



navosTM

Healthy Mind. Healthy Body. Healthy Community.

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Policy Area: Revenue Cycle

References: WAC 246-453, US Dept of Health and Human Services

Financial Assistance and Charity Care Guidelines

Purpose: To establish guidelines and criteria for determination of financial assistance and charity care.

I. Eligibility Criteria

- A. Eligibility is based on the financial need at the time of service or discharge.
- B. Charity Care is applicable to all patients who are or have received services from Navos programs including outpatient, inpatient, residential.
- C. All resources of the family are considered together.
- D. All guarantors, with family income equal to or below the one hundred one and two hundred percent of the federal poverty standard, adjusted for family size, per WAC Chapter 246-453-050 will have services that are not covered by public or private sponsorship reduced by the following schedule:

Income as a percentage of poverty level	Percentage Discount
One hundred one to one hundred thirty	Seventy-five percent
One hundred thirty-four to one hundred sixty-six	Fifty percent
One hundred sixty seven to two hundred	Twenty-five percent

*The 2018 federal poverty level for an individual is \$12,140, for a family of four it is \$25,100 see attachment A: *2018 Poverty Guidelines Annual, 48 contiguous states and D.C*

Guarantors determined to be indigent who may qualify for charity sponsorship for the full amount of charges related to charges not covered by private or public third party sponsorship when income is equal to or below one hundred percent of the poverty standard level. Eligibility should be based solely on the total gross family income adjusted for family size, assets will not be included.

Charity care is always secondary to all other financial resources available to the patient, including group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services. Exception: Patients who do not reside within

the United States will be excluded from Charity Care.

- E. The responsible party's financial obligation which remains after the application of the sliding fee schedule may be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between Navos and the responsible party.

II. Process For Eligibility Determination

- A. Initial Determination (WAC 246-453-010, 19)
 - A. Navos shall use an application process for determining eligibility for charity care. With respect to HIPAA/ privacy regulations, requests to provide charity care will be accepted from sources such as physicians, community or religious groups, social services, financial services personnel and the patient.
 - B. During the patient registration process, or at any time prior to the final payment of the bill and after the patient has been notified of the existence and availability of charity care, Navos will make an initial determination of eligibility based on written application for charity care
 - C. Pending final eligibility determination, Navos will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with Navo's efforts to reach a final determination of sponsorship status.
 - D. If Navos becomes aware of factors which might qualify the patient for charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as pending charity care.
- B. FINAL DETERMINATION (WAC 246-453-010, 20)
 - A. Write-Offs. In the event that the responsible party's identification as an indigent person is obvious to Navos personnel and the hospital can establish that the applicant's income is clearly within the range of eligibility, the hospital will grant charity care based solely on this initial determination. In these cases, the hospital is not required to complete full verification or documentation. In accordance with WAC 246- 453-030(3))
 - B. Navos will accept Medicaid, including spend down qualification, or Washington's Apple Health eligibility determination as documentation of the federal poverty level and write off a portion or all of the account, accordingly. Determination of eligibility for uncompensated care will remain valid for the calendar year for Medicare patients. For all other patients, a review may be required for any additional services. This allows the screening for other third party resources. A new application may not be required.
 - C.
 - D. Charity care forms, instructions and written applications shall be furnished to patients when charity care is requested, when need is indicated or when financial screening indicates potential need. All applications, whether initiated by the patient or Navos will be accompanied by documentation to verify the family income amounts indicated on the application form. Exceptions: Write Offs.

Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:

- I. "W-2" withholding statement;
- II. Pay stubs from all employment during the relevant time period.
- III. Income tax return from the most recently filed calendar year.

- IV. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance.
- V. Forms approving or denying unemployment compensation or written statements from employers or DSHS employees

Household - Family size is considered in the determination. Navos further clarifies the WAC definition of family size (related by blood, marriage, adoption) to include a family as parents, children and other members of the household that are claimed as dependents on federal income taxes for the most recent filed return. (e.g. If an adult child files their own taxes but lives in the home, Navos will not look at the parents income to evaluate their financial application).

For the purpose of reaching an initial determination of sponsorship status, Navos shall rely upon information provided orally by the responsible party. Navos may require the responsible party to sign a statement attesting to the accuracy of the information provided to Navos for purposes of the initial determination of sponsorship status.

During the initial request period, the patient and Navos may pursue other sources of funding, including Medical Assistance and Medicare. The patient may be requested to apply for an applicable DSHS program and/or Apple Medicaid. .

Current determination, as well as future determination may be dependent upon the patient following through with their application to one of the above programs. Navos may not require a patient applying for a determination of indigent status seek bank or other loan source funding.

Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.

In the event that the responsible party is not able to provide any of the documentation described above, Navos shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person. (WAC 246-453-030(4)).

Catastrophic Medical Hardship may be evaluated either by the Navos or upon appeal. Navos will allow a patient to apply for charity care at any point from preadmission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or medical/ financial hardship, resulting in a need for charity services. If the change in the financial status is temporary, Navos may choose to suspend payments temporarily rather than initiate charity care.

C. FINAL DETERMINATION/APPEALS

Time frame for final determination and appeals.

