

**Type of Policy:** Hospital

Hospital policies apply to ALL areas EXCEPT Children's Medical Group (CMG). These policies apply to hospital departments & hospital services, including outpatient services.

POLICY TITLE: H3309 – Financial Assistance – Charity Care**Effective Date:** 11/06/2025

Previous Version Date: 10/27/2022

POLICY:**Charity Care Provision**

Children's Hospital of The King's Daughters ("CHKD") shall provide financial assistance (also referred to herein as "Charity Care") in the form of free or discounted healthcare services, as described in this Policy, to uninsured or underinsured patients who do not have the financial resources to pay for healthcare services rendered at CHKD and are eligible in accordance with this Policy ("Charity Care Program"). CHKD shall comply with (a) Virginia laws and regulations regarding 'Posting of Charity Care Policies' in public areas including admissions, registration areas, emergency department, and associated waiting rooms; (b) the requirements applicable to charitable hospital organizations and hospital facilities pursuant to Sections 501(r)(4)-(6) of the Internal Revenue Code ("section 501(r)"); and (c) all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

As required pursuant to Virginia law, CHKD shall conspicuously post a summary of the Charity Care Program, including eligibility criteria in an easy-to-understand description of the Charity Care application process. In addition, as required under Virginia law, CHKD shall provide inpatients and outpatients with written information regarding its Charity Care Program, including eligibility criteria and the procedures for applying for charity care. Such information shall be provided upon request, at the time of admission or discharge, or when services are rendered or requested. CHKD shall widely publicize information about its Charity Care Program by (i) making paper copies of this Policy, the Charity Care Program application form, and a plain language summary of this Policy available upon request and without charge to the public at CHKD's main hospital facility and by mail; (ii) conspicuously displaying information about the Charity Care Program in patient registration areas, waiting areas, the Emergency Department, and other public access areas; (iii) providing information about the Charity Care Program to local public agencies and nonprofit organizations that address the needs of low income populations served by CHKD; (iv) informing and notifying visitors and patients through the provision of plain language summaries of the Policy; and (v) posting this Policy, the Application for Financial Assistance, and a plain language summary of the Policy on the CHKD Website.

Commitment to Provide Emergency Medical Care

CHKD provides, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for assistance under this Policy. CHKD will not engage in actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical

care. Emergency medical services, including emergency transfers, pursuant to the Emergency Medical Treatment and Active Labor Act (“EMTALA”), are provided to all CHKD patients in a non-discriminatory manner, pursuant to CHKD’s EMTALA ***Policy, H2101 – Medical Screening Examinations, Stabilization and Transfers as Regulated by EMTALA.***

Healthcare Services Covered by this Policy

The Charity Care Program applies to all available emergency and medically necessary healthcare services provided by CHKD that are not primarily for the convenience of the patient and/or provider(s). Charity Care will not be available for some services or procedures that are not for Emergency Medical Conditions or that are not Medically Necessary as defined in this Policy, including, but not limited to, cosmetic surgery or non-covered packaged agreements.

Application of Policy to All Hospital Facilities

This Policy applies to all hospital charges at CHKD facilities – CHKD Health Center at Fort Norfolk (Norfolk), CHKD Medical Tower I (Norfolk), CHKD Health Center, South Campus (Norfolk), CHKD Health Center at Kempsville (Norfolk), CHKD Sports Medicine in Ghent (Norfolk), CHKD Children’s Pavilion (Norfolk), CHKD Health and Surgery Center at Concert Drive (Virginia Beach), CHKD Health Center at Loehmann’s Plaza (Virginia Beach), CHKD Health Center at Landstown (Virginia Beach), CHKD Health Center at Lightfoot (Williamsburg), CHKD Health Center and Urgent Care at Tech Center (Newport News), CHKD Health and Surgery Center at Oyster Point (Newport News), CHKD Health Center at Harbour View (Suffolk), CHKD Sports Medicine and Therapy Services at Harbour View (Suffolk), and CHKD Health Center at Oakbrooke (Chesapeake). This Policy also covers certain other providers delivering emergency or other medically necessary care in CHKD’s facilities. The list of providers who are covered by this Policy, and a list of those who are not covered, is maintained in CHKD’s provider participation list that is available at www.chkd.org/financialassistance. Members of the public may readily obtain a copy of the provider participation list free of charge via the hospital contact information below. The provider participation list will be updated at least quarterly.

Non-Discrimination

CHKD shall provide children’s healthcare services to children in need of medical care, regardless of the ability of the patient to pay for such services. The determination of Charity Care will be based on the patient’s ability to pay. Eligibility for Charity Care is limited to residents of the region who have valid legal presence in the United States. Charity Care may be extended to patients outside of the region and/or those who do not have a valid legal presence in the United States when the services are urgent or emergent.

