

**OPERATING POLICY & PROCEDURE  
GOOD SAMARITAN HOSPITAL**

**TITLE: Uninsured/Underinsured Patient Discounts      Number: 17-00-08  
(Charity Care)**

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**I. Background – Purpose and Overview**

As a Catholic health care provider and tax-exempt organization, we are called to meet the needs of the people who seek our care, regardless of their ability to pay for services provided. Charity care is defined as care provided to patients without expectation of payment for those services. Charity care may be provided to those who are uninsured, underinsured, or determined to be medically indigent. All patients requiring medically necessary services will have the option to apply for charity care.

**II. Identifying Patients Unable to Pay for Needed Services**

**A. Hospitals, Outpatient Surgical Services and Clinics**

1. Consistent with the principles of Catholic faith-based healthcare ministry, any patient seeking urgent or emergent care at Good Samaritan Hospital will be treated without regard to a patient’s ability to pay for care. Good Samaritan Hospital operates in accordance with all federal and state requirements for the provision of health care services, including screening and transfer requirements under the Federal Emergency Medical Treatment and Active Labor Act (EMTALA).

The following definitions of urgent and emergent care are provided for in this Standard:

- a) The definition of urgent care is that provided to a patient with a medical condition that is not life/limb threatening or not likely to cause permanent harm, but requires prompt care and treatment, as defined by the Centers for Medicare and Medicaid Services (CMS) to occur within 12 hours, to avoid:
  - i. Placing the health of the patient in serious jeopardy or to avoid serious impairment or dysfunction; or
  - ii. Likely onset of an illness or injury requiring emergent services, as defined in this document.

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- b) The definition of emergent care is that provided to a patient with an emergent medical condition, further defined as:
  - i. A medical condition manifesting itself by acute symptoms of sufficient severity (e.g., severe pain, psychiatric disturbances and/or symptoms of substance abuse, etc.) such that the absence of immediate medical attention could reasonably be expected to result in one of the following:
    - Placing the health of the patient (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, or
    - Serious impairment to bodily functions, or
    - Serious dysfunction of any bodily organ or part.
  - ii. With respect to a pregnant woman who is having contractions, that there is inadequate time to effect a safe transfer to another hospital before delivery, or that the transfer may pose a threat to the health or safety of the woman or her unborn child.
- 2. Patients who qualify for charity care discounts shall be identified as soon as possible, either before services are provided or after an individual has received services to stabilize a medical condition. If it is difficult to determine a patient's eligibility for a charity care discount prior to the provision of services, such determination shall be made as soon as possible but shall not exceed a period of 18 months after the provision of such services.
- 3. The Uninsured/Underinsured Patient Discounts policy applies to the variety of services provided by Good Samaritan Hospital. This includes all hospital services ranging from emergency and ambulance services, to inpatient and outpatient services, diagnostic testing, therapeutic services, home health services and educational programs.
- 4. Good Samaritan Hospital maintains documentation that includes an attestation from the patient's physician indicating appropriate medical necessity for all patients who apply for charity care discounts:
  - a) Medical necessity is defined as any procedure reasonably determined to prevent, diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause suffering or pain, resulting in illness or infirmity, threatening to cause or aggravate a handicap, or cause physical deformity or malfunction, if there is no other equally effective, more conservative or less costly course of treatment available.

- b) Good Samaritan Hospital will utilize medical necessity software to assure that all medical necessity determinations are administered in a consistent manner.
5. Good Samaritan Hospital posts signage in English in admissions areas, the emergency department and other appropriate areas advising patients of the availability of financial assistance. Staff members will communicate the content of the signs to people who do not appear able to read.
6. Sharing information about charity care is differentiated into two scenarios – one for an emergency patient and another for a non-emergency patient scheduling an admission or other procedure.
- a) Scenario – emergency patient:
    - i. Patients receiving emergency services shall be treated in accordance with Good Samaritan Hospital’s emergency services policies, developed in accordance with EMTALA and other requirements.
    - ii. Good Samaritan Hospital engages in reasonable registration processes for individuals requiring examination or treatment:
      - 1) Reasonable registration processes shall include asking whether an individual is insured and, if so, the name of the insurance program utilized, if such inquiry does **not** delay screening or treatment.
      - 2) Reasonable registration processes shall **not** unduly discourage patients from remaining for further evaluation. Therefore, discussions regarding financial issues shall be deferred until after the patient has been screened and necessary stabilizing treatment has been initiated.
      - 3) Once EMTALA requirements are met, patients identified through the registration process as being without Medicare/Medicaid, other local health care financial assistance or adequate health insurance the patient will receive a packet of information that addresses the financial assistance policy and procedures, including an application to the patient. In the event that a patient does not receive the packet of information at the time of service, the packet will be mailed to the patient within ten days of the date of service to insure that all self-pay patients are informed of financial assistance availability in a timely manner. Compliance is monitored through a Meditech NPR report.
  - b) Scenario – non-emergency patient scheduling an admission or other procedure:
    - i. Patients without Medicare/Medicaid, other local health care financial assistance or adequate health insurance shall be mailed a packet of information that addresses the financial assistance policy and procedures, including an application

