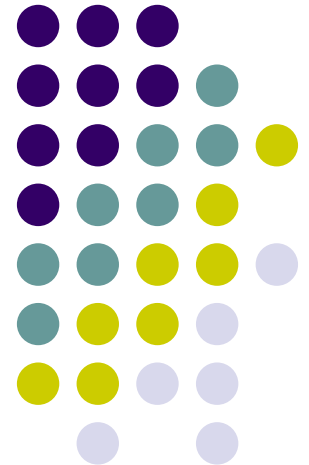


Medical Debt / Charity Care

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Charity Care - Background



- 1989 - Legislature enacted RCW 70.170.060
 - Prohibits any Washington hospital (including psychiatric hospitals) from denying access to emergency care based on inability to pay, or adopting admission policies which significantly reduce charity care.
 - The Department of Health (DOH) is responsible for rule-making and monitoring related to charity care, and is required to report to the Legislature and Governor on an annual basis.



Background - cont.

- Charity care applies to “appropriate hospital-based medical services,” but not to services provided by non-hospital staff. WAC 246-453-101(7), (8); 246-543-050(3).
- Hospitals must report to DOH data about the amount of charity care provided. WAC 246-453-080. In 1997, Washington hospitals provided \$102 million in charity care. In 2004, hospitals provided \$378 million in charity care.

www.doh.wa.gov/EHSPHL/hospdata/CharityCare

Eligibility



- Income
 - Under 100% FPL - eligible for full waiver
 - 101% - 200% FPL - eligible for some discount
 - Hospital must develop sliding fee schedule. WAC 246-453-040 (provides example schedules).
 - 201% FPL and up - may be eligible for a discount, depending on the hospital policy. WAC 246-453-040.
 - *Income at time of service vs. time of bill*
- Assets may be taken into account. WAC 246-453-050(1)(d)(ii).

Eligibility cont.



- Access to hospitals' eligibility criteria.
 - Hospitals must develop charity care policies and procedures and submit them to DOH for approval. WAC 246-453-070(1).
 - The hospital's sliding fee schedule must be made available upon request. WAC 246-453-050.
 - Joy Ann von Wahlde has binders with all Washington hospitals' charity care policies.
 - DOH also has copies. DOH has agreed to request updated copies and post them on the website (along with client-center information about charity care)
<http://www.doh.wa.gov/EHSPHL/hospdata/CharityCare/Default.htm>

Washington State Hospital Association (WSHA) Pledge



- Supplements charity care law and WACs
 - Hospitals will provide written notice to patients regarding the availability of charity care.
 - Hospitals will develop written policies about when debts are sent to collections and when liens are placed on primary residences. Hospital boards will review annual summary reports on collection actions taken by their hospitals.
 - For uninsured patients:
 - Under 100% FPL - not required to pay (consistent with WAC 246-453-040)
 - Under 200% FPL - not required to pay more than the estimated cost of care (charge times hospital's average cost to charge ratio)
 - Under 300% FPL - not required to pay more than 130% of the estimated cost of care
- http://www.wsha.org/files/62/Financial_Assistance_web.pdf

Application Process



- **Hospitals must provide notice of Charity Care**
 - Hospitals are required to provide public notice that indigent patients may qualify to have their bill waived or reduced. WAC 246-453-020(2).
 - Notice must be prominently displayed in public areas of the hospital. WAC 246-453-010(16).
 - Notice must be provided to patients, in writing, and explained, at the time hospital asks for third party payment information.
 - Must be provided in any language spoken by more than 10% of the population in the hospital's service area.
 - For others, interpretation must be provided.



Application Process - cont.

- **Hospitals must make an Initial Determination**
 - An initial determination of sponsorship must be completed at the time of admission or as soon as possible following the initiation of services. WAC 246-453-020(1)(b).
 - Initial determination means ANY indication that the services provided may not be covered by third party sponsorship, or an indication that the patient may be indigent. WAC 246-453-010(19).
 - Hospitals shall rely on oral information and may require the patient to sign a statement. WAC 246-453-030(1).
 - If the initial determination of sponsorship status indicates the responsible party MAY be indigent, collection efforts are precluded pending a final determination. WAC 246-453-020(1)(c).
 - This does not apply to clinics operated by disproportionate share hospitals. WAC 246-453-020(1)(e)

Application Process - cont.



- **Hospitals must make a final determination**
 - If it would be obvious to hospital personnel that a patient is indigent, and hospital personnel are able to establish the broad income level (i.e., under 100%, 101% - 200%, or 201%), then establishing the exact income level is not required. WAC 246-453-030(3).
 - Hospitals may not impose an unreasonable application burden upon the patient, taking into account any physical, mental, intellectual or sensory deficiencies or language barriers that may hinder the patients' capability of complying with the application procedures. WAC 246-453-020(5).
 - Hospitals must accept any ONE document (ie, W-2, pay stub, most recently filed income tax return, written approval or denial for Medicaid or state-funded medical or unemployment compensation, or written statements from employer or welfare agencies) as sufficient evidence for a final determination. WAC 246-453-030(2).

Application Process - cont.



- **Reaching a final determination - cont.**

- Hospitals must give patients at least 14 days or "such time as the person's medical condition may require or such time as may be reasonably necessary to secure and present documentation" WAC 246-453-020(3).
- If the patient is not able to provide any documentation, the hospital shall rely on written and signed statements from the patient for a final determination. WAC 246-453-030(4).
- If a patient fails to *reasonably* complete appropriate application procedures, a hospital may initiate collections. WAC 246-453-020(5).

