

**LEE MEMORIAL HEALTH SYSTEM  
INTEGRATED SERVICES MANUAL**

<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROCEDURE <input type="checkbox"/> PROTOCOL	<b>CHARITY / UNCOMPENSATED CARE</b>	<b>SECTION LOCATOR</b>
<b>POLICY TYPE:</b> <input checked="" type="checkbox"/> <b>System-wide</b> <input type="checkbox"/> <b>Service Line Specific</b> <input type="checkbox"/> <b>Departmental</b>  <b>Date Originated: 2/05</b> <b>Date Reviewed:</b> <b>Date Revised:</b>		<b>TAB: P07</b>  <b>SUB TAB: 02</b>  <b>POLICY:</b>
<b>Author(s): Cindy Boots</b>		
<b>Approvals:</b>  <b>FPO</b> _____ <span style="float: right;">Date</span>  <b>SLC Member</b> _____ <span style="float: right;">Date</span>		

**PURPOSE:**

To define the criteria and process by which Lee Memorial Health System (LMHS) staff will determine patient eligibility for LMHS charity or discounts.

**POLICY:**

Lee Memorial Health System (LMHS) provides charity / uncompensated care to low income and medically indigent patients without discrimination on grounds of race, religion, sex, or national origin. Such patients may be residents or non-residents of Lee County. The subsequent procedures will be used to determine patient eligibility for LMHS charity or discounts.

**PROCEDURE:**

To determine whether a patient is qualified for a charity / uncompensated care write off or discounts, the following procedures shall be employed:

- A. Verify that the account is for an inpatient admission and non-elective procedure(s), which can be considered for charity / uncompensated care. Any exception will need review of supervisor, manager, or director.
- B. Obtain a credit report as authorized by the guarantor.
- C. Obtain a complete Financial Information Record (F.I.R.) from the patient.

- D. Obtain substantiation of income by requesting one or more of the following documents:
1. Pay stubs,
  2. Income tax return,
  3. Written verification of wage from employer,
  4. W-2 withholding form,
  5. Written verification from a governmental agency attesting to the patient's income status.

Such documentation may be utilized for determining eligibility for a period of up to 120 days. Thereafter, updated documentation is required to determine eligibility.

- E. Patients whose gross household family (see attached addendum for determining Gross Annual Household Income) income falls below 200% of Federal Poverty Level will be considered for the maximum allowable charity / uncompensated care write off.
- F. An individual's ability to pay may or may not be represented by an income test alone. An assessment of overall net worth (e.g.: available credit, real estate, stocks, bonds, CD's, trust fund) may be warranted if reported income does not support other documented expenses on the Financial Information Report.
- G. Uninsured patients whose income exceeds 200% of the Federal Poverty Level can be considered for the LMHS Uncompensated Discount Program.
- H. If the patient is covered by Medicaid and his / her benefits have been exhausted, documentation on the account will be accepted as approval.
- I. If a patient has insurance coverage but will incur a large self-pay balance, they may qualify if they meet income criteria for charity / uncompensated care write off.
- J. Business Service Representative is to obtain all necessary information to meet charity / uncompensated care or discount eligibility and complete the adjustment. All documents must be scanned for audit purposes.
- K. Any accounts involving a friend, family member or anyone known to you must be brought to the attention of the supervisor, manager or director.
- L. Exceptions to the above listed criteria may be granted if extenuating circumstances exist. Any exception to the criteria must have the approval of the supervisor, manager, or director.

In the event that assets or payment become available, Lee Memorial Health System reserves the right to reverse the original adjustment. This could be through the identification of Medicaid eligibility, liability settlements, insurance obtained, etc. after the account has been written off to charity.

## Addendum

**What should be included in calculating the Gross Annual Household Income?** “Gross Annual Household Income” means all money received by all persons living in the household, including Social Security benefits, Veterans benefits, alimony, child support, interest income, unemployment benefits, workers compensation benefits, strike benefits, cash, public assistance benefits, wages and tips. (This definition was obtained in the United States Department of Health and Human Services 2004 Federal Poverty Guideline As published in the February 13, 2004 Federal Register.)

**Household Defined:** as it applies to qualifying for charity or discount consideration.

**Family;** 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 example, if an older married couple, their daughter and her husband and two children all lived in the same house or apartment, they would all be considered members of a single family.

**Unrelated individuals;** an individual who is not living with any relatives. An unrelated individual may be the only person 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.

**Calculating Household Income:** use the definitions below to determine whose income information is required for charity or discount consideration.

1.) For applicants who live with other **family (as defined above) members** in the same house or apartment, the income for all the working individuals in the household must be obtained. In situations where making this determination is questionable please seek management for clarification. (If there are individuals in the household 18 years of age or older who are unemployed then that information should be noted at the bottom of the FIR). The goal is to account for the working status of all family members over the age of 18.

2.) For couples living together in the same house or apartment, the income for both individuals must be obtained.