within ten days of the date of service. This will ensure that all self-pay patients are informed of financial assistance availability in a timely manner. Compliance is monitored through a Meditech NPR report.

- c) Under either scenario, the Financial Assistance Application and accompanying instructions clearly indicate that Good Samaritan Hospital provides care, without regard to ability to pay, to individuals with limited financial resources, and explains how patients can apply for financial assistance. In addition, Good Samaritan Hospital's brochures on billing and payment guidelines address patient financial assistance.
  - i. For instances in which there are a significant number of patients not proficient in reading, writing or speaking English, additional information shall be provided (or assistance shall be made available) to complete necessary forms.
  - ii. In the event that Good Samaritan Hospital's service area consists of 10% or more of the population who do not speak English, Good Samaritan Hospital will prepare informational notices in each of the languages that account for 10% or more of the total population.
  - iii. To allow Good Samaritan Hospital to properly determine charity care eligibility, documents provided by patients to the Good Samaritan Hospital shall be written in English.
  - iv. Records maintained by Good Samaritan Hospital to substantiate eligibility for charity care shall be completed in English.
  - v. Good Samaritan Hospital will identify the availability of financial assistance in information booklets provided to patients and in general information provided on Good Samaritan Hospital's website.
  - vi. Good Samaritan Hospital will begin the process of assessing financial ability during the pre-registration process or when they register as an emergency patient (subject to the EMTALA requirements discussed above).

## **B. Homes/Apartments for the Aged and Disabled**

1. The Good Samaritan Hospital charity care policy applies to services provided by Prairie View Gardens. Good Samaritan Hospital has stewardship obligations in assuring the generation of sufficient resources in meeting routine operating expenses, building upkeep and routinely sets aside funds for capital needs and improvements.
2. Good Samaritan Hospital shall identify as part of the annual budget, the amount of charity care discounts provided to current residents who are no

longer able to meet monthly rental payments. Tax exemption under IRC Revenue Ruling 72-124, however, require that no resident shall be discharged due to a financial inability to pay.

3. When at risk for exceeding the annual budgeted charity care discount reserves, Good Samaritan Hospital is responsible for raising additional funds from philanthropic sources, assisting residents in obtaining additional financial assistance or relocating them to alternate facilities within a reasonable amount of time.

### **C. Other Services**

Physician practices or clinics that are an integral part of Good Samaritan Hospital shall adopt the Good Samaritan Hospital charity care policy. These organizations shall comply with the same charity care policy and procedures adopted by Good Samaritan Hospital's board of directors.

### **D. Joint Operating and Joint Venture Agreements**

1. The Good Samaritan Hospital charity care policy shall apply to both minority and majority-owned joint venture agreements (e.g., joint-venture ambulatory care centers) in accordance with the respective governing documents.
2. Good Samaritan Hospital shall consider charity care obligations in agreeing upon the terms and conditions in joint operating agreements and joint ventures.

## **III. Providing Assistance to Patients**

Good Samaritan Hospital will use the guidelines below to determine whether a patient is eligible for a charity care discount and the amount eligible for write-off or discount. Good Samaritan Hospital will assess all applications using a consistent methodology. The methodology will consider income, family size, available resources and the likelihood of future earnings (net of living expenses) sufficient to pay for the health care services provided. The authorization of charity care discounts will be restricted to the Director of Patient Financial Services, the Vice-President of Finance, the President/Chief Executive Officer, and the Board of Directors.

