

CHARITY CARE POLICY

NOLAND HEALTH SERVICES, INC.

I. Policy

Noland Health Services, Inc. ("Noland") is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, Noland strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Charity is not considered to be a substitute for personal responsibility. Patients/residents are expected to cooperate with Noland's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

In order to manage its resources responsibly and to allow Noland to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient/resident charity.

II. Definitions

For the purpose of this policy, the terms below are defined as follows:

Charity Care: Healthcare services that have or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient/resident claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following guidelines to determine income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' 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;

- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- 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).

Uninsured: The patient/resident has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient/resident has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

III. Procedures

A. Services Eligible Under this Policy. For purposes of this policy, "charity" refers to healthcare services provided without charge or at a discount to qualifying patients/residents. The following healthcare services are eligible for charity:

1. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
2. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
3. Medically necessary services, evaluated on a case-by-case basis at Noland's discretion.

B. Eligibility for Charity. Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

C. Determination of Financial Need.

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - a. Include an application process, in which the patient/resident or the patient/resident's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
 - b. Include the use of external publically available data sources that provide information on a patient/resident's or a patient/resident's guarantor's ability to pay;
 - c. Include reasonable efforts by Noland to explore appropriate alternative sources of payment and coverage from public and private payment programs;

- d. Take into account the patient/resident's available assets, and all other financial resources available to the patient/resident;
 - e. Include a review of the patient/resident's outstanding accounts receivable for prior services rendered and the patient/resident's payment history; and
 - f. Take into account the failure of patient/resident or his/her guarantor to cooperate with obtaining other forms of payment as grounds for denying financial assistance.
2. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of services. However, the determination may be done at any point in the collection cycle. The need for payment assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient/resident for charity becomes known.
 3. Noland's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Noland shall notify the patient/resident or applicant in writing within 30 days of receipt of a completed application.

D. Presumptive Financial Assistance Eligibility. There are instances when a patient/resident may appear eligible for charity care discounts, 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/resident or through other sources, which could provide sufficient evidence to provide the patient/resident with charity care assistance. In the event there is no evidence to support a patient/resident's eligibility for charity care, Noland may use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of patient/resident's circumstances that may include but are not limited to:

1. Full or categorical Medicaid eligibility;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Eligibility for other state or local assistance programs that are unfunded;
6. Low income/subsidized housing is provided as a valid address; and
7. Patient/resident is deceased with no known estate.

E. Patient/Resident Charity Guidelines. Services eligible for charity under this Policy will be made available to the patient/resident, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination, as follows:

1. Patients/residents whose family income is at or below 150% of the FPL are eligible to receive free care;
2. Patients/residents whose family income is above 150% of the FPL are eligible to receive discounted rates not to exceed the lowest amounts charged to individuals who have insurance covering such care.

F. Communication of the Charity Program to Patients/Residents and the Public. Notification about charity available from Noland shall be disseminated by Noland by various means which may include posting notices in admitting and registration departments, business offices, and patient/resident financial services offices that are located on facility campuses. Information shall also be included on facility websites and in the Conditions of Admission form. Such information shall be provided in the primary languages spoken by the population serviced by Noland. A request for charity may be made by the patient/resident or a family member, close friend, or associate of the patient/resident, subject to applicable privacy laws.

G. Relationship to Collection Policies. Noland management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient/resident qualifies for charity, a patient/resident's good faith effort to apply for a governmental program, a patient/resident's good faith effort to apply for charity from Noland, and a patient/resident's good faith effort to comply with his or her payment agreements with Noland. For patients/residents who qualify for charity and who are cooperating in good faith to resolve their bills, Noland may offer extended payment plans to eligible patients/residents, will not impose wage garnishments and will not send unpaid bills to outside collection agencies. Noland will notify patients/residents of its financial assistance plan and give them the opportunity to apply for financial assistance prior to sending unpaid bills to outside collection agencies.

H. Regulatory Requirements. In implementing this Policy, Noland management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.