

**CHAN SOON-SHIONG MEDICAL CENTER AT WINDBER  
BUSINESS OFFICE POLICIES AND PROCEDURES**

**Policy Number: 4.01  
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**Subject: Charity Care Accounting**  
**Effective Date: 03/2002**  
**Revised: 08/2010**

**Reviewed: 03/19**

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**PURPOSE**

WINDBER will not refuse admission or care to anyone because of inability to pay.

WINDBER recognizes that some patients treated in this facility will not be able to pay for the services they receive. It is with these patients in mind that WINDBER establishes its charity care policy.

It shall be the policy of WINDBER to identify those eligible for charity care as early in the registration, treatment, or billing processes as possible. WINDBER also recognizes that circumstances may change so that requests for consideration for charity care may be considered at a later time.

**POLICY**

In order to be considered for charity care, all health insurance available to the patient or guarantor must be assigned and paid to WINDBER. A further requirement is that the patient or guarantor must take action to determine eligibility for Medical Assistance coverage when referred by the hospital representatives.

A charity care adjustment is defined as an expense of WINDBER'S which may be all or a portion of the total billings for an eligible patient or the difference in payments received from certain third party payers that are below the cost of providing patient care.

**ELIGIBILITY FOR CHARITY CARE ADJUSTMENT**

1. Patients who meet 200% of the poverty income guidelines for their family size as established periodically by the Federal Government will be eligible for consideration of a charity care adjustment for all or a portion of the services provided by WINDBER. WINDBER shall update these guidelines upon receipt of same from the Federal Government.  
All Liquid Assets, as hereafter defined, held by the patient or guarantor in excess of \$6,000 must be applied to the indebtedness owed to WINDBER prior to consideration for a charity care adjustment.  
Real property or other fixed assets owned by the patient or guarantor, other than the principal place of residence must be sold, and the proceeds applied to the indebtedness owed to WINDBER before a charity care adjustment will be considered.
2. Any services incurred by the patients covered by the Medical Assistance or Medicare Programs which are deemed non-covered because of medical necessity will be eligible for consideration of a charity care adjustment.
3. A charity care adjustment will be made for deceased patients when insurance is exhausted and no funds are available from the estate.
4. A charity care adjustment will be made for patients who file for and obtain a discharge notice under bankruptcy laws. A formal notice of bankruptcy must be received by WINDBER.

5. The excess of the cost of treating patients covered by the Medicare and Medical Assistance programs over their respective payments will be considered by WINDBER as a charity care adjustment and a charity care service to the Community.
6. The excess of WINDBER'S charges over the reimbursement received from auto carriers due to Act 6 (Pennsylvania Medical Cost Containment Legislation) will be considered a charity care adjustment by WINDBER. This legislation dictates that WINDBER must accept 110% of the applicable Medicare reimbursement for services that are considered to be non-life threatening or urgent and are incurred as a result of injuries sustained in a motor vehicle accident.
7. For Trauma services, the excess of WINDBER'S charges over the reimbursement received from carriers due to coverage limits for patients that have Medicare or Medical Assistance coverage as the secondary payer (such reimbursement must be considered under Medicare and Medical Assistance regulations as payment in full if it exceeds the amount Medicare and Medical Assistance would have paid) will be considered a charity care adjustment by WINDBER
8. Other circumstances not covered by the above which when considered on their own merits may render the patient or guarantor financially unable to pay and therefore may be considered eligible for a charity care adjustment.

### **PROCEDURE**

1. Patients or guarantors who indicate an inability to pay will be required to complete a financial statement. Failure to complete a financial statement, when eligibility is determined based on income and/or assets will result in denial of the charity adjustment. Written verification of income (pay stubs, W-2, etc.) will be required to be submitted along with the financial statement.
2. Requests for a charity adjustment and appropriate documentation will be reviewed and approved by the Chief Financial Officer.
3. For the purpose of evaluating a financial statement the following will apply:
  - a. Members of household will include all related persons currently residing in the household of the applicant.
  - b. Employment of household members will include all forms of employment, including self employment, of every household member.
  - c. The applicant must provide verification of all gross income as received or earned by every member of the household.
  - d. Liquid Assets will include all cash on hand, checking accounts, saving accounts, certificates of deposits, and stocks, bonds, or other investments easily converted to cash.
4. Applicants for a charity care adjustment will be notified in writing of an approval (Exhibit II) or a denial (Exhibit II) within 30 days of receipt of a completed application. In the case of a denial, the patient or guarantor will be responsible to make arrangements for the balance due.

### **ATTACHMENT**

- A. Charity Care Application