

# **HIC HENRY COUNTY MIC MEDICAL CENTER**

301 TYSON AVENUE \* PARIS, TN \* 731-642-1220  
Business Office 731-644-8593

## **NOTICE OF CHARITY CARE AND REDUCED COST PROGRAMS**

The mission of Henry County Medical Center is to provide the highest quality, affordable healthcare services and education to the citizens of Henry County and the adjoining region. As such, Henry County Medical Center has established the following financial assistance programs.

### **Charity Care Program**

Henry County Medical Center's Charity Care Program provides financial assistance to patients based on income, assets, and needs. If you believe you may need assistance with your medical bills, either in full or in part, we may be able to help you. Our Charity Care Program is based on the Department of Health and Human Services Guidelines.

### **Uninsured**

Henry County Medical Center provides reduced-cost health care to the uninsured, regardless of income or assets. If you are uninsured, your bill will automatically reflect this discount. Our reduced-cost health care is based on State Law TCA-68-11-266.

### **Prompt Pay Discount**

Henry County Medical Center provides a prompt pay discount. To be eligible, a payment must be received within 10 business days after the first bill.

For more information about these programs, *please contact our Financial Counselors in the Business Office at 731-644-8367.* We will treat your questions and concerns with confidentiality and courtesy.

# HIC HENRY COUNTY MIC MEDICAL CENTER

301 TYSON AVENUE \* PARIS, TN \* 642-1220  
POLICIES/PROCEDURES

REF: 8310.1.7.327

PAGE: 1 of 5

APPROVED BY:

SUBJECT: Charity Care

DATE APPROVED: 3/25/10

DATE REVIEWED:

BY: Administration

SUPERSEDES: 8310.1.7.327 dated  
1/22/09

Policy:

HCMC is committed to treating all patients equitably, with dignity, respect and compassion. HCMC provides services in anticipation of payment by the patient and/or guarantor. HCMC determines eligibility for financial assistance and assists patients to qualify for available payment sources upon receipt of required financial information and other documentation from the patient. HCMC offers patients who qualify for financial assistance, a reasonable variety of payment options or terms for payment including partial payment. HCMC utilizes payment procedures for charity care, which take into consideration other payment arrangements with insurance companies, managed care networks, and government-sponsored programs.

Purpose

To establish a mechanism to provide financial assistance to qualifying patients and provide an effective and consistent means of administration. This process will be applied without discrimination.

Objectives

1. To fairly apply a charity care policy
2. To identify those patients in need of financial aid in our primary service area which includes the counties of Henry, Benton, Carroll, Stewart, and Weakley.
3. To identify patient account balances over \$1,000.00 that would qualify for charity care excluding emergency services. Accounts within the eligibility timeframe of 180 days are subject to review for medical necessity.
4. To document a patient's liability for services
5. To establish a methodology for collection of liabilities assigned as a result of this policy

Definitions

1. Charity Care: Charity represents services provided to medically needy persons for which the hospital does not expect payment. These persons have insufficient income and assets with which to pay for their care. "Insufficient income" means an amount not to exceed one hundred percent (100%) of the federal poverty guidelines. These persons are not eligible for Medicaid or other state or federal programs, or benefits of these programs have been exhausted. The patient has no insurance or has a very limited insurance policy.

<p>Procedures</p>	<ol style="list-style-type: none"> <li>2. Medically Indigence: Medical indigence is a status reached when a person uses or commits all available current and expected resources to pay for medical care to the maximum extent practical for a reasonable period and not all charges can be paid. A person who can afford the basics of life, i.e., food, clothing and housing, but has insufficient income and assets to pay incurred hospital and medical bills, is medically indigent.</li> <li>3. Family: A family is a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family. For instance, if an older married couple, their daughter and her husband and two children, and the older couple's nephew all lived in the same house or apartment, they would all be considered members of a single family.</li> <li>4. Family Unit: "Family Unit" is not an official U.S. Census Bureau term, although it has been used in the poverty guidelines Federal Register notice since 1978. As used here, either an unrelated individual or a family (as defined above) constitutes a family unit.  This policy is dependant upon the patient providing requested information necessary for determining eligibility. Failure to provide requested information in a timely manner, including financial records, will result in application of standard collection processes.</li> <li>5. Unrelated Individual: An unrelated individual is a person other than an inmate of an institution) who is not living with any relatives. An unrelated individual may be the only person living in a house or apartment, or may be living in a house or apartment (or in group quarters such as a rooming house) in which one or more persons also live who are not related to the individual in question by birth, marriage, or adoption. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.</li> <li>6. Non-Covered Services: Cosmetic surgery performed purely for the purpose of enhancing one's appearance and/or services deemed non-covered by patient's insurance company. (i.e. cosmetic, elective surgeries) Elective Procedure: A procedure that a patient and doctor plan in advance for a condition that is not life-threatening.</li> <li>1. Determine that no source other than the patient would be legally responsible for the patient's medical bill.             <ol style="list-style-type: none"> <li>A. Verify that the patient has no medical insurance.</li> <li>B. Verify that the treatment is not for a work related accident.</li> <li>C. Verify that treatment is not for an auto accident.</li> <li>D. Verify that treatment is not for any other accident covered by another third party.</li> <li>E. Verify that the patient is not currently in custody of a correctional facility.</li> </ol> </li> </ol>
	<ol style="list-style-type: none"> <li>F. Verify that the patient's Medicare/Medicaid/TennCare benefits have been exhausted.</li> </ol>

