

Subject: Self-Pay Financial Assistance – Uncollectible Charity	Policy Number: PROV-ORC-003	
Department: Revenue Cycle	<input checked="" type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Reviewed	Date: 09-16-2016
Executive Sponsor: Teresa Spalding – VP Revenue Cycle	Policy Owner: Kathryne Rouse, System Director Customer Support ORC	
Approved by: One Revenue Cycle (ORC) Leadership Council	Implementation Date: 09-20-2016	

SCOPE:

This policy applies to Providence Health & Services (PH&S) ORC. This is an operational policy recommended by the VP Revenue Cycle, and approved by the ORC Leadership Council.

PURPOSE:

The purpose of this policy is to outline the circumstances in which a self-pay account may be designated as Uncollectible Charity.

POLICY:

Sometimes a self-pay patient/guarantor is not able or refuses to complete a Financial Assistance Application (FAA) for charity and it is clear, at face value, or through subsequent collection efforts, that he/she is unable to pay the account balance owing.

In alignment with the Mission and Core Values of PH&S such self-pay accounts may be reviewed for Uncollectible Charity based only on the information at hand subject to the terms of this policy.

This does not replace the need for routine screening to establish if there are applicable Medicaid and other government programs that may apply, and also to determine if there is other third party coverage such as insurance, third party liability, workers compensation, COBRA etc.

Where appropriate coverage does not apply and an approval for charity care has not been determined an assessment needs to be made as to whether an account is collectible before it drops to self-pay.

In all cases regular collection efforts must be taken prior to considering the account for Uncollectible Charity, as this should be the last resort.

All account documentation must support the patient/guarantor’s inability to pay and why collection agency assignment would not result in resolution of the account.

Uncollectible Charity can be approved for up to 100% of the account balance when it is proven the patient/guarantor’s future ability to pay will never improve and he/she currently cannot pay. Examples include deceased patient/guarantors or those covered by Medicare.

Partial Uncollectible Charity may be approved where the patient/guarantor's future ability to pay is unclear and it is determined within the terms of this policy that a patient contribution to care is warranted. In these circumstances, remaining balances representing the patient contribution to care will be pursued up to and including collection agency assignment.

PROCEDURE:

1. Any and all accounts registered as self-pay are to be reviewed for collectability based on:
 - a. The patient/guarantor's future ability to pay (e.g. if he/she is on a fixed income);
 - b. The credit score of the patient/guarantor and his/her spouse where appropriate;
 - c. The payment history of the patient/guarantor;
 - d. Income and asset verification;
 - e. Prior collections history;
 - f. Prior experience of PH&S with the patient/guarantor accounts; and/or
 - g. Success of attempts made by PH&S to contact the patient/guarantor (such as no address, incorrect contact details).
2. Providence Charity Policies typically require a patient/guarantor to submit an FAA together with supporting documentation adequate to make a determination. There are occasions where accounts are screened for the following characteristics and evaluated for charity without a FAA being required. These accounts should not drop to self-pay and include situations such as:
 - a. Minor children seeking treatment without parental consent;
 - b. DSHS eligibility within the last three (3) months, but not currently eligible (due to GAU program guidelines);
 - c. DSHS Family Planning Only benefits;
 - d. Medicaid or other government programs that do not provide medical coverage;
 - e. Social Diagnosis (examples: altered mental status, alcoholic withdrawal) as long as these are not mandated by court; or
 - f. The patient is a homeless person.
3. There are occasions where the patient/guarantor has not submitted a fully completed FAA. In these scenarios, if the patient/guarantor has documentation showing no income (such as a statement of support), or if he/she has been denied Medicaid by DSHS, Uncollectible Charity may be granted based on this policy.
4. In addition to the criteria in paragraph 1, PH&S may review the potential need for future or ongoing medical services based upon the patient's medical records.
5. Adequate documentation must be made in the relevant system to show why the account is being written off and any other relevant information (e.g. such as any balance that may be left as a patient/guarantor contribution to care).
6. The following examples may warrant review for partial Uncollectible Charity. These are not exclusive, and are indicative only. In these cases, accounts should have a portion assigned to Bad Debt - \$100 on outpatient accounts, and \$1,000 on ASU, B/H or IP accounts:
 - a. Credit Report and asset verification confirms the patient/guarantor's inability to pay. The most common example is CBI with many existing collection agency debts or liens without

resolution and no assets;

- b. Past PH&S accounts assigned to a collection agency with no payment outcomes;
- c. Patient with no credit history, listed as unemployed, no phone or address information listed;
- d. Patient with sporadic Medicaid coverage and services in one month without coverage;
- e. An emancipated teenager with no income; and/or
- f. Patient/guarantor is working in a low income job and has catastrophic healthcare bills.

7. The following examples may warrant review for 100% Uncollectible Charity. These are not exclusive, and are indicative only:

- a. Notes or records confirm the patient is homeless or living in a mission and PH&S is unable to get in contact with him/her to obtain financial information;
- b. The patient is from another country without US citizenship or sponsorship, and has no social security number, tax records or valid billing addresses. The patient has not communicated with PH&S about his/her account. Reasonable collection efforts show the patient does not have financial or asset resources in his/her home country (e.g. undocumented farm worker);
- c. The patient has been incarcerated (in prison) for an extended period of time; is not married, and/or PH&S has been unable to contact the patient;
- d. Patient is deceased with no estate/assets or record of a relative responsible for debts;
- e. The patient is deceased and the probate or estate shows insolvency;
- f. The patient has Medicare coverage but has remaining account balances are not covered by Medicare. In these situations any balance that can be covered by Medicare is written off to the Medicare Bad Debt log for submission to Medicare. Any balance not covered by Medicare Bad Debt is written off to Uncollectible Charity;
- g. Patient with sporadic Medicaid coverage and services in one month without coverage;
- h. An emancipated teenager with no income; and/or
- i. Patient/guarantor is working in a low income job and has catastrophic healthcare bills.

8. Approval limits for Uncollectible Charity are:

Representative working \$0-\$1K	Guarantor balances up to: \$1000.00
Representative working \$1K-\$5K	Guarantor balances up to: \$2,500.00
Lead working \$0-\$5K	Guarantor balances up to: \$5,000.00
Supervisor working \$0-5K	Guarantor balances up to: \$5,000.00
Manager working \$0-5K, or as a Delegate when needed	Guarantor Balance up to \$75K
High Dollar Representative working \$5K +	Guarantor balances up to: \$25K
Financial Counselor / Clinic Financial Counselor	Guarantor balances up to: \$25k
FA processing / Clinic FC / onsite customer support	Guarantor balances up to: \$10k
High Dollar Lead working \$5K +	Based on Manager approval up to: \$25K
Supervisor High Dollar and Financial Counseling	Guarantor Balance up to: \$75K
Manager High Dollar and Financial Counseling	Guarantor Balance up to: \$100K
Director, or delegate when needed	Guarantor Balance over \$100K

Where the account balance is over the approval limit of the Representative, this must be referred to the

Manager, Supervisor or Lead for review and approval.

DEFINITIONS:

For the purposes of this policy the following definitions and requirements apply:

Uncollectible Charity may also be called undocumented or prima facie (“at face value”) charity. It occurs when the patient/guarantor has not completed a Financial Assistance Application and/or did not respond to efforts to contact him/her, but we can prove using alternative methods that the patient cannot pay and is likely to be eligible for financial assistance or charity care. In these cases, there is no value in sending the full account balance to a third party collection agency.

REFERENCES:

Providence Charity Policies