CHARITY CARE 101

Agenda

- Charity Care Program Overview
  - Charity vs. Medicaid vs. EMTALA
  - Charity Care Eligibility
  - Application Process & Timeline
  - Charity Care FAQs
- Charity Care Funding
- Potential Advocacy Opportunities

Charity Care Program Overview

Charity Care Program = New Jersey Hospital Care Assistance Program

- Is free or reduced charge care which is provided to patients who receive inpatient and outpatient services at acute care hospitals throughout the State of New Jersey
- Hospital assistance and reduced charge care are available only for necessary hospital care.
- Some services such as physician fees, anesthesiology fees, radiology interpretation, and outpatient prescriptions are separate from hospital charges and may not be eligible for reduction

Charity Care Program Overview

Program Communication Requirements

- Hospitals post signs in English, Spanish and any language which is spoken by 10% or more of the population in the hospital's service area.
- These signs are posted in appropriate areas of the facility such as the admissions area, the business office, outpatient clinic areas, and the emergency room.
- The sign informs patients of the availability of hospital assistance and reduced charge care, gives a brief description of the eligibility criteria, and directs the patient to the business office or admissions office of the hospital.
- Every patient should receive a written notice of the availability of hospital care payment assistance and medical assistance.

Charity Care Program Overview

Charity Care vs. NJ FamilyCare/Medicaid vs. EMTALA

- **Charity Care** – **IS NOT HEALTH INSURANCE.** It is a financial assistance option of last resort for uninsured low-income New Jersey residents.
- **NJ FamilyCare/Medicaid** - New Jersey's publicly funded health insurance program - includes CHIP (355%FPL), Medicaid (100%FPL) and Medicaid expansion (138%FPL) populations. Qualified NJ residents of any age may be eligible for free or low-cost healthcare coverage that covers doctor visits, prescriptions, vision, dental care, mental health and substance use services, and even hospitalization.
- **Emergency Medical Treatment and Labor Act (EMTALA)** - Is a 1986 federal law requiring Medicare-participating hospitals with emergency departments to provide a medical screening exam and stabilizing treatment for anyone with an emergency condition, regardless of insurance or ability to pay.

Charity Care Program Overview - Eligibility

WHO IS ELIGIBLE FOR HOSPITAL CARE PAYMENT ASSISTANCE?

Hospital care payment assistance is available to New Jersey residents who:

1. Have no health coverage or have coverage that pays only for part of the bill: and
2. Are ineligible for any private or governmental sponsored coverage (such as Medicaid); and
3. Meet both the income and assets eligibility criteria listed below.

Hospital assistance is also available to non-New Jersey residents, subject to specific provisions.

Income Criteria

Income as a Percentage of HHS Poverty Income Guidelines	Percentage of Charge Paid by Patient
less than or equal to 200%	0%
greater than 200% but less than or equal to 225%	20%
greater than 225% but less than or equal to 250%	40%
greater than 250% but less than or equal to 275%	60%
greater than 275% but less than or equal to 300%	80%
greater than 300%	100%

If patients on the 20% to 80% sliding fee scale are responsible for qualified out-of-pocket paid medical expenses in excess of 30% of their gross annual income (i.e. bills unpaid by other parties), then the amount in excess of 30% is considered hospital care payment assistance.

- **Asset Test** - Individual assets cannot exceed $7,500 and family assets cannot exceed $15,000.
- **Cost Sharing Assistance for Insured Patients up to 300% FPL** – May be Eligible for Charity Care
- **301% - 500%FPL** - Hospital Charges are Capped at 115% of the Medicare reimbursement rate

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Charity Care Program Overview - Eligibility

