Washington State 2007

Charity Care in Washington Hospitals

October 2009

Washington State Department of Health

Center for Health Statistics
Hospital and Patient Data Systems

Washington State 2007

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Foreword

The 1989 Legislature enacted RCW 70.170.060 which prohibits any Washington hospital from denying access to most types of medical care based on inability to pay or form adopting admission policies that significantly reduce charity care. The same law directs each hospital to develop a charity care policy and a bad debt policy. The Department of Health is responsible for rule making and monitoring related to charity care and is required to report to the Legislature and Governor o each year. This report presents data submitted by Washington hospitals in their fiscal year 2007 Hospital Year-end Reports and 2008 Annual Budget Submittals.

This report:

- Provides a source of data to assess the effect of uncompensated health care on hospital charges and continued access to health care in a community.

- Is a resource document for people wishing to conduct research or seek information on uncompensated health care.

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Executive Summary

This report contains data regarding total charity care charges provided by all licensed hospitals in Washington. Charity care is reported as a percentage of total patient service revenue and of adjusted revenue.

RCW 70.170 defines charity care as "necessary inpatient and outpatient hospital health care rendered to indigent persons..." A person is considered indigent if family income is at or below 200 percent of the federal poverty level (see Appendix 5). Past hospital accounting practice did not consistently separate bad debt (often stemming from non-payment of bills by low-income patients) from charity care. Charity care reports in the early years combined charity care and bad debt. More recent years' reports reviewed only charity care. This report includes bad debt so Washington State results can be compared to national uncompensated care data.

Washington hospitals provided $591 million in total charity care charges for 2007, which is an increase of 16.3 percent above 2006 and a 28.4 percent increase above the 2005 levels. Charity care for 2007 was 2.2 percent of total hospital revenue and 4.4 percent of "adjusted revenue" (adjusted revenue is total revenue minus Medicare and Medicaid charges in order to focus on each hospital's non-Medicare, non-Medicaid charges). Total charity care charges have consistently increased from 1998 to the present. The growth in charity care has slowed since the increase from 2004 to 2005, which was the largest increase in charity care ever recorded either by the Department of Health or by the Washington State Hospital Commission.

Thirty-six hospitals each provided more than $3 million of charity care in FY 2007, which accounted for 92.3 percent of charity care statewide. Regionally, King County provides the largest dollar amount of charity care, with Harborview Medical Center alone providing 21 percent of the statewide total. Small Town/Isolated Rural and Rural Urban Fringe hospitals (see Appendix 2) report less charity care in proportion to their total adjusted revenue than do urban hospitals. Rural hospitals also have a higher proportion of revenue from Medicare and Medicaid, resulting in a smaller base of private sector payers to whom charity care costs could be shifted.

Washington hospitals' inflation adjusted experience with charity care over time shows charity care outpacing the consumer price index and the producer price index. Inflation-adjusting charity care amounts allows the reader to see changes in charity care from year to year, accounting for the general tendency for all prices to increase over time. The report briefly discusses national and state charity care policy status and we note that there are no national standards. Uncompensated care by hospitals in each county compared to poverty in that county shows an estimated 11.4 percent statewide poverty rate and an average of $1,688.53 of free or discounted charity care provided per person considered under the poverty level.

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Charity Care Defined

Charity care is defined in RCW 70.170.020 (see Appendix 4) as necessary hospital health care rendered to indigent people, when the people are unable to pay for the care, or to pay the deductibles or co-insurance amounts required by a third-party payer. A person in need of care is considered "indigent" if family income is at or below 200 percent of the federal poverty level. The basic distinction between bad debt and charity care in the health care setting can be made between uncollectible accounts arising from a patient's unwillingness to pay (bad debt) and those arising from a patient's inability to pay (charity care). Past hospital accounting practice did not consistently separate bad debt from charity care.

Effective March 1991, the Department of Health adopted accounting rules that provided uniform procedures, data requirements and criteria for identifying patients receiving charity care. These rules also provided a definition of residual bad debt. These changes have resulted in more accurate and consistent reporting on the components of uncompensated care.

Charity Care Policy for Washington Hospitals

Since 1991, Washington hospitals have been required to maintain a charity care policy on file with the Center for Health Statistics (CHS) in the Department of Health. Each policy includes the following information:

- a set of definitions describing terms the hospital uses in its charity care policy;
- the procedures the hospital uses to determine a patient's ability to pay for health care services and to verify financial information submitted by the patient;
- a sliding fee schedule for individuals whose annual family income is between 100 and 200 percent of the federal poverty level, adjusted for family size; and
- procedures used to inform the public about charity care available at that hospital.

The individual charity care policies are available from the Department of Health web site at this link: http://www.doh.wa.gov/ehsphl/hospdata/CharityCare/CharityPolicies/

In addition to the charity care policy, each hospital reports annually to the department its total charges for charity care and bad debt within 120 days of the close of the fiscal year. This data is reported as part of the hospital's year-end financial report. Hospitals also provide an estimate of charity care 30 days prior to the start of their fiscal year in their annual budget submittal.

Two health maintenance organization hospitals (Group Health Central and Eastside) are not included in this report because health care charges are prepaid through member subscriptions and therefore uncompensated health care is generally not incurred. The report also excludes state-owned psychiatric hospitals, federal Veteran's Affairs hospitals and federal military hospitals. This report is based on data collected from 94 licensed Washington hospitals for their fiscal years ending in 2007.

Historically, data reported to the department did not include the number of patients granted charity care. Therefore, it has been unknown whether the number of charity care cases is going up, down, or remaining the same over time. For this reason, the department is currently requesting that hospitals report the number of charity care patients along with charity care charges. For fiscal year 2007, 57 of the possible 94 hospitals reported. These hospitals had 148,276 charity care patients.

Charity Care Policy in Other States

There is no national community hospital charity care policy or requirement. Some states require hospitals to provide charity care, while others do not. Some of these states have a program in which the hospitals can apply for partial reimbursement of the funds forgiven.

In 1986, Congress enacted the Emergency Medical Treatment & Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay. Section 1867 of the Social Security Act imposes specific obligations on Medicare-participating hospitals that offer emergency services to provide a medical screening examination (MSE) when a request is made for examination or treatment for an emergency medical condition (EMC), including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with EMCs. If a hospital is unable to stabilize a patient within its capability, or if the patient requests, an appropriate transfer should be implemented. Washington State charity care law is much broader and includes non-emergency and non-labor medical care as eligible for charity care.

Measuring Hospitals' Charitable Contributions to Their Communities

Measuring what a hospital gives back to the community or comparing one hospital's contribution with another is not an easy exercise. Hospitals sometimes support their communities through free or low-cost services, such as health screenings and awareness campaigns, which are not easily quantifiable and are not included in their uncompensated health care totals reported to the department.

Comparisons based solely on data included in this report can result in misleading findings. A high level of charity care may just as easily reflect demographic conditions in a service area (income level, unemployment rate, etc.) as the charitable mission of a hospital. Conversely, a low level of charity care might reflect a relative absence of need for charity care in a hospital's service area rather than a lack of commitment to serve the community. This report makes no value judgments about any individual hospital's provision of charity care. The Department of Health has not established a standard for the "appropriate" amount of charity care that a hospital should provide.