Each charity care applicant who has been initially determined eligible for charity care or financial assistance shall be provided with at least fourteen (14) calendar days, or such time as may

reasonably be necessary, to secure and present documentation in support of his or her charity care application prior to receiving a final determination in support of his or her charity care application prior to receiving a final determination of sponsorship status (WAC 246-453-020, 3), WAC 246-453-030).

Final determination of charity care, including Write Offs and Medical Hardship, may be made by the Revenue Cycle Director, or in the case of self-employment and special situations, the Chief Financial Officer.

Navos shall notify the applicant of its final determination within fourteen (14) days of receipt of all application and documentation material.

During the time that the patient's application is being considered for charity care eligibility, Navos will not send statements or collection notices to the patient for outstanding account balances in accordance with WAC 246-453-020.

The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Revenue Cycle Director within thirty (30) days of receipt of the notification. Navos may not refer the account at issue to an external collection agency within the first fourteen days of this period. After the 14 day period, if no appeal has been filed, the hospital may initiate collection activities (WAC 246-453-020, 9 a)

The timing of reaching final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).

If the patient has paid some, or all, of the bill for medical services and is later found to have been eligible for charity care at the time services were provided and was not offered charity care at that time, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be refunded within thirty (30) days of receiving the charity care designation (WAC 246-453-020, 11).

Adequate notice of denial:

When a patient's application for charity care is denied, the patient shall receive a written notice of denial which includes: a. The reason or reasons for the denial b. The date of the decision; and c. Instructions for appeal or reconsideration.

When the applicant does not provide requested information and there is not enough information available for Navos to determine eligibility, the denial notice also includes:

1. A description of the information that was requested and not provided including the date the information was requested.
2. A statement that eligibility for charity care cannot be established based on the information available to Navos; and that eligibility will be determined if, within thirty (30) days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
3. If Navos has initiated collection activities and discovers an appeal has been filed, they shall cease all collection efforts until the appeal is finalized (WAC 246-453-020, 9 b).
4. The Revenue Cycle Director and/or Chief Financial Officer will review all appeals. If this review affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

Attachments:

<https://aspe.hhs.gov/poverty-guidelines>

U.S. Department of Health & Human Services



OFFICE OF THE ASSISTANT SECRETARY
FOR PLANNING AND EVALUATION

POVERTY GUIDELINES

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U.S. FEDERAL POVERTY GUIDELINES USED TO DETERMINE FINANCIAL ELIGIBILITY FOR CERTAIN FEDERAL PROGRAMS

There are two slightly different versions of the federal poverty measure: poverty thresholds and poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau**. The thresholds are used mainly for **statistical** purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) Poverty thresholds since 1973 (and for selected earlier years) and weighted average poverty thresholds since 1959 are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "How the Census Bureau Measures Poverty" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the Federal Register by the **Department of Health and Human Services (HHS)**. The guidelines are a simplification of the poverty thresholds for use for **administrative** purposes — for instance, determining financial eligibility for certain federal programs.

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under Frequently Asked Questions (FAQs). See also the discussion of this topic on the Institute for Research on Poverty's web site.

The January 2018 poverty guidelines are calculated by taking the 2016 Census Bureau's poverty thresholds and adjusting them for price changes between 2016 and 2017 using the Consumer Price Index (CPI-U). The poverty thresholds used by the Census Bureau for statistical purposes are complex and are not composed of standardized increments between family sizes. Since many program officials prefer to use guidelines with uniform increments across family sizes, the poverty guidelines include rounding and standardizing adjustments in the formula.

HHS POVERTY GUIDELINES FOR 2018

The 2018 poverty guidelines are in effect as of January 13, 2018.

See also the Federal Register notice of the 2018 poverty guidelines, published January 18, 2018

2018 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$4,320 for each additional person.	
1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380

2018 POVERTY GUIDELINES FOR ALASKA	
PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$5,400 for each additional person.	
1	\$15,180
2	\$20,580

2018 POVERTY GUIDELINES FOR ALASKA

PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
3	\$25,980
4	\$31,380
5	\$36,780
6	\$42,180
7	\$47,580
8	\$52,980

2018 POVERTY GUIDELINES FOR HAWAII

PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$4,970 for each additional person.	
1	\$13,960
2	\$18,930
3	\$23,900
4	\$28,870
5	\$33,840
6	\$38,810
7	\$43,780
8	\$48,750

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana

Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Supplemental Nutrition Assistance Program (SNAP), the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program. Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility. For a more detailed list of programs that do and don't use the guidelines, see the Frequently Asked Questions (FAQs).

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in January 2016 are designated the 2016 poverty guidelines. However, the 2016 HHS poverty guidelines only reflect price changes through calendar year 2015; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2015. (The 2015 thresholds are expected to be issued in final form in September 2016; a preliminary version of the 2015 thresholds is now available from the Census Bureau.)

The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)."

RESOURCES

- Prior Poverty Guidelines and Federal Register References Since 1982
- A chart with percentages (e.g., 125 percent) of the guidelines
- Frequently Asked Questions (FAQs) on the Poverty Guidelines and Poverty
 - Poverty guidelines — gross or net income
 - The poverty line for a state or city
 - The number of poor people in a state or city
 - How the poverty line was developed
- Further Resources on Poverty Measurement, Poverty Lines, and Their History
- Mollie Orshansky's career, achievements, and publications
- ASPE research on poverty
- The Census Bureau's Poverty Home Page

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