

Waldo County Healthcare, Inc. And Affiliates
Fiscal Policies & Procedures
Patient Accounting
FREE CARE POLICY

POLICY:

This policy establishes the guidelines for the Free Care policy at Waldo County Healthcare Inc. and its affiliates, including minimum income guidelines to be used in determining whether individuals are unable to pay for hospital services. The guidelines used are set forth by: the State of Maine Department of Human Services, Chapter 150 of the Hospital Finance Rules and the Federal Department of Health And Human Services Federal Poverty Guidelines updated annually through the Federal Register.

This policy sets forth procedure for notifying patients of the availability of charity care and determining qualification for such care. For purposes of this policy, Free Care means service provided without expectation of payment from or on behalf of the individual receiving hospital services.

Definitions: For purposes of this policy the following definitions shall apply:

Family: A family is a group of two or more persons related by birth, marriage or adoption that reside together and among whom there are legal responsibilities for support; all such related persons are considered as members of one family. (If a household includes more than one family and/or more than one related individual, the income guidelines are applied separately to each family and/or unrelated individual and not to the household as a whole.

Family Unit of One: In conjunction with the income guidelines, a family unit of one is an unrelated individual that is a person 15 years old or over who is not living with any relatives. An unrelated individual may be the sole occupant of a housing unit or may be residing in a housing unit (or in group quarters such as a rooming house) in which one or more persons also reside who are not related to the individual in question by birth, marriage or adoption.

Income: Income means total annual cash receipts before taxes from all sources except as provided in subparagraph (B) below.

A). Income includes:

- (I) Money wages and salaries before any deductions.
- (II) Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farms expenses)
- (III) Regular payments from social security, railroad retirement, unemployment compensation, workers compensation, strike benefits from union funds, veteran's benefits.

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- (IV) Public assistance includes Temporary Assistance to Needy Families, Supplemental Security Income and General Assistance money payments.
- (V) Training stipends
- (VI) Alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household.
- (VII) Private pensions, government employee pensions and regular insurance or annuity payments.
- (VIII) Income from dividends, interest, rents, royalties or periodic receipts from estates or trusts.
- (IX) Net gambling or lottery winnings.

(B) Income does not include the following:

- (I) Capital gains
- (II) Any liquid assets, including withdrawals from a bank or proceeds from the sale of property.
- (III) Tax refunds
- (IV) Gifts, loans or one time lump sum inheritances
- (V) One time insurance payment or other one-time compensation for injury.
- (VI) Non cash benefits such as the employer paid or union paid portion of health insurance or other employee fringe benefits.
- (VII) The value of food and fuel produced and consumed on farms and the imputed value of rent from owner occupied non-farm or farm housing.
- (VIII) Federal non-cash benefit programs including Medicare, Medicaid, Food Stamps, school lunches and housing assistance.

Note: although one time insurance payments are excluded from income, one time insurance payments made for coverage of hospital services would limit the availability of Free Care to bills not covered by such payments. See subparagraph 1.05(B)(1)(b).

- (4) Resident of Maine. The term “Resident of Maine” refers to an individual living in the state voluntarily with the intention of making a home in Maine. An individual who is visiting or is in Maine temporarily is not a resident.

Inability to Pay: A person is unable to pay for hospital services when the family income of that person, as calculated by either of the following methods is not more than the

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applicable income guidelines set forth by the 2009 Poverty Guidelines utilized by the Health & Human Services (if one method does not apply, the other must be applied before determination of ineligibility is made):

- 1) Multiplying by four the person's family income for 3 months preceding the determination of eligibility; or
- 2) Using the person's actual family income for the 12 months preceding the determination of eligibility; or

Covered Services: Free Care shall be provided for medically necessary inpatient and outpatient services for patients regardless of payer class.

Coverage Period: The period of coverage will be for a one-year period of time. Applicable to accounts dated six month prior and six month forward from the date of the received application. With the exception of obstetrical patients, six months prior and nine months forward from the date of the received application.

Posted Notices: Posted Notices are updated annually based on updated figures obtained from the Federal Register update (usually issued in January) and the State of Maine Department of Human Services, Chapter 150 of the Hospital Finance Rules.

