account has been prior written off as charity/indigent and collection is obtained, the amounts collected shall be posted to the patient's account as a Recovery of Charity/Indigent credit. All recovery of charity/indigent amounts shall be reported in the hospital's general ledger as Other Operating Income-Recovery

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of Charity/Indigent. These amounts will be reported as a credit on any future charity/indigent writes offs.

RESPONSIBILITIES: The Director of Revenue Cycle Management shall be responsible for ensuring hospital compliance with this policy.

ATTACHMENTS: Financial Assessment and Federal Poverty Guidelines