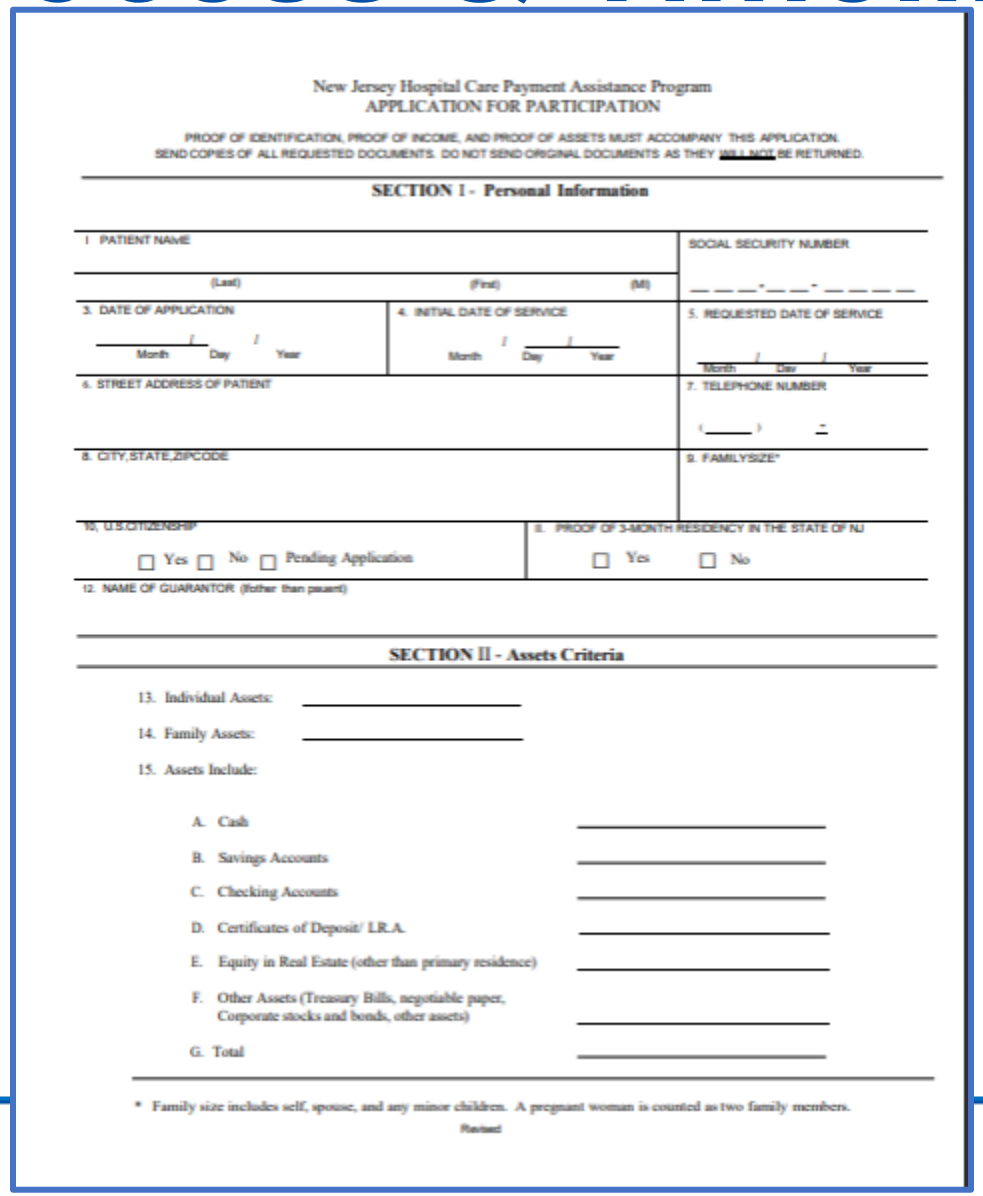
Household Size	Full Charity Care – No Out Of Pocket Costs to Patients (<200% FPL)	Reduced Charity Care Sliding Scale Out of Pocket Costs to Patients (201-300% FPL) Capped at 115% of Medicare Rate	Out of Pocket Costs Capped at 115% Medicare Rate for Patients (301 – 500% FPL)
1	$31,920	$31,9201 to $47,880	$47,881 to $79,800
2	$43,280	$43,281 to $64,920	$64,921 to $108,200
3	$54,640	$54,641 to $81,960	$81,961 to $136,600
4	$66,000	$66,001 to $99,000	$99,001 to $165,000
5	$77,360	$77,361 to $116,040	$116,041 to $193,400
6	$88,720	$88,721 to $133,080	$133,081 to $221,800
7	$100,080	$100,081 to $150,120	$150,121 to $250,200
8	$111,440	$111,441 to $167,160	$167,161 to $278,600

Charity Care Program Overview – Process & Timeline

Applying

- Apply for hospital care payment assistance at the hospital where services are obtained.
- Apply at the business office or admissions office of the hospital
- Answer questions related to income and assets, as well as provide documentation of the income and assets
- The hospital will make a **determination** of whether the applicant is eligible **within 10 working days** from the time a complete application is submitted
- The application will be denied if it does not include adequate documentation to make a determination
- The applicant has up to one year from the date of service to apply for hospital assistance and provide the hospital with a completed application
- Applicants found ineligible may reapply at a future time when they present themselves for services and believe their financial circumstances have changed
- **Questions:** contact DOH's Health Care for the Uninsured Program during business hours at 1-866-588-5696