Applying for Charity Care

All patients must complete the CHKD application for Charity Care, unless they are eligible for Presumptive Financial Assistance. CHKD’s Charity Care eligibility criteria and procedures for applying are provided to all patients. Patients who are admitted are provided the information by the use of the admission packet; patients who receive outpatient services are provided the information during the

registration process. An application for Charity Care, along with a letter explaining the process, shall be sent to any patient or guarantor who requests information on any programs or provisions the hospital may have to help assist patients or guarantors in paying their hospital bill. The Charity Care Policy and application is available on the internet at www.chkd.org/financialassistance. All billing statements mailed to guarantors include a notice of the availability of Charity Care and how to obtain the information/application. Assistance with the application process is available through the Health Benefits Analyst (HBA) who may be reached at 757-668-7141. CHKD's unit social worker is also available to provide information or referral to the HBA during an inpatient stay.

Completed Charity Care applications may be submitted by email to charitycare@chkd.org or by mail (or in person) to:

CHKD Patient Financial Services/HBA
601 Children's Lane
Norfolk, VA 23507

Eligibility

Individuals are eligible for Charity Care based on the Family Income (see definitions) per Family-Unit Size of the patient's guarantor. Uninsured patients with Family Income equal to or less than 175% of the Federal Poverty Limit ("FPL) are eligible for free healthcare services covered by this Policy. Uninsured patients with Family Income that is greater than 175% but less than 400% of the FPL are eligible for a discount on Gross Charges for healthcare services covered by this Policy. Insured patients with Family Income that is greater than 175% but less than 400% of the FPL will be eligible for financial assistance for co-pay, deductible, and co-insurance amounts provided that contractual arrangements with the patients' insurers do not prohibit such assistance. The applicable discounts described in this Section will be calculated on a sliding-scale basis as outlined within the following chart:

Sliding Discount Rate Table for Family Incomes from 0 to 400% if FPL

Income as a Percentage of the Federal Poverty Level (FPL)	Adjustment Percentage
0-175%	100%
176-250%	75%
251-325%	50%
326-400%	25%
Over 400%	0.00%

Patient balances are subject to this adjustment percentage.

No patient eligible for financial assistance, however, will be charged more for emergency or other medically necessary care than amounts generally billed to individuals who have insurance covering such care (see section below entitled, "Charges for Healthcare Services Rendered to Eligible Patients").

CHKD will make reasonable efforts to screen every uninsured patient to determine whether the individual is eligible for Medical Assistance or financial assistance under this policy. CHKD Health Benefits Analysts are available to screen patients for Medical Assistance eligibility, other public assistance, and the financial assistance program, and to assist them in the application process.

Patients who are approved for Medicaid and have accounts with an outstanding balance within the prior three (3) months of the Medicaid effective date are eligible for free healthcare services covered by this Policy for such balance. The patient's guarantor will not be required to provide the financial documents as proof of eligibility for the three (3) previous months.

CHKD may provide hardship discounts on healthcare services to patients who do not otherwise qualify for Charity Care under this Policy. The patient's guarantor will be required to complete a financial assistance application, provide proof of hardship or of medical indigence. The following circumstances will be considered in evaluating medical hardship or medical indigence: (i) unpaid medical bills incurred within the last six (6) months from all related or unrelated providers after payment by all third parties, and (ii) combined family income. Patients with family incomes exceeding 400% FPL and unpaid medical bills exceeding 5% of combined family income will receive a 20% hardship discount on current patient balances. Notwithstanding the above, no patient qualifying for financial assistance under this Policy will be required to pay more for emergency or other medically necessary care than the amounts generally billed to individual who have insurance covering such care ("AGB"). The Director of Patient Financial Services will grant approval based upon documentation proving financial hardship or medical indigence. The Director of Patient Financial Services will document the approval including the hardship documentation.

If an uninsured patient receives a self-pay discount and subsequently qualifies for financial assistance, the self-pay discount will be reversed before the financial assistance discount is applied so the adjustment is properly classified.

Patients eligible for Charity Care or other discounts in more than one manner will receive the broader form of financial assistance for which they are eligible.

Financial assistance is always secondary to all other financial resources available to the patient, including insurance, government programs, medical cost sharing plans, and third-party liability.

Determination of Eligibility

CHKD will use reasonable efforts to determine a patient's eligibility for Charity Care prior to planned or continued services at CHKD. CHKD will use reasonable efforts to determine a patient's eligibility for all urgent or emergent care within thirty (30) days of the services being rendered. The determination of eligibility for Charity Care Program assistance may be made after rendering services if the cost of care exceeds the financial resources the guarantor has available, and not all of the cost of care will be

reimbursed by an insurance plan. CHKD will use reasonable efforts to establish whether a patient is eligible for Charity Care Program assistance before leaving the hospital.