Application Process - cont.



- **Notification of final determination and appeal rights**

- Hospitals must notify applicants of their final determination of sponsorship status within 14 days of receiving supplemental documentation of indigent status, and must include the amount for which the patient will be held financially responsible. WAC 246-453-020(7).
 - Any payments in excess of the amount waived under charity care shall be refunded to the applicant within 30 days. WAC 246-453-020(11).
- The notice must include the basis for denial, and 30 day appeal rights. WAC 246-453-(8)&(9).
 - Within the 30 day appeal timeline, the hospital may not initiate collections in the first 14 days. If the applicant appeals on the 15th day, and the hospital has initiated collection efforts, they must cease until the appeal is finalized. WAC 246-453-020(9)(a)&(b).

Application Process - cont.



- **Notification of final determination and appeal rights - cont.**

- If the applicant's appeal fails, she and the DOH shall be notified in writing, and DOH shall be provided with copies of documentation upon which the decision was based. WAC 246-453-020(9)(c).
- At any time - from initial determination to final determination - the hospital may seek reimbursement from third party coverage. WAC 246-453-020(1)(d). The hospital must make every reasonable effort to determine whether third party sponsorship exists. WAC 246-453-020(4).



Medicare & Medicaid

- To be classified as indigent for charity care purposes, patients must exhaust any third party sources, including Medicare and Medicaid. WAC 246-453-010(4).

Medicaid



- Timeline for approval

- DSHS must process an application for benefits “as quickly as possible” and within thirty calendar days (WAC 388-406-0035), except:
 - If a client is pregnant, DSHS must process an application for medical assistance within fifteen working days.
 - If a client is applying for General assistance (GA U), alcohol or drug addiction treatment (ADATSA), or medical assistance, DSHS must process your application within forty-five calendar days.
 - If a client is applying for medical assistance that requires a disability decision, DSHS must process the application within sixty calendar days.

Medicaid



- Back-dating
 - For some clients (TANF, SSI, Refugee assistance), Medicaid applications can be back-dated up to three months to include medical expenses during that time period. WAC 388-416-0010(3).
 - Retroactive certification period can begin up to three months prior to the month client applied if client would have been eligible for medical assistance 3 months prior, and if client received medical services that are covered by DSHS.
 - Client can get back bills paid for those three months. (If client applies April 1st for Medicaid, DSHS could pay bills for services received after January 1st). WAC 388-416-0010, -0015.

Medicaid



- Medically Needy (MN) Medicaid
 - MN clients must pay medical bills incurred in order to meet spenddown, but they do not have to be paid before DSHS provides coverage. WAC 388-519-0100.
 - If MN client incurs a hospital bill, even if Charity Care waives some or all of the bill, the full amount may be counted toward the spenddown.

Collection Issues



- If the initial determination of sponsorship status indicates the responsible party MAY be indigent, collection efforts are precluded pending a final determination. WAC 246-453-020(1)(c).
- If the patient fails to complete application procedures, the hospital may initiate collection efforts, BUT the hospital must take into account the patient's physical, mental, intellectual, or sensory deficiencies or language barriers. WAC 246-453-020(5).
- Hospitals shall make charity care designations AT ANY TIME upon learning of facts or receiving documentation indicating the patient's income is at or below 200% FPL. WAC 246-453-020(10).
 - Does this apply to collection agencies?
- Collection agencies often have very little information about the underlying debt; any defense may work favorably for our clients.

Additional Information about Charity Care



- NJP Washington Law Help materials -
 - www.washingtonlawhelp.org
 - Under “Health,” “Obtaining medical coverage and getting help with hospital bills”
 - Includes sample letters to opposing parties, hospitals and collection agencies.

Enforcement / What to do about charity care violations



- DOH is responsible for enforcement. DOH can enjoin hospitals from continuing violations and levy civil penalties. RCW 70.170.070; WAC 246-453-090.
 - Randy Huyck, (360) 236-4210, or Ric Ordos, (360) 236-4216, Hospital and Patient Data Systems, Washington State DOH, MS 47814, Olympia WA 98504
- Washington State Hospital Association
 - Cassie Sauer, Vice President, Communications (206) 216-2538
- Other
 - Contact hospital directly – patient or advocate
 - Contact collection agency – patient or advocate
 - Defend collection action in court

Charity Care - Case Studies



- Client calls CLEAR because a hospital is pursuing him for a debt from a hospitalization six months ago. Client does not know about charity care. However, client kept all of the paperwork the hospital gave him, and it appears that the hospital failed to give client a charity care application.
 - How do you advise the client?

Charity Care Case Studies



- A client, with income between 101% and 200% FPL, applied for charity care and never received a final determination. The bill was sent to collections. You contact the hospital and they say the client did not comply with charity care requirements.
 - How do you advise the client?

Charity Care - Case Studies



- A client with income below 100% FPL was in Washington visiting family and had to go to the hospital. The bill was sent to collections; collections sent it back to the hospital because the client's income was so low. A hospital social worker got involved, but the hospital said the client was not eligible for charity care because the debt was in collections.
 - How do you advise the client?

Charity Care - Case Studies



- Client calls CLEAR. She has received a judgment for \$10,000 related to debt she owes the hospital. Client is, and was at the time of hospitalization, eligible for charity care.
 - How do you advise the client?