Charity Care Program Overview – Process & Timeline



New Jersey Hospital Care Payment Assistance Program
APPLICATION FOR PARTICIPATION

PROOF OF IDENTIFICATION, PROOF OF INCOME, AND PROOF OF ASSETS MUST ACCOMPANY THIS APPLICATION.
SEND COPIES OF ALL REQUESTED DOCUMENTS. DO NOT SEND ORIGINAL DOCUMENTS AS THEY WILL NOT BE RETURNED.

SECTION I - Personal Information

1. PATIENT NAME (Last) (First) (MI)
SOCIAL SECURITY NUMBER
3. DATE OF APPLICATION Month Day Year
4. INITIAL DATE OF SERVICE Month Day Year
5. REQUESTED DATE OF SERVICE Month Day Year
6. STREET ADDRESS OF PATIENT
7. TELEPHONE NUMBER
8. CITY,STATE,ZIPCODE
9. FAMILYSIZE*
10. U.S.CITIZENSHIP ☐ Yes ☐ No ☐ Pending Application
11. PROOF OF 3-MONTH RESIDENCY IN THE STATE OF NJ ☐ Yes ☐ No
12. NAME OF GUARANTOR (If other than patient)

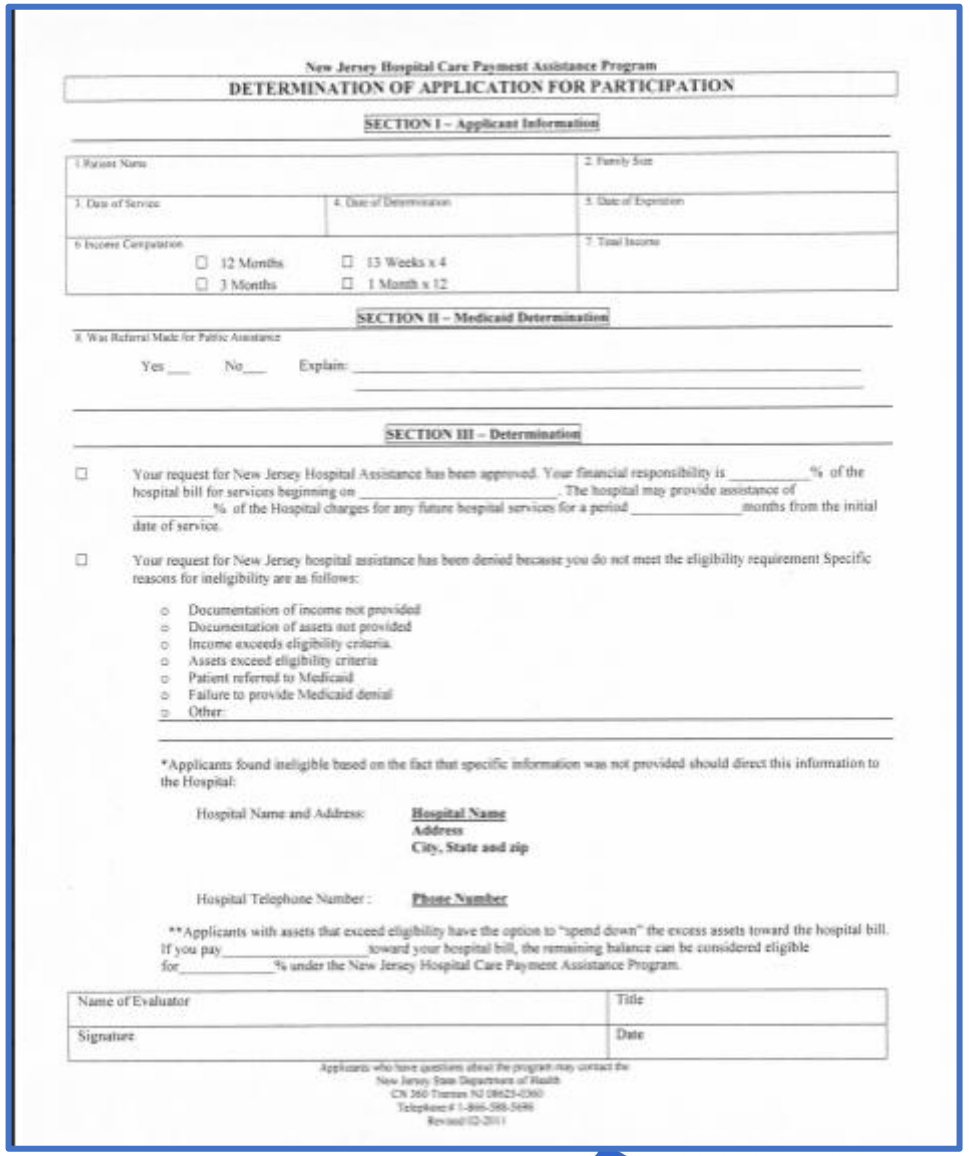
SECTION II - Assets Criteria

13. Individual Assets: _____
14. Family Assets: _____
15. Assets Include:

A. Cash _____
B. Savings Accounts _____
C. Checking Accounts _____
D. Certificates of Deposit/ I.R.A. _____
E. Equity in Real Estate (other than primary residence) _____
F. Other Assets (Treasury Bills, negotiable paper, Corporate stocks and bonds, other assets) _____
G. Total _____

* Family size includes self, spouse, and any minor children. A pregnant woman is counted as two family members.

Revised



New Jersey Hospital Care Payment Assistance Program
DETERMINATION OF APPLICATION FOR PARTICIPATION

SECTION I – Applicant Information

1. Patient Name
2. Family Size
3. Date of Service
4. Date of Determination
5. Date of Expiration
6. Income Computation ☐ 12 Months ☐ 13 Weeks x 4 ☐ 3 Months ☐ 1 Month x 12
7. Total Income

SECTION II – Medicaid Determination

8. Was Referral Made for Public Assistance
Yes ___ No ___ Explain: _____

SECTION III – Determination

☐ Your request for New Jersey Hospital Assistance has been approved. Your financial responsibility is _____% of the hospital bill for services beginning on _____. The hospital may provide assistance of _____% of the Hospital charges for any future hospital services for a period _____months from the initial date of service.

☐ Your request for New Jersey hospital assistance has been denied because you do not meet the eligibility requirement Specific reasons for ineligibility are as follows:

- ○ Documentation of income not provided
- ○ Documentation of assets not provided
- ○ Income exceeds eligibility criteria