A hospital is limited in the amount of uncompensated health care it can provide and remain a financially healthy institution. Ultimately, if enough charges are uncompensated, whether attributed to bad debt expense or to charity care, the facility will face operating losses. Hospitals may attempt to recover uncompensated health care by shifting costs to other payers, subsidizing uncompensated charges with non-operating revenue (e.g., endowments, parking lots, gifts shops), or increasing prices for hospital services.

Charity Care Charges in Washington Hospitals

Charity care charges increased from $510 million in FY 2006[1] to $590 million in FY 2007. This represents a 15.7 percent increase from 2006 to 2007. Table 1 summarizes the statewide provision of charity care from 1997 through 2007. This table also presents charity care charges as a percentage of total revenue (including Medicare and Medicaid) and adjusted revenue (without those government programs). Total revenue is the sum of billed charges for all patient services. Statewide charity care charges increased by 578 percent over the past 10 years, while statewide revenues increased by 365 percent. Since 1997, fluctuations in statewide operating margins, a profitability measure, have not adversely affected the amount of charity care provided in Washington.

Table 1. Overview of Hospital Charity Care in Washington, 1994-2007

Year	Total Revenue	Adjusted Revenue	Statewide Charity Care	Percent of Total Revenue	Percent of Adjusted Revenue	Operating Margin
1997	7,466,307,575	3,874,390,027	102,008,794	1.37%	2.63%	4.00%
1998	8,283,508,258	4,406,201,947	108,371,473	1.31%	2.46%	2.30%
1999	9,495,164,654	5,131,945,589	112,577,000	1.19%	2.19%	2.00%
2000	11,009,631,695	5,736,296,849	119,081,863	1.08%	2.08%	1.30%
2001	12,559,409,550	6,374,245,419	135,140,421	1.08%	2.12%	2.20%
2002	14,594,866,236	7,361,696,909	158,602,333	1.09%	2.15%	2.50%
2003	16,563,214,722	8,206,850,864	218,716,343	1.32%	2.67%	3.70%
2004	18,703,650,129	9,291,039,218	377,659,433	2.02%	4.06%	3.28%
2005	21,176,047,382	10,276,084,173	460,789,979	2.18%	4.48%	4.40%
2006	23,729,471,286	11,486,408,669	509,804,329	2.15%	4.44%	4.11%
2007	27,296,487,390	13,304,319,466	590,294,087	2.16%	4.44%	5.19%

Source: *Washington State Department of Health, Hospital Financial Data Year-end Reports FY 1994-2007.*

The hospital accounting concept of "adjusted revenue" subtracts Medicare and Medicaid charges from total patient care revenue to allow meaningful comparisons of hospital levels of charity care. Medicare and Medicaid have specifically excluded participation in covering charity care from their prospectively determined payment levels. Since the payments that hospitals receive from Medicare and Medicaid do not cover charity care, the hospitals adjust their rates to recoup the charity care from their base of private purchasers and payers. This private payer base differs widely among hospitals as a percentage of business. Therefore, the use of "adjusted revenue" allows for a comparison of hospital charity care as a percentage of privately sponsored patient revenue.

[2] Not all hospitals have a fiscal year that coincides with the calendar year. Among the 94 hospitals in Washington, there are six different fiscal calendars. As a result, we cannot provide data based on the calendar year. Information contained in this report for fiscal year (FY) 2007 includes hospital data that pertains to the year that ended March 31, April 30, June 30, September 30, October 31 or December 31, 2007, depending on each hospital's fiscal calendar.

Operating margin is the percent of operating revenue left over after operating expenses are subtracted.

Inflation Adjusted Charity Care Amounts

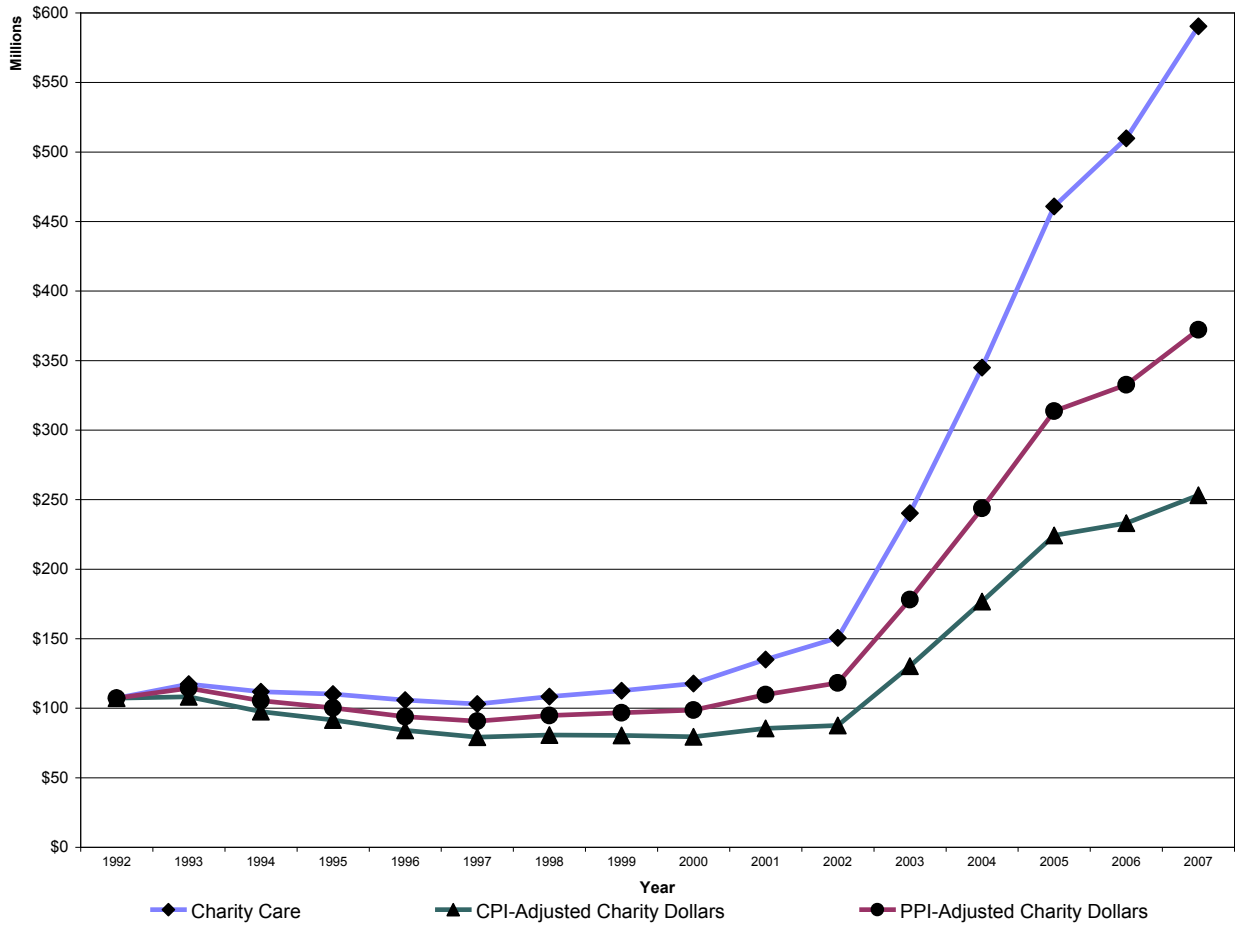
Figure 1 on the following page shows Washington hospitals' inflation-adjusted charity care over time. Figure 1 displays charity care amounts in unadjusted dollars and in inflation-adjusted dollars. Inflation-adjusting charity care amounts allows the reader to see changes in charity care from year to year, accounting for the general tendency for all prices to increase over time. Inflation-adjusted dollars are often called "real" dollars because they show changes in relative values, rather than changes in cost. The CPI (Consumer Price Index) adjusted dollars reflect inflation at the consumer level[2]. In other words, CPI changes reflect changes in the overall prices of goods and services. The PPI (Producer Price Index) adjusted amount is only for hospital care and reflects the changes in the selling prices received by hospitals for their services[3]. The base year for both inflation indices is 1992.