### **A. Authorization and Methodology**

1. Good Samaritan Hospital utilizes the *CHI Standardized Patient Charity Care Discount Application Form*.

- **See attached Exhibit 1: Catholic Health Initiatives/GOOD SAMARITAN HOSPITAL Financial Assistance Application** (4 pages).
2. Good Samaritan Hospital utilizes the *CHI Standardized Charity Care Determination Checklist*.
- **See attached Exhibit 2: Catholic Health Initiatives/GOOD SAMARITAN HOSPITAL Financial Assistance Checklist** (2 pages).
3. All available financial resources shall be evaluated before determining financial assistance eligibility. Good Samaritan Hospital will consider financial resources not only of the patient, but also of other persons having legal responsibility to provide for the patient (e.g., the parent of a minor child or a patient’s spouse). The patient/guarantor shall be required to provide information and verification of ineligibility for benefits available from insurance (i.e., individual and/or group coverage), Medicare, Medicaid, workers’ compensation, third-party liability (e.g., automobile accidents or personal injuries) and other programs. Patients with health spending accounts (HSAs), formerly known as medical spending accounts (MSAs), are considered to have insurance; the amount that the patient has on deposit in the HSA is to be considered insurance and not eligible for any discount.
- **Note:** The term “patient/guarantor” sometimes is used subsequently in this document to refer collectively to the patient as well as any such other person(s) having legal responsibility for the patient.
4. Eligibility for charity care discounts shall be determined based on 130% of the annually updated *HUD Geographic Very-Low Income Guidelines* for the applicant’s county of residence referenced later in this document, available assets, and any extenuating circumstances. Thus, the standards of eligibility for the application of charity discounts must consider assets, as well as income.
- a) The need for future services requiring financial assistance shall be assessed.
  - b) Separate determinations of eligibility for charity care discounts shall be made for each date of service. Confirmation of continued eligibility shall be updated every 90 days for patients who require ongoing health care services.
  - c) An individual’s occupation may be indicative of eligibility for a charity care discount. Examples of low-paying jobs might include:
    - Day laborer
    - Farm worker

- Migrant worker
  - Food service associate
5. Information provided in the financial assistance application may indicate that a patient is eligible for financial assistance or insurance coverage not only for health care services but also other benefits. Financial counseling and patient accounting staff shall assist patients in applying for available coverage. Good Samaritan Hospital shall assure that written agreements with contracted organizations that assist patients in applying for federal, state, and other assistance contain provisions requiring compliance with *CHI Standards of Conduct*, maintaining patient confidentiality in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements, and delineating compliance with all applicable laws and regulations.
- a) All information obtained from patients and family members shall be treated as confidential. Assurances about confidentiality of patient information are provided to patients in both written and verbal communications. Assessment forms shall provide documentation of all income sources on a monthly and annual basis (taking into consideration seasonal employment and temporary increases and/or decreases in income) for the patient/guarantor, including the following evidence of:
- Income from wages
  - Income from self-employment
  - Alimony
  - Child support
  - Military family-allotments
  - Public assistance
  - Pension
  - Social Security
  - Strike benefits
  - Unemployment compensation
  - Workers' compensation
  - Veterans' benefits
  - Other sources, such as income from dividends, interest or rental property
- b) Copies of documents to substantiate income levels shall be obtained (e.g., pay check stubs, alimony and child-support documents).
6. For situations in which patients have other assets, liquid assets shall be defined as investments that could be converted into cash within one year; these assets shall be evaluated as cash available to meet living expenses. Assets that shall not be considered as available to meet living expenses include: a patient's primary place of residence; adequate transportation; adequate life insurance; and sufficient financial reserves to provide normal living expenses if the wage earners are unemployed or disabled. Listings

of other assets shall be provided, including copies of the following documents:

- Savings, certificates of deposit, money-market or credit union accounts
  - Descriptions of owned property
7. The patient/guarantor shall provide demographic information for the patient/guarantor. The patient/guarantor shall provide information about family members and/or dependents residing with the patient/guarantor, including the following information for all:
    - Name, address, phone number (both work and home)
    - Age
    - Relationship
  8. In evaluating the financial ability of a patient/guarantor to pay for health care services, questions may arise as to the patient/guarantor's legal responsibility for purported dependents. While legal responsibility for another person is a question of state law (and may be subject to Medicaid restrictions), the patient/guarantor's most recently filed federal income tax form shall be relied upon to determine whether an individual should be considered a dependent. The patient/guarantor shall provide employment information for the patient/guarantor, as well as any others for whom the guarantor is legally obligated in regard to the well being of the patient. Such information shall identify the length of service with the current employer, contact information to verify employment and the individual's job title.
  9. Assessment forms provide for a recap of average monthly expenses including:
    - Rental or mortgage payments
    - Utilities
    - Car payments
    - Food
    - Medical bills
  10. Copies of rent receipts, utility receipts or monthly bank statements shall be requested. Determination of eligibility for charity care discounts shall occur as closely as possible to the time of the provision of service to enable Good Samaritan Hospital to properly record the related revenues, net of charity care.
  11. Good Samaritan Hospital utilizes a sliding scale to provide up to a full discount of charges for patients with no third-party insurance and up to a full waiver of co-payments after third-party insurance proceeds, based on indigence. The following points shall be taken into consideration:
    - a) The standards of eligibility for the application of charity discounts must consider assets, as well as income. Eligibility shall be based on 130% of the annually updated *HUD Very-Low Income Guidelines*.

