



## ADMINISTRATIVE POLICY & PROCEDURE

**TITLE:** COMPASSIONATE CARE POLICY  
**POLICY NUMBER:** ADMIN 0077  
**EFFECTIVE DATE:** 07/2010  
**DATE REVISED:** 05/2022  
**REPLACING:** 12/2021

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### 1.0 POLICY

1.01 St. Tammany Health System [“STHS” or “System”] has developed a compassionate care policy to establish standardized procedures for identifying, evaluating and administering charity assistance to our patients who are unable to pay their System bills due to financial limitation, while allowing St. Tammany Health System to fulfill its Community Service Commitment.

1.02 In connection with its Mission Statement and subject to the availability of resources, the System may provide free care and services to uninsured or underinsured patients who are unable to pay for services if qualified. Compassionate/Charity care is provided to patients with a demonstrated inability to pay as contrasted by unwillingness to pay, which is considered bad debt. Elective non-medically necessary, non-urgent or scheduled procedures are generally not eligible for financial assistance or charity care. Patients with other payment provisions (i.e. insurance, government assistance) generally do not qualify for charity care. Compassionate/Charity care is secondary to all other financial resources available to the patient including group or individual medical plans, workers’ 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.

1.03 Compassionate/Charity care refers to only the provisions of health care items and services provided by the System and its employees. Thus, compassionate care shall not include cash payment in any form, such as the payment of an individual’s health insurance premiums or free goods not otherwise furnished in the ordinary course of the Systems’ operations. The System also has established this policy to verify that recipients of Compassionate/Charity Care receive these services in compliance with the System’s charitable intent. No free care shall be provided by the System to uninsured patients outside the context of this policy.

### 2.0 SCOPE

This statement of policy applies to all System departments.

### 3.0 DEFINITIONS

None

#### **4.0 PROCEDURE**

##### **ADMINISTERING COMPASSIONATE CARE**

4.01 All documentation related to the guarantor's application for discount assistance is scanned into the electronic document imaging system. Documentation related to the patient's status is noted in the appropriate systems.

4.02 A guarantor who has stated the inability to pay or has requested consideration of any account balance for hardship write off either in writing or verbally shall be given an application for financial assistance to complete. This could occur either during the admission or collection process.

4.03 The Compassionate Care application will follow the predefined approval level outlined below and subsequently will be adjusted by Patient Financial Services if all eligibility requirements have been met. The applicable account number(s) will be adjusted upon the approval.

	<b>Approval Level</b>	<b>Threshold</b>
<b>System</b>	Team Lead Approval	\$0 – \$1,000
	Supervisor Approval	\$1,000 – \$5,000
	Manager Approval	\$5,000 – \$10,000
	Director	\$10,000 - \$25,000
	SVP/CFO Approval	\$25,000 and greater

4.04 If a patient has Medicaid secondary coverage, there should not be any unpaid account balance subject to hardship needs' assessment.

4.05 The Manager of Patient Financial Services is responsible to communicate, monitor, and measure compliance with this Policy. The Manager of Patient Financial Services is responsible for communicating any changes and/or revisions of this policy to the leadership of STPH for appropriate approvals. Any exception to this policy requires approval from of a member of the Executive Team.

##### **DOCUMENTING THE COMPASSIONATE CARE APPROVAL/DENIAL**

4.06 When the patient's Compassionate Care application is reviewed and a determination is made, the representative documents the System Information system with the decision. This notation will include the date the determination was made, as well as, the reason for the determination.

4.07 All documentation related to the application will be scanned into the Electronic Document Imaging system.

4.08 Compassionate Care adjustments are written off using the appropriate Guarantor Charity Care allowance code.

4.09 Approval and denial determinations are good for 90 days after the decision and accounts that are created during that 90 day period are to be included in the decision. (Elective procedures are not included.)

4.10 The patient will receive a letter documenting the approval or denial of the compassionate care discount and should use this letter to communicate the results to all third parties. The System will not communicate this information to any third party.