Under all measures, charity care increased sharply starting in 2003, even when the CPI and PPI show zero percent inflation constant. Prior to 2004 charity care had a stable rate. It is unclear why the rates seem to have increased so dramatically. One possibility is that hospitals have increased the amount of their charity care, perhaps as much as doubled it in a few years. However, factors other than just an increase in care may account for some of the large swing. Alterations in accounting practices that affect what hospitals report or public policy changes may also explain some of these increases.

[2] The Consumer Price Index (CPI), published by the US Department of Labor, Bureau of Labor Statistics (BLS), is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. (Source: U.S. Department of Labor, Bureau of Labor Statistics)

[3] The BLS also publishes the Producer Price Index (PPI). The PPI is a family of indices that measures the average change over time in selling prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI), that measure price change from the purchaser's perspective. Sellers' and purchasers' prices may differ due to government subsidies, sales and excise taxes, and distribution costs. The PPI used in this chart is specific to general medical and surgical hospitals. (Source: see above)

Figure 1. Inflation Adjusted Provision of Charity Care



The majority of the state's charity care comes from relatively few hospitals. Thirty-six urban hospitals each reported $3 million or more and together provided $546 million in charity care (i.e. 38 percent of the hospitals provided 93 percent of the charity care provided statewide) in FY 2007 (see Table 2 on the next page). The amount of charity care individual hospitals provided ranged from $0 to $124 million, which reflect differences in their size, types of services provided, provisions for charity care in their mission statements, and the characteristics of surrounding communities.

Top providers five year history of charity care dollars

Table 2.Washington Hospitals Reporting More than $3 Million in Charity Care FY 2007

Hospital Name	2003	2004	2005	2006	2007	2006-2007 Percent Change
Harborview Medical Center	55,302,000	93,480,000	98,243,000	112,188,000	124,390,000	10.9%
Providence Regional Medical Center Ever	10,318,505	26,588,306	31,811,074	31,335,712	36,332,041	15.9%
Providence Saint Peter Hospital	8,070,857	16,496,058	22,949,168	29,724,540	30,535,691	2.7%
Swedish Health Services	8,986,775	15,935,042	23,087,910	21,473,336	28,820,080	34.2%
Tacoma General Allenmore Hospital	5,847,298	12,808,831	18,612,298	18,148,276	25,496,810	40.5%
Saint Joseph Medical Center	5,208,123	10,799,099	16,917,321	23,093,412	24,181,715	4.7%
Southwest Washington Medical Center	6,466,051	13,219,527	15,390,405	14,313,645	23,439,609	63.8%
Providence Sacred Heart Medical Center	7,739,002	16,859,991	14,527,167	21,004,353	16,115,756	-23.3%
University Of Washington Medical Center	8,888,000	12,174,473	14,932,682	17,000,103	15,983,605	-6.0%
Providence Centralia Hospital	2,391,977	9,993,967	14,550,041	11,447,322	14,150,505	23.6%
Seattle Childrens Hospital	7,840,789	8,930,545	7,495,603	8,660,000	12,927,000	49.3%
Peacehealth Saint Joseph Hospital	4,354,001	5,924,551	9,266,567	9,445,262	12,921,335	36.8%
Valley Medical Center	3,927,200	6,629,913	14,172,017	13,387,438	12,691,187	-5.2%
Swedish Medical Center Cherry Hill	3,523,849	6,333,442	9,763,471	10,399,358	12,499,950	20.2%
Kadlec Medical Center	2,735,376	5,185,481	8,792,402	9,593,283	12,191,001	27.1%
Peacehealth Saint John Medical Center	4,812,350	6,833,412	8,307,987	9,692,944	11,658,148	20.3%
Saint Francis Community Hospital	2,872,818	6,993,925	9,634,814	10,931,445	11,421,117	4.5%
Saint Clare Hospital	3,280,714	5,773,527	8,928,033	10,916,194	11,135,378	2.0%
Yakima Valley Memorial Hospital	2,066,824	3,638,462	4,999,185	7,724,744	9,227,813	19.5%
Legacy Salmon Creek Hospital	Not Open	Not Open	Not Open	2,985,950	9,205,220	208.3%
Highline Medical Center	4,278,289	3,786,110	6,654,998	4,914,119	8,962,739	82.4%
Virginia Mason Medical Center	3,527,776	3,924,442	9,879,932	8,149,650	8,806,690	8.1%
Harrison Medical Center	2,675,155	4,298,219	4,429,302	6,509,360	7,651,989	17.6%
Providence Holy Family Hospital	2,744,134	4,927,455	5,503,638	6,839,416	7,451,687	9.0%
Good Samaritan Hospital	8,541,618	4,847,916	7,592,284	8,163,974	6,333,011	-22.4%
Evergreen Hospital Medical Center	4,991,164	5,782,194	6,885,415	6,388,160	6,278,194	-1.7%
Central Washington Hospital	1,894,254	2,835,320	3,248,927	5,474,835	5,514,945	0.7%
Overlake Hospital Medical Center	3,885,677	4,848,470	3,600,859	5,074,086	5,451,760	7.4%
Stevens Hospital	1,924,572	3,002,628	4,220,740	3,450,170	5,334,972	54.6%
Providence Saint Mary Medical Center	671,048	1,655,680	2,667,772	2,299,146	5,079,952	120.9%
Valley General Hospital	478,018	850,474	2,429,860	3,523,518	4,986,959	41.5%
Deaconess Medical Center	2,734,148	3,471,252	3,169,286	4,004,874	4,337,666	8.3%
Northwest Hospital & Medical Center	4,115,177	4,314,658	2,850,807	3,181,842	3,840,786	20.7%
Kennewick General Hospital	1,508,248	944,771	1,455,335	2,048,453	3,791,366	85.1%
Skagit Valley Hospital	part of Affiliated	3,635,518	4,303,447	3,002,750	3,641,809	21.3%
Yakima Regional Medical And Cardiac Ce	1,255,922	5,190,569	8,205,425	7,296,260	3,394,837	-53.5%
Sub-Group Totals	199,857,709	342,914,228	429,479,172	473,785,930	546,183,323	15.3%
Statewide Totals	218,716,343	367,934,831	460,789,979	509,804,328	590,294,087	15.8%
Sub-Group Percent of Statewide Total	91.4%	93.2%	93.2%	92.9%	92.5%	
Count Greater than $3 Million	21	31	31	33	36	
Count less than $3 Million	74	65	65	63	60	

Source: *Washington State Department of Health, Financial Data Year-end Reports, FY2003-2007.*

Appendix 1 lists each hospital's charity care as dollar amounts and as a percentage of total patient service revenue and adjusted revenue. Statewide charity care in FY 2007 averaged 4.4 percent of adjusted revenue, which is identical to the FY 2006 average.