These HUD guidelines take into consideration family incomes that do not exceed 50% of the median family income for a geographic area and shall utilize a sliding scale approach based on income and family size.

- b) When circumstances indicate the presence of severe financial hardship or personal loss, those patients with few resources and a high number of dependents shall receive higher levels of financial assistance. This shall be determined by the use of a sliding scale based on income and family size. The maximum income level eligibility as defined on the sliding scale represents 150% of the base, effectively 195% of the *HUD Very-Low Income Guidelines*.

12. Patients/guarantors shall be notified when Good Samaritan Hospital determines the amount of charity care discount eligibility related to services provided by Good Samaritan Hospital. Patients/guarantors shall be advised that such eligibility does not include services provided by non-Good Samaritan Hospital employees or other independent contractors (e.g., private physicians, physician practices, anesthesiologists, radiologists, pathologists, etc., depending on the circumstances.) The patient/guarantor shall be informed that periodic verification of financial status shall be required in the event of future services. Patient financial records shall be flagged to indicate future services shall be written off in accordance with the financial assistance determination. Patients/guarantors shall be informed in writing if financial assistance is denied and a brief explanation shall be given for the determination provided. A copy of the letter shall be retained in the confidential central file, along with the patient/guarantor's application.

13. Completed financial assistance applications will be evaluated by the Patient Accounts Manager and reviewed by the Director of Patient Financial Services. Each application will be forwarded to the appropriate individual and will be approved or denied based upon an analysis of the information provided. The charity care approval limits are:

≤ \$25,000	Director of Patient Financial Services
≤ \$50,000	Vice-President of Finance
≤ \$100,000	President/CEO
≥ \$100,000	Board of Directors – Finance Committee

On a quarterly basis, Good Samaritan Hospital reports each account with a charity care discount threshold of \$100,000 or more to the finance committee of the Good Samaritan Hospital board of directors.

14. Determining eligibility for charity care discounts shall be a continuing process. A retroactive review of accounts referred to outside collection agencies shall be conducted semi-annually at a minimum, to determine if any accounts would have been more properly recorded as charity care

discounts and, if so, Good Samaritan Hospital will recall such accounts from the outside collection agency and reclassify them to charity, in accordance with generally accepted accounting principles.

15. If a fee or tuition amount is charged for a Good Samaritan Hospital sponsored community health educational program, Good Samaritan Hospital will include a reference that financial assistance (sometimes referred to as a scholarship) is available. The name, address and phone number of the person responsible for determining eligibility shall be provided in promotional materials.
16. Good Samaritan Hospital will retain a central file by each patient/guarantor containing financial assistance applications. To assure confidentiality, applications for financial assistance shall not be retained with the patient account registration or detailed billing information. A listing of all charity care discounts shall be maintained by the Patient Accounts Department, documenting patient names, patient account numbers, dates of service, brief descriptions of services provided, total charges, amounts written-off to charity, dates of write-offs and the names of the authorizing individuals. Written denials of charity care discounts, including denial reasons, shall be retained in a confidential central file.

## **B. Medical Indigency**

The decision about a patient's medical indigency is fundamentally determined by Good Samaritan Hospital without giving exclusive consideration to a patient's income level when a patient has significant and/or catastrophic medical bills. Medically indigent patients do not have appropriate insurance coverage that applies to services related to neonatal care, organ transplants, cancer, burn care, long and/or intensive care, etc., within the context of medical necessity. Such patients may have a reasonable level of income but a low level of liquid assets and the payment of their medical bills would be seriously detrimental to their basic financial well being and survival.

Good Samaritan Hospital will make a subjective decision about a patient/guarantor's medically indigent status by reviewing formal documentation for any circumstance in which a patient is considered eligible for a charity care discount on the basis of medical indigency.