The determination of Charity Care eligibility will be valid for a period of up to one (1) year from the date of the eligibility determination. At that time, a new application must be completed and submitted to CHKD. If a patient/guarantor's financial circumstances change significantly while receiving assistance under this Policy, the patient/guarantor is required to promptly notify CHKD of such change in circumstances.

Presumptive Financial Assistance Eligibility

There are instances when a patient may appear eligible for Charity Care, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with Charity Care assistance. CHKD recognizes, however, that not all patients and guarantors are able to complete the financial assistance application or provide the necessary documentation. For such patients, CHKD may grant presumptive financial assistance based on information obtained from other sources. In the event there is no evidence to support a patients' eligibility for Charity Care, CHKD may use outside agencies in determining estimated income amounts for the basis of determining Charity Care eligibility and potential discount amounts. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.

In addition, CHKD may, at its discretion, rely on evidence of eligibility other than described in the financial assistance application or in this Policy. These other sources may include.

1. External publicly available data sources that provide information on a patient or guarantor's ability to pay;
2. A review of a patient's outstanding accounts for prior services rendered and the patient/guarantor's payment history;
3. Prior determinations of the patient's or guarantor's eligibility for assistance under this Policy; or
4. Evidence obtained as a result of exploring appropriate alternative sources of payment and coverage from public and private payment programs.

Self-Pay Discounts

For those uninsured patients who do not qualify for a Charity Care discount, CHKD extends an automatic self-pay discount to their hospital bills pursuant to the CHKD Patient Self-Pay Discount Policy, a 10% discount from Gross Charges, as updated from time to time in accordance with the ***Policy H5000, Point of Service Discounts – Self Pay Patients and Policy H5453, Uninsured Discount***. This self-pay discount is not means-tested, and therefore is not subject to the section 501(r) AGB limitation described herein, and is not reported by CHKD as financial assistance on Form 990, Schedule H.

Account Adjustments

Accounts for patients receiving Charity Care Program assistance will include a Charity Care adjustment through a specific designation or “adjustment code” for tracking purposes. Adjustments will be made to the account balance based upon a patient’s eligibility. Financial conditions of applicants may vary over the course of time. The qualification for Charity Care will be treated prospectively. Any credits made prior to the qualification will be applied to the past due amounts. Charity Care adjustments will include all accounts that fall within the time frame covered by the Federal Tax/financial documentation the Charity Care approval was based upon. Accounts outside of the time frame will require Federal Tax/financial documentation covering the dates of services additional Charity Care is requested.

Charges for Healthcare Services Rendered to Eligible Patients

CHKD will not assess charges for services for emergency medical conditions or other medically necessary care to those who are eligible for Charity Care under this Policy that exceed AGB. At least annually, CHKD calculates an AGB percentage based on the Look-Back Method (as defined by the Treasury Regulations under section 501(r)) using claims allowed by Medicare, Medicaid, and private health insurers. Because CHKD facilities are covered under the same Medicare provider agreement, CHKD calculates one AGB percentage based on the claims and gross charges for all such hospital facilities and implements the AGB percentage across all facilities. CHKD will begin applying the AGB percentage(s) by the 120th day after the end of the 12-month period used in the calculation. Members of the public may obtain the current AGB percentage for any CHKD hospital (and a description of the calculation) in writing and free of charge by contacting CHKD as indicated below. CHKD will charge less than Gross Charges for any other items or services provided by CHKD to patients who are eligible for Charity Care.

Actions in the Event of Non-Payment

The actions that CHKD may take in the event of nonpayment are described in a separate ***Policy, H5449 – Billing and Collection***. Members of the public may obtain a copy of this Policy free of charge via the hospital contact information above or at www.chkdc.org/financialassistance.

Payment Plan Policy

CHKD will inform uninsured patients who receive services at its facilities, and who are determined to be eligible for assistance under this Financial Assistance – Charity Care Policy, about the availability of

payment plans, and the payment plan renegotiation process, pursuant to ***Patient Financial Services Policy BI PO 085, Payment Plan***. Members of the public may obtain a copy of the Payment Plan Policy free of charge via the hospital contact information below or at www.chkd.org/financialassistance.

PROCEDURE:

Charity Care versus Bad Debt

“Charity Care” is defined as financial assistance in the form of free or discounted healthcare services, as described in this Policy, to patients who do not have the financial resources to pay for healthcare services rendered at CHKD and are eligible in accordance with this Policy. Such treatment is provided by CHKD without expectation of being paid in full. Charity Care does not include Bad Debt or contractual shortfalls from government programs or other contractual adjustments made by non-governmental payors, but may include insurance co-payments or deductibles, or both.