The three hospitals providing the most charity care as a percentage of total revenue were:

- Harborview Medical Center - Seattle, at 11.6 percent (11.55 percent in 2006)
- Valley General Hospital - Monroe, at 6.4 percent (4.72 percent in 2006)
- Providence Centralia Hospital - Centralia, at 5.8 percent (5.35 percent in 2006).

The three hospitals providing the most charity care as a percentage of adjusted revenue were:

- Harborview Medical Center - Seattle, at 19.9 percent (23.2 percent in 2006)
- Providence Centralia Hospital - Centralia, at 15.15 percent (11.9 percent in 2006)
- West Seattle Psychiatric Hospital – Seattle, at 13.1 percent (13.1 percent in 2006).

Charity Care by Hospital and Region

Tables 3 and 4 group hospitals into five geographic regions. Four of the five regions are groups of 13 to 21 hospitals in contiguous counties. The fifth region, King County, is the state's largest population center and has a concentration of 22 hospitals. The 2007 proportions of charity care show wide variations among different areas of the state. Table 3 shows the amount of charity care provided by hospitals in each region per 1,000 residents.

Figure 2. Washington State – Five Geographic Regions

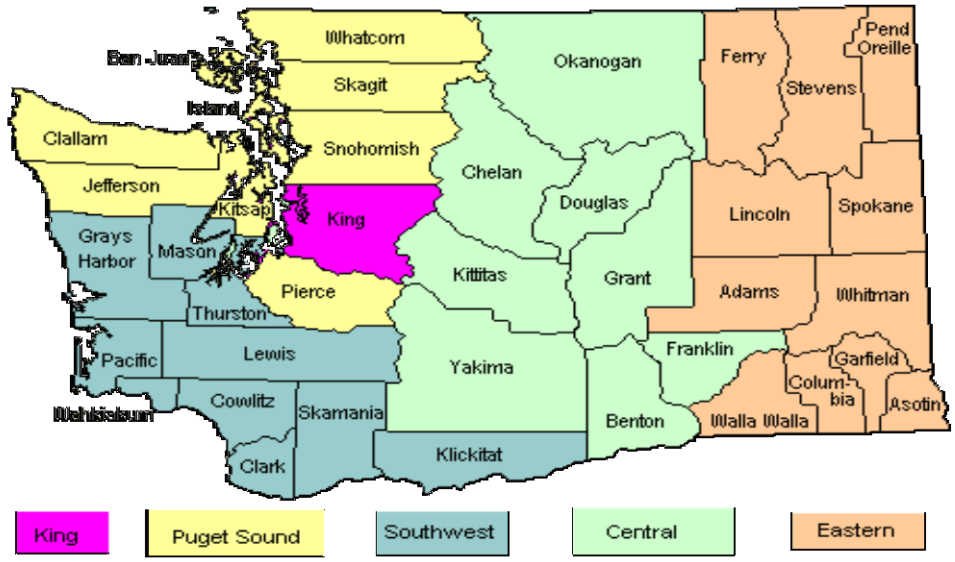


Table 3. Charity Care Charges by Region, per 1,000 residents: 2004-2007

Hospital Region	2004	2005	2006	2007
King County	$ 98,960	$ 117,199	$ 123,695	$ 138,099
King County w/o Harborview Med Ctr	$46,687	$ 62,870	$ 62,567	$ 72,269
Puget Sound	$45,089	$ 54,618	$ 57,950	$ 67,209
Southwest Washington	$52,745	$ 68,948	$ 75,320	$ 93,945
Central Washington	$36,198	$ 49,380	$ 57,472	$ 60,871
Eastern Washington	$48,496	$ 48,270	$ 62,387	$ 62,753
Statewide	$61,231	$ 73,651	$ 79,962	$ 90,804

Source: *Washington State Department of Health, Hospital Financial Data Year-end Reports, FY 2004-07; Office of Financial Management – Population Estimates, FY 2004-2007.*

Table 3 shows that charity care amounts in Washington ranged from a low of $60,871 per 1,000 residents in Central Washington, to a high of $138,099 per 1,000 King County Residents. The statewide average is $90,804 in charity care provided per 1,000 Washington residents. Among these regions, King County provides the largest dollar amount of charity care. However, this picture changes when Harborview Medical Center's $124 million in charity care (21.0 percent of the statewide total) is excluded.

Table 4. Overview of Hospital Charity Care by Region, FY 2007 (Million dollars)

2007	Charity Care	Total Revenue($)	Medicare/ Medical Assistance Revenue	Adjusted Revenue	Charity Care as Percent of Region's Adj Rev
King County	258.9	10,864.4	4,836.1	6,028.3	4.29%
as a percent of State Total	43.9%	39.8%	34.6%	45.3%	
Puget Sound	148.9	7,702.7	4,154.3	3,548.4	4.20%
as a percent of State Total	25.2%	28.2%	29.7%	26.7%	
Southwest Washington	94.7	3,283.6	1,855.0	1,428.6	6.63%
as a percent of State Total	16.0%	12.0%	13.3%	10.7%	
Central Washingotn	45.7	2,393.6	1,364.0	1,029.6	4.44%
as a percent of State Total	7.7%	8.8%	9.7%	7.7%	
Eastern Washington	42.1	3,052.0	1,782.0	1,270.0	3.31%
as a percent of State Total	7.1%	11.2%	12.7%	9.5%	
State Total	590.3	27,296.4	13,992.1	13,304.3	4.44%

Source: *Washington State Department of Health, Hospital Financial Data Year-end Reports, FY 2007.*

Using definitions from the department (Appendix 2), 44 hospitals could be classified as rural in 2007. Of these, 25 were in sparsely populated "Small Town/Isolated Rural" areas; five in "Rural Urban Fringe" areas; and 14 in "Large Town" areas. Most rural hospitals are small. Two-thirds have fewer than 50 available beds. Only three rural hospitals have more than 100 beds.

Rural hospitals reported total charity care of $11.6 million in 2004, $21.4 million in 2005, $36.6 million in 2006 and 47.1 million in 2007. Historically, rural hospitals have tended to provide less charity care than their urban counterparts do, and have tended to be more dependent on Medicare and Medicaid discounted payments, as shown in Table 5.

Table 5. Rural/Urban Charity Care, FY 2007

	Charity Care % of Adjusted Revenue	Medicare & Medicaid as a % of Total Revenue
Rural Hospitals (44)	4.61%	55.96%
Small Town/Isolated Rural (25)	4.48%	58.28%
Rural Urban Fringe (5)	3.07%	51.53%
Large Town (14)	4.78%	55.50%
Urban (50)	4.42%	50.82%
All Hospitals (94)	4.44%	51.26%

Source: *Washington State Department of Health, Hospital Financial Data Year-end Reports, FY 2007*

For 2007, rural hospitals derived 56.0 percent (58.8 percent in 2006) of their total revenue from Medicare and Medicaid discounted payments. This indicated a more limited base for shifting charity care charges to other payers in rural hospitals than in urban hospitals, which have 50.8 percent Medicare/Medicaid payments (51.0 percent in 2006).