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|  | <p>2. Identify whether the patient qualifies for federal, state, or local assistance.</p> <ul style="list-style-type: none"> <li>A. Require patient to provide patient information to third party qualifiers for determination of eligibility for TennCare.</li> <li>B. Review the financial evaluation form returned by patient.</li> <li>C. If patient qualifies for federal, state, or local assistance program this policy is not applicable.</li> </ul> <p>3. Determine the patient's financial status.</p> <ul style="list-style-type: none"> <li>A. HCMC will take into account a patient's total resources, which would include, but are not limited to, an analysis of assets (only those convertible to cash and unnecessary for the patient's daily living), liabilities, and income and expenses. In making this analysis, HCMC will take into account any extenuating circumstances that would affect the determination of the patient's indigence.</li> <li>B. Income and assets used to compute financial status: <ul style="list-style-type: none"> <li>1) Money income: Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, disability payments, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.</li> <li>2) Assets: property such as house, land, etc.</li> <li>3) Noncash benefits (such as food stamps and housing subsidies) do not count as income or expense.</li> <li>4) For a family/family unit, add up the income of all family members. (non-relatives, including housemates, do not count. A child who is a full-time student away from home in an accredited college can be counted.) Primary residence of individuals claimed in a family unit may be verified using tax returns.</li> </ul> </li> <li>C. If HCMC has determined a patient's financial status in the previous 180 days, patient does not have to apply for charity care. However, patient income must still be verified.</li> <li>D. Patients who have not qualified for discounted care may reapply.</li> <li>E. Documenting Income and Assets: <ul style="list-style-type: none"> <li>1) In order to accurately substantiate the family income and assets, any of the following documents may be utilized: <ul style="list-style-type: none"> <li>a. Pay stubs for the last four pay periods</li> <li>b. Income tax return for the previous year</li> <li>c. W2 form</li> </ul> </li> </ul> </li> </ul> |
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- d. State assistance documents
- e. Any other documents for pension, earned interest, etc.
- f. Worksheet of monthly expenses and supporting documents
- g. Bank statements
- h. Asset statement

2) Application and submission of supporting documents must be completed and returned within 10 days.

F. Measure of need (poverty thresholds):

- 1) Measure of need (poverty thresholds):
- 2) Each person or family is assigned one poverty threshold. Thresholds vary according to size of family.

G. Computation:

- 1) If total family income and assets is less than the threshold appropriate for that family/family unit;
  - a. All members of the family/family unit are eligible for Charity Care.
  - b. For individuals who do not live with family members, their own income is compared with the appropriate threshold.
- 2) If total family income equals or is greater than the threshold, the family (or unrelated individual) is not eligible for charity care but may qualify for a discount based on approved scale.
- 3) The asset worksheet is to be completed and reviewed to determine eligibility for charity care.

H. Example (for new applications, use the current threshold table):

- 1) Family A has five members: two children, their mother, father, and great aunt.
- 2) Their threshold is \$22,030 based upon 2004 federal guidelines:

- a. Estimated members' incomes:
 

Mother:	\$10,000
Father:	5,000
Great-aunt:	10,000
First child:	0
Second child:	0
Total family income:	\$25,000
- b. Compare total family income with their family's threshold.

c.  $\text{Income/Threshold} = \$25,000/\$22,030 = 1.13$

d. Since their income was greater than their threshold, Family A is not eligible for charity care.

4. Identify whether patient is able or partially able to pay for services. A current sliding scale to determine patient's ability to pay is provided to the financial counselors. This scale is from the Department of Health and Human Services published poverty guidelines

5. Term of payment arrangements  
For balance after medically indigent discount, see Collections and Payment Plans policy for payment arrangements.

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