1. The patient shall apply for a charity care discount in accordance with the policy in effect.
2. Good Samaritan Hospital will obtain and/or develop documentation to support the medical indigency of the patient. The following are examples of documentation that shall be reviewed:
  - Copies of all patient/guarantor medical bills.
  - Information related to patient/guarantor drug costs.

- Multiple instances of high-dollar patient/guarantor co-pays, deductibles, etc.
  - Other evidence of high-dollar amounts related to healthcare costs, such as the existence of an HSA that has been fully expended.
3. Good Samaritan Hospital will grant a charity care discount either through the use of the sliding scale approach or up to 100% if the patient has the following:
    - No material applicable insurance.
    - No material usable liquid assets.
    - Significant and/or catastrophic medical bills.
  4. In most cases, the patient shall be expected to pay some amount of the medical bill, but Good Samaritan Hospital will not determine the amount for which the patient shall be responsible based solely on the income level of the patient.

### **C. Presumptive Charity Care Eligibility**

Some patients are presumed to be eligible for charity care discounts on the basis of individual life circumstances (e.g., homelessness, patients who have no income, patients who have qualified for other financial assistance programs, etc.). Good Samaritan Hospital will grant only 100% charity care discounts to patients determined to have presumptive charity care eligibility. Good Samaritan Hospital internally documents any and all recommendations to provide presumptive charity care discounts from patients and other sources such as physicians, community or religious groups, internal or external social services or financial counseling personnel.

1. To determine whether a qualifying event under presumptive eligibility applies, the patient/guarantor shall provide a copy of the applicable documentation that is dated within 30 days from the date of service.
2. For instances in which a patient is not able to complete an application for financial assistance, Good Samaritan Hospital will grant a 100% charity care discount without a formal request, based on presumptive circumstances, approved by the Director of Patient Financial Services, the Vice-President of Finance or the President/CEO in accordance with Good Samaritan Hospital policy.
3. Good Samaritan Hospital will utilize the *CHI Standardized Patient Charity Care Discount Application Form – Presumptive Eligibility*.

➤ **See attached Exhibit 3: Catholic Health Initiatives/GOOD SAMARITAN HOSPITAL Presumptive Eligibility Application** (1 page).

4. The determination of presumptive eligibility for a 100% charity care discount shall be made by Good Samaritan Hospital on the basis of patient/guarantor income, not solely based on the income of the affected patient.
5. Individuals shall not be required to complete additional forms or provide additional information if they already have qualified for programs that, by their nature, are operated to benefit individuals without sufficient resources to pay for treatment. Rather, services provided to such individuals shall be considered charity care and shall be considered as qualifying such patients on the basis of presumptive eligibility. The following are examples of patient situations that reasonably assist in the determination of presumptive eligibility:
  - Patient has received care from and/or has participated in Women's, Infants and Children's (WIC) programs.
  - Patient is homeless and/or has received care from a homeless clinic.
  - Patient is eligible for and is receiving food stamps.
  - Patient's family is eligible for and is participating in subsidized school lunch programs.
  - Patient qualifies for other state or local assistance programs that are unfunded or the patient's eligibility has been dismissed due to a technicality (i.e., Medicaid spend-down).
  - Family or friends of a patient have provided information establishing the patient's inability to pay.
  - The patient's street address is in an affordable or subsidized housing development. In this case:
    - Good Samaritan Hospital contacting the individual state agency that oversees HUD Section 8 subsidized housing programs for low-income individuals.
    - Good Samaritan Hospital maintaining a listing of eligible addresses in its market.
  - Patient/guarantor's wages are insufficient for garnishment, as defined by state law.
  - Patient is deceased, with no known estate.

#### **D. Charity Care Review Committee**

Good Samaritan Hospital's Charity Care Review Committee assists in the evaluation of subjective information related to patient accounts that do not clearly qualify under basic charity care discount eligibility criteria.