In 2007, charity care was less than 1 percent of total revenue for 15 of the 44 rural hospitals; of these 18, it was 0.5 percent or less for five hospitals. In terms of adjusted revenue, Appendix 2 shows charity care was less than 2 percent for 12 of the 44 hospitals; of these 11, it was 1 percent or less for two hospitals.

Among the four categories of urban and rural hospitals, large town rural hospitals provided the most charity care as a percentage of adjusted revenue (4.8 percent) during 2007.

Poverty Levels and Providing Uncompensated Care

Uncompensated care tends to go to those who are the most financially needy. The table on the following page shows the total uncompensated care delivered by county as well as the percentage of poverty in the county. The poverty figures come from the U.S. Census Bureau[4]. The average amount of uncompensated care per population by county is also displayed. Generally, the largest amounts of uncompensated care are in urban areas where the large hospitals are located. There does not appear to be a strong relationship between the poverty percentages and average amount of uncompensated care.

Table 6. 2007 Uncompensated Care by Hospitals in the County compared to Poverty

[4] Source: U.S. Census Bureau, Data Integration Division, Small Area Estimates Branch, Small Area Income & Poverty Estimates for 2007 http://www.census.gov//did/www/saipe/county.html

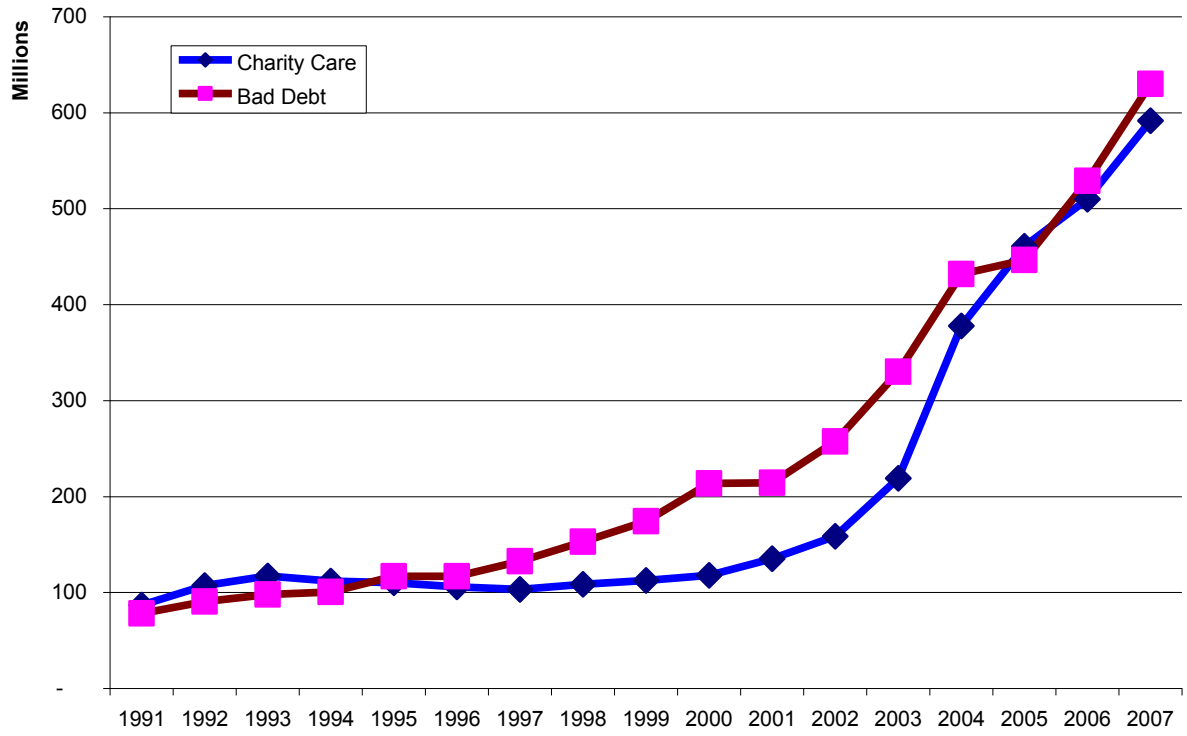
County/Region	County Population	Charity Care	Bad Debt	Uncompensated = Charity + Bad Debt	Poverty Percent	Estimated Count Below Poverty	Avg Charity $ per Poverty Population
King County	1,861,300	258,904,917	250,584,380	509,489,297	9.9	180,219	2,827
Clallam	68,500	2,386,025	4,783,194	7,169,219	11.9	8,212	873
Island	78,400	1,371,111	2,835,318	4,206,429	8.4	6,684	629
Jefferson	28,600	2,127,445	1,891,653	4,019,098	10.9	3,132	1,283
Kitsap	244,800	7,651,989	13,181,883	20,833,872	8.9	20,395	1,022
Pierce	790,500	68,561,584	131,748,346	200,309,930	11.1	83,390	2,402
San Juan	15,900	No Hospital in the County			9.9	1,502	-
Skagit	115,300	6,557,868	9,076,848	15,634,716	11.9	13,691	1,142
Snohomish	686,300	47,398,558	40,989,879	88,388,437	8.0	53,515	1,652
Whatcom	188,300	12,921,335	7,981,155	20,902,490	15.1	28,301	739
Puget Sound Region	2,216,600	148,975,915	212,488,276	361,464,191		218,822	1,652
Clark	415,000	32,644,829	33,577,435	66,222,264	9.5	39,196	1,690
Cowlitz	97,800	11,658,148	6,824,033	18,482,181	15.4	15,185	1,217
Grays Harbor	70,800	1,662,364	9,826,963	11,489,327	14.9	10,188	1,128
Klickitat	19,900	435,955	1,209,535	1,645,490	15.7	3,134	525
Lewis	74,100	14,319,640	4,173,126	18,492,766	14.2	10,297	1,796
Mason	54,600	1,828,280	5,027,102	6,855,382	12.2	6,633	1,034
Pacific	21,600	1,129,824	1,259,539	2,389,363	16.0	3,387	705
Skamania	10,700	No Hospital in the County			11.9	1,268	-
Thurston	238,000	30,988,749	17,157,815	48,146,564	9.5	22,380	2,151
Wahkiakum	4,000	No Hospital in the County			9.8	389	-
Southwest Region	1,006,500	94,667,789	79,055,548	173,723,337		112,057	1,550
Benton	162,900	16,741,159	8,641,642	25,382,801	10.9	17,252	1,471
Chelan	71,200	6,949,574	5,711,178	12,660,752	12.6	8,840	1,432
Douglas	36,300	No Hospital in the County			12.8	4,589	-
Franklin	67,400	2,367,407	4,465,740	6,833,147	15.5	10,624	643
Grant	82,500	2,942,930	5,813,312	8,756,242	17.1	14,032	624
Kittitas	38,300	1,013,330	1,858,491	2,871,821	18.6	6,591	436
Okanogan	39,800	1,396,593	3,052,035	4,448,628	23.0	8,986	495
Yakima	234,200	14,227,145	10,372,381	24,599,526	19.7	45,059	546
Central Region		45,638,138	39,914,779	85,552,917		115,973	738
Adams	17,600	846,199	1,488,911	2,335,110	18.3	3,073	760
Asotin	21,300	940,716	966,819	1,907,535	14.1	2,951	646
Columbia	4,100	32,816	221,684	254,500	14.3	560	454
Ferry	7,550	119,674	180,723	300,397	20.9	1,529	196
Garfield	2,350	27,549	9,119	36,668	14.0	280	131
Lincoln	10,300	363,065	510,779	873,844	11.7	1,187	736
Pend Oreille	12,600	374,304	1,032,112	1,406,416	15.9	2,010	700
Spokane	451,200	29,530,591	36,641,531	66,172,122	13.1	58,192	1,137
Stevens	43,000	2,112,933	1,583,168	3,696,101	16.5	6,827	541
Walla Walla	58,300	7,058,934	3,519,883	10,578,817	17.4	9,204	1,149
Whitman	42,700	700,162	1,620,067	2,320,229	26.7	9,705	239
Eastern Region	671,000	42,106,943	47,774,796	89,881,739		95,518	941
Washington State	6,488,000	590,293,702	629,817,779	1,220,111,481	11.4	722,589	1,689