- ○ Assets exceed eligibility criteria
- ○ Patient referred to Medicaid
- ○ Failure to provide Medicaid denial
- ○ Other: _____

*Applicants found ineligible based on the fact that specific information was not provided should direct this information to the Hospital:

Hospital Name and Address: **Hospital Name** **Address** **City, State and zip**

Hospital Telephone Number : **Phone Number**

**Applicants with assets that exceed eligibility have the option to "spend down" the excess assets toward the hospital bill. If you pay _____toward your hospital bill, the remaining balance can be considered eligible for _____% under the New Jersey Hospital Care Payment Assistance Program.

Name of Evaluator	Title
Signature	Date

Applicants who have questions about the program may contact the New Jersey State Department of Health CN 360 Trenton NJ 08625-0360 Telephone # 1-800-356-5496 Revised 02-2011

[Charity Care Blank Application]

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Charity Care Program Overview – Process & Timeline

Filing A Complaint

To file a complaint about how a hospital processed your application for Charity Care, contact the New Jersey Hospital Care Payment Assistance Program. You may call them at (866) 588-5696, email them at Charity.Care@doh.state.nj.us, or write to them at:

NJ Department of Health, New Jersey Hospital Care Payment Assistance Program
P.O. Box 360
Trenton, NJ 08625-0360

Use this same contact information to complain if the hospital processed your application correctly, but you received a bill which charged you improperly by failing to reflect the level of Charity Care assistance for which you qualified.

Charity Care Program FAQs

- **What services are included?** The same serviced that are covered by Medicaid
- **Can patients use self-attestation of income when applying?** No. Cash applicants must get documentation from their employer, no self attestation. (However, Hospitals can accept 10% of applicants as self attestation. Any more than that and they are out of compliance)
- **How are Hospital Charity Care Applications audited?** By an independent Third Party that uses 7 Points of Validation:
  1. Income
  2. Assets
  3. ID of all family members
  4. NJ Residency Status
  5. Other insurance
  6. Family Size
  7. Possibility the patient should have been on Medicaid first
- **Does the State promote the Charity Care Program?** No formal promotion by the state, Hospitals take the lead on this.

