



**CALIFORNIA  
HEALTHCARE  
ASSOCIATION**

*Providing Leadership in  
Health Policy and Advocacy*

## **Key Steps Checklist for Developing or Revising a Hospital Charity Care Policy**

The California Healthcare Association has published a new manual entitled *Assisting Low-Income, Uninsured Patients*, written to help hospitals develop and implement charity care policies.

The attached “Key Steps Checklist” is an excerpt from the manual that may prove useful to hospitals that are revising or developing charity care policies.

For more information about the manual, please visit our website at [www.calhealth.org](http://www.calhealth.org) and click on “Publications.” In addition to the manual, a CD-ROM of CHA’s recent web seminar is also available.

### *Contents of the Manual:*

- Understanding the Issue
- CHA’s *Voluntary Principles and Guidelines*
- State and Federal Guidance
- Developing a Charity Care Policy
- Examples of Hospital Policies and Practices
- Processes and Practical Considerations
- Accounting and Reporting of Charity Care
- Appendixes

For questions, please call CHA’s publication manager:  
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## KEY STEPS CHECKLIST

### Management Staff

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#### Express the hospital's mission

- Review the hospital's mission, vision/or values statement in relation to existing charity care policies and procedures
- Create a charity care policy statement that explains why the hospital is charitable and how it serves the community's needs
- Define how the charity care policy will be part of fulfilling the hospital's charitable mission

#### Assemble relevant resource materials

- CHA's *Voluntary Principles and Guidelines*
- Other association or hospital guidelines/recommendations, including the American Hospital Association (AHA)
- Internal health system policy statements and recommendations (if applicable)
- Existing hospital charity care policy and procedure documents

#### Conduct research for policy development

- Examine community needs and available resources
- Identify additional information needs and requirements
- Obtain U.S. Census data (population, housing, income, race/ethnicity, etc.)
- Collect internal hospital utilization and financial data (charity, bad debt)
- Identify key areas of service (emergency, clinics, surgery, etc.)
- Gather community benefit reports
- Identify alternative resources for charitable service within the community and evaluate their contribution to community need

#### Analyze data and information

- Assess existing and projected community demand for charity care based upon U.S. Census, financial and historic utilization data
- Develop a financial analysis of current charity care and bad debt levels at the hospital and within the community

## ASSISTING LOW-INCOME, UNINSURED PATIENTS

- Develop community charity care need profile
- Draft proposed revision to hospital charity policies and procedures, highlighting changes
- Create a financial pro forma analysis that projects outcome from proposed policy changes

### Define the types of services and patient accounts covered by the charity care policy

- Inpatient/outpatient services
- Uninsured and underinsured
- Self-pay/private accounts
- Co-pay and deductibles
- Non-covered charges
- Denied days
- Other

### Define hospital's obligation to patients

All hospital patients are entitled to certain rights. These should be expressed specifically as they relate to the charity care policy.

- Dignity, respect and confidentiality
- Equal treatment of all applicants
- Access to the charity care policy (*see "Model Patient Notice of Financial Assistance," page 9*)
- Hospital contact provided for questions
- Responsiveness—timely follow-through
- Full disclosure of information
- Notice of decision

Define patient's responsibility

All hospital patients bear certain responsibilities. Express these specifically as they relate to the charity care policy.

- Honesty
- Responsiveness—timely follow-through
- Full disclosure of required information and completion of the application
- Satisfaction of any patient payment obligation

Train hospital staff

The hospital must train staff to implement its charity care program. Training should include these basic fundamentals.

- Overall program philosophy and its basis in the hospital mission
- How the charity care program is essential to the organization's role within the community
- Charity care application process
- How to obtain more information

Staff must receive additional training if involved in the charity care application or determination processes. Those who will need specific training include:

- Admission/registration clerks
- Emergency registration clerks
- Billing staff
- Financial counselors
- Collections staff
- Patient advocates and social service staff
- Discharge planners
- Translators

Communicate policies and charity services to patients and the community

- Create and post notices that advise patients and/or their representatives of the hospital's charity care program. These notices should be visible in key areas such as the emergency department, admissions, discharge, lobby and other common waiting areas
- Create notices, policy statements and application forms in the community's primary language(s). Translators should be used when necessary
- Provide brief and clear instructions on how to apply for charity care
- Always provide contact telephone numbers so a patient can obtain more information. The contact numbers should be on notices, application forms and billing statements
- Develop a public information program. Identify local community-based organizations that may help disseminate information on the hospital's charity care program

Review collection agency agreements

- Modify as needed

Collect and review data

- Establish hospital-wide policies and procedures to collect information
- Review accounting systems to properly map revenue and deduction accounts
- Prepare and report data as required by OSHPD on a quarterly and annual basis

**Committees**

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Hospital management should assign committees that create roles of responsibility and accountability. These committees also can monitor and evaluate the policies once in place.

Review data and information presented by hospital staff

- Discuss charity care issues and determine community needs
- Evaluate recommendations from CHA, AHA and other associations
- Address corporate requirements and standards, if applicable
- Evaluate financial projections from a fiduciary perspective

Discuss proposed revisions to existing policy and procedures

- Develop an understanding of specific changes, rationale and projected result
- Discuss changes in context of hospital's mission and community benefit goals
- Amend draft policy, if necessary, as a result of committee review

Draft the final policy

- Review policy development material prepared by hospital staff
- Evaluate policy and procedure changes recommended by staff
- Consider alternatives and options
- Create the final policy and procedure draft document; recommend approval to hospital board

**Hospital Board**

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Receive all hospital staff and committee recommendations

- Review committee and staff recommendations
- Compare recommendations to CHA's *Voluntary Principles and Guidelines*
- Consider community benefit goals and overall hospital mission achievement

Perform fiduciary review

- Balance charitable giving with financial responsibility to the hospital and community

Approve new/revised policy and procedures documents

- Review new or revised charity care policy
- Review procedures documents
- Modify policy if necessary
- Approve policy

Establish system to monitor charity care policy

- Establish policy implementation review standards
- Review at least quarterly: patient applications, approvals and denials
- Review total charges written off to charity care
- Require summary report to hospital board at least annually