Bad Debt and Charity Care

As noted on page 5, bad debt occurs when patients are unwilling to settle their bills, rather than being financially unable to do so. Uninsured or underinsured patients usually fall into bad debt, while indigent care typically is charity care. Taken together, bad debt and charity care provide a more complete picture of uncompensated care than either category alone.

Both charity care and bad debt have been increasing considerably in recent years. Both have more than doubled since 2003. Bad debt has increased more than charity care, and the gap between the two has increased in the last year. These trends are shown in the Figure 3 below:

Figure 3. Uncompensated Care in Washington State



While this report provides charity care summary information, additional financial and utilization data can be obtained from the CHS Hospital and Patient Data Systems (HPDS) financial database[5]. CHS maintains a hospital financial database of all financial information submitted by Washington hospitals. This database is available for public use and contains information on hospital utilization, revenues and expenses. CHS also maintains a database containing patient discharge information known as CHARS (Comprehensive Hospital Abstract Reporting System). CHARS dataset elements include patient demographics, diagnoses and procedures, detail and total revenue charges, insurance payers, physicians, length of stay and Diagnosis Related Group (DRG) assignment.

[5] This information is available on the internet at http://www.doh.wa.gov/EHSPHL/hospdata/default.htm or by calling (360) 236-4210

Charity Care Budget Projections for FY 2008

State law requires hospitals to submit a projected annual budget to the department prior to the start of their fiscal year. Included in their budgets are projections for their anticipated total charges for charity care for the next fiscal year, in this case FY 2008 (see Appendix 3). The table below is summary data from 2004 to 2008.

Table 6 Summary Data of Actual and Projected Charges for Charity Care, Washington Hospitals, FY 2004 – 2008 **(Inc = Increase)**

All Hospitals	2004	2005	2006	2007	2008
Budgeted	262,460,379	382,581,321	466,699,184	550,010,893	571,338,226
% Inc Prior Year	42.7%	45.8%	22.0%	17.9%	3.9%
Actual	367,934,831	460,789,979	509,804,328	591,535,086	
% Inc Prior Year	68.2%	25.2%	10.6%	16.0%	
Difference	105,474,452	78,208,658	43,105,144	41,524,193	
Percent Difference	28.67%	16.97%	8.46%	7.02%	

Source: *Washington State Department of Health, Hospital Financial Data Year-end Reports, FY 2003-2007 and FY 2003-2008 Annual Budgets.*

How Hospitals Project Charity Care

Most hospitals' FY 2007 charity care projections were based on an analysis performed during their budget process. These analyses usually took into account the following factors:

- a hospital's historical fiscal years and its most recent year-to-date total number of patients and patient charges;
- planned price changes;
- projected volume changes;
- known use factors (including the area's economy and demographics);
- hospital budget constraints; and
- a hospital's mission or statement to support the community.

How Hospitals Verify Need for Charity Care

Many hospitals state, as part of their missions, that they will serve the poor and underserved. Hospitals usually restrict their uncompensated health care programs to individuals unable to access to entitlement programs such as Medicaid, unable to pay for medical obligations, or to those with limited financial resources.

These individuals may include the recently unemployed, those employed but without employer-provided health insurance, those whose health insurance requires significant deductibles or co-

payments, single parents, those recently or currently experiencing a divorce, transients or those without a permanent address, students, as well as their spouses and dependents, retired people not yet eligible for Medicare, and elderly who have limited or no Medicare supplemental insurance coverage.

As required by RCW 70.170.060(5), every hospital has a charity care policy on file with the department. The policy states the hospital's procedure to determine and verify the income information supplied by people applying for uncompensated health care services. The hospital's charity care policy must be applied consistently and equitably so that no patient is denied uncompensated health care based upon race, creed, color, sex, national origin, sexual orientation, disability, age or source of income. The steps that hospitals generally use to determine eligibility or verify applicant information are summarized below.

Summary of Steps Generally Used by Washington Hospitals to Determine and Verify Applications for Charity Care

1. Hospital identifies any uninsured, underinsured or self-pay patients.
2. Patient completes application/determination of eligibility form.
3. Patient completes financial statement that includes income, assets and liabilities. Patient supplies documentation of resources (e.g., W-2, pay stubs, tax forms), and outstanding obligations (e.g., bank statements, loan documents).
4. Hospital considers federal poverty guidelines and family size.
5. Hospital verifies third-party coverage, if indicated.
6. Designated hospital staff person interviews patient to assess the patient's ability to pay in full, ability to pay reasonable monthly installments and qualification for charity care.
7. Hospital attempts to secure federal, state or local funding, if appropriate.
8. After the hospital makes an initial determination of insufficient funds, income and health care benefits, the claim becomes eligible for final review, often by a committee made up of administrative, business office, social services and nursing staff. Occasionally, hospital board members serve on these committees.