## **5.0 GUIDELINES**

### **DETERMINING COMPASSIONATE CARE ELIGIBILITY**

5.01 Requests for Compassionate Care are handled on a case-by-case basis.

5.02 To obtain financial assistance under the hardship, the criterion listed below should be met.

5.02(A) Assistance should be considered when all other financial options have been exhausted, including Medicaid. All third-party benefits must have been assigned to the System.

5.02(B) Financial analysis of gross monthly income and expenses is performed, and an assessment as to foreseeable future earnings potential is made to determine whether assistance may be given. For applicants receiving Social Security Income, the Part B premiums will be excluded in the gross income calculation.

5.02(C) A financial screening, listing family assets, liabilities, income and expenses of the guarantor must be completed. The documentation (For example, Federal income tax returns, W-2's, bank statements, and child support agreements) as deemed necessary to substantiate the application has been received by the System.

5.02(D) Indigence is to be determined upon a patient's ability to provide the necessary information in order to accurately determine their ability to pay upon admission or within a reasonable amount of time following discharge.

5.02(E) Guarantor accounts can be consolidated to include accounts with an agency and in bad debt but only including the previous two calendar years. Requests for discounts are handled on a case-by-case basis.

5.02(F) Patients with Medicaid coverage that have exceeded their annual ER visits will qualify for compassionate care. Also patients who have Medicaid Secondary coverage and have signed an ABN for services that are deemed patient responsibility (Medicaid

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Secondary, when Medicaid deems ABN allows billing to patient), will fall under the eligible category.

5.02(G) Patients who qualify for Medicaid spend down coverage are eligible for a compassionate care adjustment for the spend down amount based on the scale below (patient responsibility).

5.02(H) Patients with out of state Medicaid coverage with who the System does not have a provider ID will be adjusted as Compassionate Care as we do not bill these services to the out of state carriers and their state has already deemed them below the poverty level.

5.02(I) Other services never covered by Medicaid (non-covered services) will be adjusted to charity automatically when the remittance advice is returned by Medicaid. This is because the patients have already met the FPL criteria to be eligible and already have Medicaid coverage. Including the Medicaid Family Plan-Take Charge.

5.02(J) A hardship allowance for those patients who are not within the Federal Poverty limits may be available on a case by case basis and has to be approved by the Director of Patient Financial Services or CFO.

5.02(K) The table below indicates the Federal Poverty guidelines (updated annually) used to determine a patient's qualification through the Compassionate Care program. Any patient at or under 300% of the Federal Poverty Monthly Income Guidelines that has met all requirements of this policy and after a review of the entire financial situation still meets criteria shall receive a compassionate care adjustment of balances owed (per timeline limits of this policy).

**Federal Poverty Income Guidelines - Monthly Income**

Effective 3-1-2022

Family	200%	250%	300%
1	\$2,265	\$2,831	\$3,398
2	\$3,052	\$3,815	\$4,578
3	\$3,839	\$4,798	\$5,758
4	\$4,625	\$5,781	\$6,938
5	\$5,412	\$6,765	\$8,118
6	\$6,199	\$7,748	\$9,298
7	\$6,985	\$8,731	\$10,478
8	\$7,772	\$9,715	\$11,658

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Discount    100%        75%        50%

**CRITERIA DISQUALIFYING PATIENTS FROM COMPASSIONATE CARE ASSISTANCE**

5.03 Failure on the part of the guarantor to perform any of the above requirements or provide requested financial documentation may be a cause for denial of consideration for financial assistance.

5.04 Patients with total balances less than \$100.00 are not eligible for a discount. (Excluding the Medicaid patients that exceeded their annual ER visits, spend down amounts or out of state Medicaid patients, or other automatic qualifying criteria listed in this policy.)

5.05 Patient Financial Services apply all discounts for charges upon verification that the patient is eligible under this policy and after all insurances have paid when applicable.

5.06 Any exception to this policy requires the approval of the Chief Financial Officer/Senior Vice President of Finance.

**6.0 REFERENCES & RELATED STATEMENTS OF POLICY**

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**7.0 ATTACHMENTS**

- 2022 HHS Poverty Guidelines
- Compassionate Care Application and Financial Statement
- Compassionate Care Summary and Recommendation sheet
- Compassionate Care Form Letters

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