Notices of availability of free care shall be posted in locations within the hospital at which the general public transact business with the hospital or where registration for hospital services occurs. Notices will be posted in all employed physician practice offices and the following areas:

1. Central Registration waiting room,
2. Each of the Central Registrar's work stations,
3. Emergency Room waiting room,
4. Surgical Procedure waiting room,
5. Patient Accounting Customer Service desk,
6. Switchboard,
7. Audiology,
8. Speech,
9. PT/OT,
10. Rehab OSPT Ctr.
11. Diabetes Education
12. Arthur Jewell Community Health Center,
13. Stockton Springs Community Health Center
14. Waldo County Home Health & Hospice

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Determination of Qualification: Each person seeking free care shall be directed to the Patient Accounting office and provided with an application for free care. In addition to a completed application, each applicant must furnish all copies necessary to substantiate the applicant's income or the fact that the individual is not covered by insurance or eligible for coverage by state or federal programs of medical assistance.

Upon receipt of an application, the Patient Accounting Financial Assistance PAR or the Patient Accounting Supervisor will determine if an individual seeking free care qualifies for such care under the following guidelines:

- (1) Applicant must meet income guidelines.
- (2) Determine if the applicant is covered by any insurance or eligible for coverage by state or federal programs of medical assistance.
- (3) If applicant meets the income guidelines but is covered by insurance or other coverage any amount remaining due after payment by the insurer or medical assistance program will be considered for free care.

Deferral of Determination:

- 1) Under the conditions specified in paragraphs 2 and 3 below a determination of qualification for free care may be deferred for up to 30 days for the purpose of requiring the applicant to obtain and present evidence of ineligibility for
- 2) Medical assistance programs or to verify that the services in question are not covered by insurance.
- 3) If an applicant for free care who meets the income guidelines and who is not covered under any state or federal program of medical assistance meets any of the following criteria, qualification for free care may be deferred:
 - A) Age 65 or over
 - B) Blind
 - C) Disabled
 - D) An individual is a member of a family in which a child is deprived of parental support or care due to one of the following causes and individual's income is less than the guidelines.
 - i) Death of a parent
 - ii) Continued absence of the parent(s) from the home to incarceration, confinement in a medical institution, deportation or mutual separation of parents or unwed parenthood.
 - iii) Disability of a parent
 - iv) Unemployment of a parent who is the principal wage earner.

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- 4) If an individual does not meet any of the criteria specified in (2) above, but the hospital is unable to determine the coverage of the individual and has a reasonable basis for believing that the individual may be covered by insurance or eligible for federal or state medical assistance programs, it may defer the determination concerning free care.

Favorable Determination Letter: Following a determination that an applicant qualifies for free care, a written notice will be sent to the applicant. This letter of determination will cover the outpatient and/or inpatient admission that initiated the application.

Denial Letter: Following a determination that an applicant does not qualify for free care, a written notice of denial will be sent to the applicant.

Billing: If an individual has been approved for free care the individual will not be billed for the services provided.

If an individual has been determined qualified for free care, the individual shall not be billed for any amount not paid by an insurer (Medicare).

If an individual's application for free care has been deferred the individual may be billed for services during the period of deferral.

Record Keeping: The Patient Accounting office shall maintain records of the amount of free care provided and the individuals to whom it was provided.

Filing: We are required to file and maintain with the Department of Human Services a current copy of our Free Care Policy and a current copy of our Posted Notice of Free Care. This will be mailed in March of each year, after the changes from the Federal Register updates have been made to our policy and notices. Copies are to be mailed to the following address:

Department of Health and Human Services
Division of Licensing and Regulatory Service
Certificate of Need Unit
State House Station 11
41 Anthony Ave.
Augusta, ME 04333-0011

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**WALDO COUNTY HEALTHCARE, INC.
NOTICE
FREE MEDICAL CARE FOR THOSE UNABLE TO PAY**

Comment [IS1]: This form is to be distributed to all private pay patients at time of registration for WCGH services. Please copy onto card stock paper, twice, and cut in half. Distribute to all WCGH departments that register patients for WCGH services.

SIZE OF FAMILY	INCOME (100% w/o)
1	\$21,660
2	\$29,140
3	\$36,620
4	\$44,100
5	\$51,580
6	\$59,060
7	\$66,540
8	\$74,020
Ea.Additional	\$7,480

[Fed. Register, Jan. 23, 2009 Vol. 74, No. 14 & DHS Ch 150, Hosp. Finance Rules]

You can apply for free care at the WCGH Patient Accounting office located on the basement level of the hospital or call Customer Service at (207) 338-9308 or 1-800-935-7850 for more information.

You will be asked if you have any insurance to help pay for your care. You will also be asked to show that insurance or a government program will not pay for your care.

Only necessary medical care is given as free care.

If you do not qualify for free hospital care, you are allowed to ask for a fair hearing. We can tell you how to apply for a fair hearing.