Charity Care Program FAQs

- **Are there other financial assistance programs for health care?** Yes. The Catastrophic Illness in Children Relief Fund is a financial assistance program for New Jersey Families whose children have an illness or condition otherwise uncovered by insurance, State or Federal programs, or other sources, such as fundraising. Click here to learn more - https://www.nj.gov/humanservices/cicrf/

Charity Care Funding

- Structured as aid to hospitals to keep stable finances, rather than as focused on covering the needs of patients
- Federal- and State-funded program – for the state's part, $ come through the Health Care Subsidy Fund, which has funds from a variety of excise taxes and assessments
- In 2024, state proposed to split off some funding to an outpatient state-directed payment program to draw down more federal funds through Medicaid
- Lack of clarity about how or in what way recent federal policies will affect this funding (cap on provider taxes, cuts to Medicaid reimbursements, etc.)

HEALTH CARE SUBSIDY FUND
(thousands)

	Actual FY 2023	Actual FY 2024	Budget FY 2025	Budget FY 2026
FUND BALANCE JULY 1	$ 112,881	$ 17,097	$ 23,973	$ 2,000
REVENUES				
Provider Taxes				
HMO Premiums Assessment	766,934	813,225	932,028	1,192,833
.53% Hospital Assessment	147,447	164,746	173,000	188,000
Ambulatory Care Facility Assessment	67,182	68,741	63,500	98,143
Cosmetic Medical Procedures Tax (a)	2	-	-	-
Other Revenue Sources				
Cigarette Tax	396,500	396,500	396,500	396,500
Alcohol Excise Tax	22,000	22,000	22,000	22,000
Investment Earnings	21,124	34,756	20,000	14,000
TOTAL REVENUES	$ 1,421,189	$ 1,499,968	$ 1,607,028	$ 1,911,476
TOTAL RESOURCES	$ 1,534,070	$ 1,517,065	$ 1,631,001	$ 1,913,476
EXPENDITURES				
Charity Care	342,000	342,000	137,222	61,214
Children's Health Insurance Program (CHIP)	192,349	236,988	275,669	308,048
Federally Qualified Health Centers	29,068	32,000	32,000	32,000
Hospital Mental Health Offset Payments	11,165	11,735	12,327	12,327
Quality Improvement Program - New Jersey	20,655	20,655	20,655	20,655
NJ FamilyCare	962,000	889,871	1,173,417	1,499,521
TOTAL EXPENDITURES	$ 1,557,236	$ 1,533,249	$ 1,651,290	$ 1,933,765
General Fund Support	*(40,263)*	*(40,157)*	*(22,289)*	*(22,289)*
NET EXPENDITURES	$ 1,516,973	$ 1,493,092	$ 1,629,001	$ 1,911,476
Projected Surplus/Deficit	$ 17,097	$ 23,973	$ 2,000	$ 2,000
Federal Funds Appropriated for Programs Above				
Children's Health Insurance Program (CHIP)	563,938	570,398	663,172	735,855
Hospital Mental Health Offset Payments	14,154	12,214	12,327	12,327
Quality Improvement Program - New Jersey	126,700	126,700	126,700	126,700

Notes:
(a) The tax on cosmetic surgery procedures was eliminated in FY15, but revenues from prior fiscal years continue to be collected irregularly.

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Charity Care Potential Opportunities for Advocacy

- Brief & Informal consumer experience survey lead by NJ Appleseed
  - Would any coalition partners be willing to distribute the survey to your members?
- Potential NJ Appleseed White Paper on Charity Care
- Make the program more fair and efficient:
  - Discuss the need to increase the asset test levels, use a sliding scale, or index it to the rise in Federal Poverty Limits. As it stands now, the asset limits have been where there are for 25 years. Tests that are too low may come into play for the higher income levels 300 – 500% FPL. They could be getting denied unnecessarily due to low asset limits for their income levels.
  - Require all hospitals to use a uniform application. As it stands now, the hospitals are required to have uniform content, but not presented in the same format
- Create more public health coverage programs for the uninsured
  - Basic Health Plan (BHP)
  - NJ FamilyCare Advantage Buy-In Program
- Establish homestead and bank account exemptions for persons in debt; increases existing exemption amounts for household goods. (S2108)
- NJ For Health Care Coalition's Health Care Access Database Launch – Summer 2026!