How Hospitals Notify the Public about Charity Care

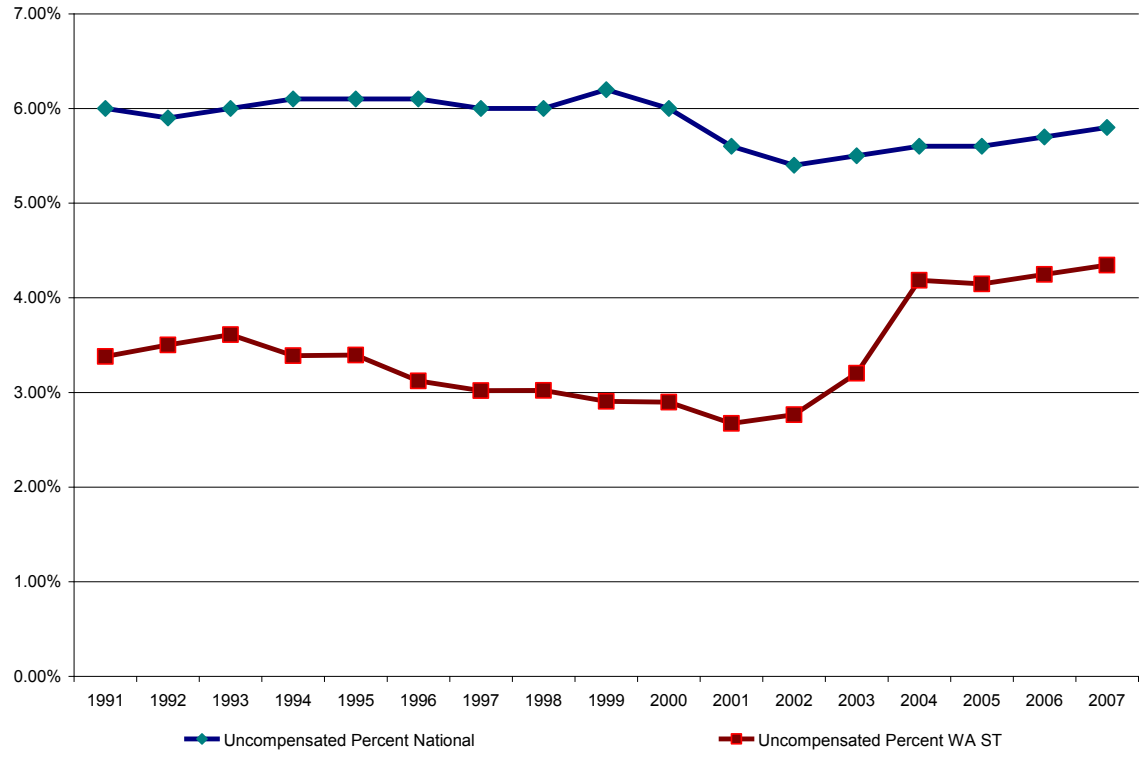
In general, hospitals provide information to their customers about charity care, as well as applications for assistance, at the time of registration, in their emergency rooms, and in fiscal services offices. These applications may also be included in a patient's admission packet or with itemized bills that the hospital mails to a patient after discharge. Additionally, hospitals provide applications for assistance upon a patient's request. Many hospitals publish brochures or pamphlets describing the availability of charity care and identifying the criteria for qualification. Some hospitals offer individual counseling at the time of pre-admission or during the collection process to determine an individual's degree of financial resources. Signs may be posted — in English and in other languages commonly used in the hospital's service area — explaining available charity care services. These signs are usually located in the admitting and emergency entrance areas of the hospital. Hospitals also publish annual notices in local newspapers describing charity care programs.

The Future of Charity Care

Hospitals have historically included service to the poor and underserved as part of their mission. Charity care expenditures grew steadily from 1989, when hospital rate setting was eliminated, until 1993. From 1993 until 1997, that growth stabilized, and then declined. Charity care increased in 1998 for the first time in five years and continues to increase through 2007 as shown in the chart below. Charity care for 2007 increased (16.0 percent), which is a greater rate than the increase experienced in 2006 (10.6 percent).

Total uncompensated care cost shows a similar pattern. It was relatively steady until 2004, when it increased sharply. Until then Washington hospitals' uncompensated care costs was generally below the national average. After 2004, Washington hospitals' uncompensated care was much closer to the national figures. As mentioned earlier, the reasons for this growth might be increased care, a change in accounting and reporting practices, or public policy changes. The Washington and national rates are graphed below. Uncompensated care was used instead of charity care because national data on charity care alone is unavailable. The uncompensated care costs national information is from the American Hospital Association (AHA) Uncompensated Hospital Care Cost Fact Sheet[6]. The Washington State data was calculated using the same formula as the AHA report.

Figure 4. Uncompensated Care as Percent of Adjusted Total Expense



[6] http://www.aha.org/aha/content/2008/pdf/08-uncompensated-care.pdf

Historically the department has had to rely on complaints from the public regarding charity care denials to ensure compliance with the charity care laws. Beginning in 2000, the Office of Health Care Survey section of the department began including the following specific steps during the annual on-site licensing survey to support the charity care mandates (see Appendix 4 for actual text of charity care laws):

1. Monitor each hospital for compliance with RCW 70.170.060(3) regarding the required admissions policies, practices, and transfer activities.
2. Verify that a hospital's charity care policy required by both RCW 170.170.060(5) and WAC 246-453-070 is current and has been reported to the HPDS section.
3. Assure each hospital prominently displays a notice concerning the waiver/reduction of fees for people meeting the WAC 246-453-020(2) criteria during the survey process.
4. Check to see that each hospital provides a written explanation of any waiver or reduction of fees provided when a person meets the criteria established in WAC 246-453-020(2).
5. Verify that each hospital requiring an application process for determining eligibility for charity care complies with WAC 246-453-020(5).
6. Substantiate that each hospital complies with WAC 246-453-060 regarding the provision of true emergency care.

Charity Care in CHARS in Washington Hospitals

The department collects patient level information about the inpatient stay in community hospitals through the Comprehensive Hospital Abstract Reporting System (CHARS). One of the elements reported is the primary payer code including charity care and self-pay. While not all hospitals report charity care cases under this system, enough do to make some comparisons to other payers. By reviewing hospital volume by age group, it is clear that the majority of charity care patients are not covered by Medicaid or Medicare because of their age. Self-pay has a similar pattern. This table shows only primary payer and does not count patients who have a partial write-off to charity care after another payer has made a partial payment. CHARS does require a primary payer but does not require reporting a secondary or tertiary.

Table 7: CHARS Age breakdown by Payer

Age Breakdown by Payer

Count

Age Category	Medicare	Medicaid	Commercial Type	Other Government	Self Pay	Charity
0-17	130	52,237	65,169	2,344	2,206	64
18-64	33,575	77,321	177,532	11,980	18,409	2,857
65+	167,590	2,400	28,447	1,026	1,471	87
Total	201,295	131,958	271,148	15,350	22,086	3,008
Percent of Payer Total						
0-17	0.1%	39.6%	24.0%	15.3%	10.0%	2.1%
18-64	16.7%	58.6%	65.5%	78.0%	83.4%	95.0%
65+	83.3%	1.8%	10.5%	6.7%	6.7%	2.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Below is a listing of Medicare Severity Diagnosis Related Group (MS-DRG) for charity, self- payer and the rest combined. Note charity cases are related to serious conditions that fit in the age range of the charity care patients. Self-pay cases tend to be more like the rest of CHARS. Labor, delivery and newborn care are common diagnoses for self-pay patients. Psychosis is among the top 10 in almost every payer category.