Charity Care Assessment and Adjustment Process

The Patient Financial Services Department will utilize various sources including reports from the HBA and/or other CHKD employees who are involved in the account resolution process, to identify patients who may qualify for Charity Care as defined by this Policy and will develop internal processes in order to carry out the provisions of this Policy. Charity Care adjustments shall be recorded using the direct write-off method and shall comply with all accounting regulations and guidelines issued by the American Institute for Certified Public Accounting and all State and/or Federal regulatory guidelines.

Application Review Process

Upon review of the patient’s financial and employment situation, as completed in the Charity Care application, CHKD will determine whether the patient qualifies for Charity Care.

Approval Notification

The patient and/or guarantor shall be notified in writing with fifteen (15) business days after receipt of the Charity Care application and required income sources, as to whether the patient qualifies for the Charity Care Program. Business days are defined for this Policy as Monday through Friday, excluding holidays.

Policy Approval

This Policy is subject to periodic review every three (3) years or earlier, as required by change in applicable law. Any material changes to the Policy must be approved by the Children’s Health System (CHS) Board of Directors.

Hospital Contact Information

For more information, please contact CHKD as follows:

<u>Website</u>	CHKD.org/financialassistance
<u>Telephone</u>	757-668-7141
<u>By Mail</u>	Children's Hospital of The King's Daughters-PFS ATTN: Health Benefits Analyst 601 Children's Lane Norfolk, VA 23507
<u>In Person</u>	The office of the Health Benefits Analyst 601 Children's Lane Norfolk, VA 23507 or Any CHKD registration desk.

DEFINITIONS:

1. "Bad Debt" is defined as expenses resulting from treatment for services provided to a patient whose guarantor, having the requisite financial resources to pay for healthcare services, has demonstrated by his/her actions an unwillingness to comply with the contractual arrangements to resolve a bill.
2. "Emergency Medical Conditions" has the same meaning as within section 1867 of the Social Security Act (42 U.S.C. 1395dd).
3. "Family" means, using the Census Bureau definition, a group of two (2) or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.
4. "Family Income" is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
 - Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veteran's payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
 - Non-cash benefits (such as food stamps and housing subsidies) do not count;
 - Determined on a before-tax basis; and
 - Excludes capital gains or losses; and if a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).
5. "Family-Unit-Size" is the number of persons for whom the guarantor is financially responsible.

6. "Gross Charges" means the total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.
7. "Guarantor" is a person or entity who is financially responsible for the debts of the patient.
8. "Hospital Facility" means a facility (whether operated directly or through a joint venture arrangement by a Hospital Organization as described in IRC Section 170(b)(1)(A)(iii)) that is required by the Commonwealth of Virginia to be licensed, registered, or similarly recognized as a hospital. "Hospital Facilities" means collectively, more than one Hospital Facility.
9. "International Charity" – Request for Charity Care related to International patients are submitted to the International Medicine approval committee. Once approved by the committee, the request is submitted to the Director of Patient Financial Services and Chief Financial Officer for review and approval. The request is then forwarded to the CEO for final approval.
10. "Medical Assistance" means eligible for benefits under the Virginia or other applicable state Medicaid program.
11. "Medically Necessary" means services or items reasonable and necessary for the diagnosis or treatment of illness or injury, as determined pursuant to the prevailing standard of care.
12. "Underinsured" is defined as a situation in which a patient's health benefit plan does not reimburse a substantial portion of their medical expenses leaving a balance owed that exceeds the patient and/or guarantors ability to pay that balance. The Charity Care approval for an underinsured patient/guarantor will be based on the hospital's contract with the applicable insurance plan.
13. "Uninsured patient" means a patient who does not have any health insurance, third-party assistance (including medical cost sharing programs), medical savings account, or claims against third parties covered by insurance, is not covered under workers' compensation, a health benefit plan, or an employee welfare benefit plan, or does not receive benefits under Title XVIII or XIX of the Social Security Act or any other form of coverage from private insurance or federal, state, or local government medical assistance programs.

REFERENCES:

Va. Code Ann. §§32.1-137.01, 32.1-137.010

IRC 501(r)(4)

RELATED DOCUMENTS: See related documents listed above policy in MCN.

INDIVIDUALS REVIEWING:

Terrie Pyeatt, Controller

Kimberly S. Day, Senior Vice President, Chief Legal Officer

Amy McClanan, Director, Patient Financial Services

Toni Barnes, Patient Account Manager, Patient Financial Services

POLICY OWNER: Kathryn J. Abshire, Senior Vice President / Chief Financial Officer, Finance