1. The types of patient accounts to be reviewed by the Committee shall include, but are not limited to the following:
  - Patients with extenuating circumstances (e.g., patients who may be medically indigent, patients who may have presumptive eligibility for a charity care discount, etc.).
  - Patients who have significant non-liquid assets

- Patients whose eligibility exceed 195% of the HUD Very Low Income Guidelines and thus are not eligible for charity care discounts on the sliding scale, but whose medical bills are so large that they are unable to pay.
2. The Vice-President of Finance will chair the Committee. At a minimum, membership will include staff from mission/ministry, general accounting, care management, and patient financial services. Other members may be appointed to the Committee as deemed appropriate by senior management.
  3. The Committee shall meet on a monthly basis. At times, the Committee may be required to meet more frequently depending on the nature of the patient population and the types of charity care discounts provided.
  4. The agenda for each meeting shall be comprised of patient cases requiring additional review and input by the Committee prior to the determination of charity care discount eligibility. For each patient case, the agenda will include a summary of the case, the financial situation of the patient and other pertinent information as necessary.
  5. Documentation of the Committee's meetings shall be recorded. Actions related to specific patients shall be included in the central file.

#### **IV. Recording Charity Care**

Good Samaritan Hospital properly distinguishes the write-offs of patient accounts between charity care discounts and bad debt expenses. Such amounts shall be recorded in accordance with generally accepted accounting principles and properly disclosed in financial statements and other reports.

##### **A. Generally Accepted Accounting Principles**

1. Section 7.2 of the AICPA *Accounting Guide* states the following, with regard to distinguishing bad debt expense from charity care: Distinguishing bad-debt expense from charity care requires judgment. Charity care results from an entity's policies to provide health care services free of charge to individuals who meet certain financial criteria. The establishment of a policy clearly defining charity care should clearly result in a reasonable determination. Although it is not necessary for the entity to make this determination upon admission of the individual, at some point the entity must determine that the individual meets its preestablished criteria for charity care. Charity care represents health care services that were provided but were never expected to result in cash flows. As a result, charity care does not qualify for recognition as receivables or revenue in the financial statements.

2. Good Samaritan Hospital will write off patient accounts in one of the following two categories:
  - Charity care discounts – consisting of:
    - Patients with no third-party payment source and for whom there is no expectation of payment
    - ... *Or* ...
    - Medicare and Medicaid patients who are determined to be financially unable to pay applicable co-payment obligations, in which case the unpaid co-payment qualifies as a charity care discount for the GOOD SAMARITAN HOSPITAL and can be claimed on any filing for reimbursement as a Medicare (Medicaid) bad debt.
  - Bad debts – consisting of patients who have the ability to pay for health care services (including those with private insurance), where the patient or insurer does not pay the applicable obligation.

## **B. Financial Statement Disclosures**

1. Section 2.4 of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Audits of Providers of Health Care Services* includes the following guidance:

The level of charity care provided should be disclosed in the financial statements. Such disclosure is made in the notes to the financial statements and measured based on the provider's rates, costs, units of service, or other statistics.

2. Good Samaritan Hospital includes information about charity care discounts in the consolidated year-end CHI community benefit disclosure. The annual charity care disclosure in *Note A to the CHI Audited Consolidated Financial Statements* states the following:

As an integral part of its mission, CHI accepts and treats all patients without regard of the ability to pay. A patient is classified as a charity patient in accordance with these Standards established across all entities. Charity care represents services rendered for which no payment is expected. Charity care is not included as revenues in the statements of operations and changes in net assets. The amounts of charity care provided, determined on the basis of charges, were \$2.5 million and \$3.7 million in 2003 and 2004, respectively.

### **C. IRS Reporting**

Good Samaritan Hospital includes the information noted in the preceding Section IV-C of this document in the IRS Form 990 federal reporting and required state reporting.

### **D. Charity Care Discounts**

A line item for charity care discounts does not appear in Good Samaritan Hospital's statements of operations because the amount is netted against gross revenues. The amounts written-off should be tracked for comparison with both the amounts budgeted for charity care discounts and prior-period charity care discounts. The cost of providing charity care discounts to all patients is recorded in the appropriate natural expense classifications in the Good Samaritan Hospital statement of operations when expenses are incurred through payroll records or accounts payable. Where scholarships are provided for community health education programs, the waived tuition or fee amounts should be tracked and reported as part of the community benefit reporting process.

### **E. Reserves for Charity Discounts**

There is a lag between the times when services are provided and the determination is made about the eligibility for a charity care discount or financial assistance. As a result, Good Samaritan Hospital utilizes a reserve methodology for recording charity care discounts.

## **V. Recording Community Benefit**

Good Samaritan Hospital utilizes the CHI Community Benefit Handbook for determining and reporting Community Benefit.

## **VI. Resources**

CHI Financial Standards and Guidelines Manual  
Section 4: Uninsured/Underinsured Patient Discounts (Charity Care)