Table 8 CHARS Top 10 Diagnosis related groups by selected payers

Top Ten MS-DRG Payer 630 Charity Care

MS-DRG	MS-DRG Title	Count	Percent of Total
603	Cellulitis w/o MCC	173	5.8%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	79	2.6%
343	Appendectomy w/o complicated principal diag w/o CC/MCC	70	2.3%
918	Poisoning & toxic effects of drugs w/o MCC	59	2.0%
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	59	2.0%
494	Lower extrem & humer proc except hip,foot,femur w/o CC/MCC	57	1.9%
313	Chest pain	51	1.7%
419	Laparoscopic cholecystectomy w/o c.d.e. w/o CC/MCC	44	1.5%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	43	1.4%
287	Circulatory disorders except AMI, w card cath w/o MCC	40	1.3%

Top Ten MS-DRG Payer 009 Self-Pay

MS-DRG	MS-DRG Title	Count	Percent of Total
603	Cellulitis w/o MCC	951	4.2%
795	Normal newborn	886	3.9%
775	Vaginal delivery w/o complicating diagnoses	700	3.1%
885	Psychoses	691	3.0%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	576	2.5%
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	501	2.2%
918	Poisoning & toxic effects of drugs w/o MCC	439	1.9%
343	Appendectomy w/o complicated principal diag w/o CC/MCC	424	1.9%
313	Chest pain	392	1.7%
419	Laparoscopic cholecystectomy w/o c.d.e. w/o CC/MCC	297	1.3%

Top Ten MS-DRG All Payers Except Self-Pay and Charity Care

MS-DRG	MS-DRG Title	Count	Percent of Total
795	Normal newborn	63,140	9.8%
775	Vaginal delivery w/o complicating diagnoses	47,750	7.4%
470	Major joint replacement or reattachment of lower extremity w/o MCC	19,153	3.0%
766	Cesarean section w/o CC/MCC	16,147	2.5%
885	Psychoses	12,365	1.9%
794	Neonate w other significant problems	11,320	1.8%
743	Uterine & adnexa proc for non-malignancy w/o CC/MCC	10,610	1.6%
392	Esophagitis, gastroent & misc digest disorders w/o MCC	10,149	1.6%
765	Cesarean section w CC/MCC	8,192	1.3%
774	Vaginal delivery w complicating diagnoses	7,534	1.2%

Appendices

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Appendix 1

TOTAL REVENUE, ADJUSTED REVENUE, AND AMOUNT OF CHARITY CARE AS A PERCENT OF TOTAL REVENUE AND ADJUSTED REVENUE FOR WASHINGTON HOSPITALS WITH FISCAL YEARS ENDING DURING CALENDAR YEAR 2007

LIC #	REGION /HOSPITAL	REVENUE CATEGORIES (DOLLARS) TOTAL REVENUE	(LESS) MEDICARE REVENUE	(LESS) MEDICAL ASSISTANCE REVENUE	ADJUSTED REVENUE	CHARITY CARE CHARITY CARE	% OF TOTAL REV	% OF ADJ REV
	KING COUNTY (N=20)							
183	Auburn Regional Medical Center	289,256,886	115,036,352	24,339,015	149,881,519	1,677,458	0.58%	1.12%
904	BHC Fairfax Hospital	68,617,242	8,598,644	29,263,324	30,755,274	1,430,651	2.08%	4.65%
35	Enumclaw Community Hospital	56,357,248	17,863,155	5,131,221	33,362,872	823,928	1.46%	2.47%
164	Evergreen Hospital Medical Center	566,187,591	177,968,527	38,096,865	350,122,199	6,278,194	1.11%	1.79%
29	Harborview Medical Center	1,072,989,000	252,211,000	257,575,000	563,203,000	124,390,000	11.59%	22.09%
126	Highline Community Hospital	503,621,996	196,027,479	80,110,361	227,484,156	8,962,739	1.78%	3.94%
148	Kindred Hospital Seattle	34,407,003	19,414,085	6,045,493	8,947,425	0	0.00%	0.00%
130	Northwest Hospital	453,648,431	216,794,621	28,198,238	208,655,572	3,840,786	0.85%	1.84%
131	Overlake Hospital Medical Center	607,464,350	217,790,487	28,330,098	361,343,765	5,451,760	0.90%	1.51%
202	Regional Hospital for Resp/Complex Care	38,593,391	26,593,229	1,549,179	10,450,983	98,144	0.25%	0.94%
201	Saint Francis Community Hospital	467,604,195	120,817,667	62,618,434	284,168,094	11,421,117	2.44%	4.02%
204	Seattle Cancer Care Alliance	266,126,852	63,273,513	24,643,165	178,210,174	2,291,687	0.86%	1.29%
14	Seattle Children's Hospital	691,458,000	9,431,493	288,510,564	393,515,943	12,927,000	1.87%	3.29%
195	Snoqualmie Valley Hospital	15,453,789	5,436,952	1,036,224	8,980,613	316,760	2.05%	3.53%
1	Swedish Health Services	2,039,097,265	597,827,550	231,259,601	1,210,010,114	28,820,080	1.41%	2.38%
3	Swedish Medical Center - Cherry Hill	739,387,860	319,876,216	61,629,797	357,881,847	12,499,950	1.69%	3.49%
128	University of Washington Medical Center	1,027,647,887	293,425,455	176,397,673	557,824,759	15,983,605	1.56%	2.87%
155	Valley Medical Center - Renton	745,499,778	236,123,430	102,368,495	407,007,853	12,691,187	1.70%	3.12%
10	Virginia Mason Medical Center	1,170,698,421	446,577,364	39,093,015	685,028,042	8,806,690	0.75%	1.29%
919	West Seattle Psychiatric Hospital	10,284,677	4,588,267	4,219,878	1,476,532	193,568	1.88%	13.11%
	KING COUNTY TOTALS	10,864,401,862	3,345,675,486	1,490,415,640	6,028,310,736	258,905,304	2.38%	4.29%
	PUGET SOUND REGION (Less King Co. N=18)							
106	Cascade Valley Hospital	59,945,559	19,234,007	9,486,683	31,224,869	744,586	1.24%	2.38%
54	Forks Community Hospital	24,890,605	5,262,008	5,815,053	13,813,544	377,917	1.52%	2.74%
81	Good Samaritan Hospital	698,672,892	295,337,101	99,351,803	303,983,988	6,333,011	0.91%	2.08%
142	Harrison Memorial Hospital	470,632,085	225,508,916	55,175,096	189,948,073	7,651,989	1.63%	4.03%
134	Island Hospital	105,340,766	41,614,077	4,372,665	59,354,024	997,461	0.95%	1.68%
85	Jefferson Healthcare	66,943,427	32,187,822	8,184,890	26,570,715	2,127,445	3.18%	8.01%
175	Mary Bridge Children's Health Center	331,073,495	198,644	175,700,704	155,174,147	1,414,670	0.43%	0.91%
38	Olympic Memorial Hospital	187,207,006	99,599,183	20,561,101	67,046,722	2,008,108	1.07%	3.00%
145	PeaceHealth Saint Joseph Hospital - Bellingl	470,810,240	225,003,000	60,840,199	184,967,041	12,921,335	2.74%	6.99%
84	Providence Regional Medical Center - Evere	1,178,904,166	484,220,530	154,319,650	540,363,986	36,332,041	3.08%	6.72%
132	Saint Clare Hospital	381,324,390	128,396,080	69,756,205	183,172,105	11,135,378	2.92%	6.08%
32	Saint Joseph Medical Center - Tacoma	1,400,883,930	496,453,298	191,970,522	712,460,110	24,181,715	1.73%	3.39%
207	Skagit Valley Hospital	290,444,153	110,245,324	45,526,401	134,672,428	3,641,809	1.25%	2.70%
138	Stevens Healthcare	308,184,475	125,027,619	38,060,175	145,096,681	5,334,972	1.73%	3.68%
176	Tacoma General Allenmore Hospital	1,462,673,404	487,216,511	303,358,464	672,098,429	25,496,810	1.74%	3.79%
206	United General Hospital	70,438,151	28,743,583	8,585,622	33,108,946	1,918,598	2.72%	5.79%
104	Valley General Hospital - Monroe	78,437,813	23,648,196	10,499,853	44,289,764	4,986,959	6.36%	11.26%
156	Whidbey General Hospital	115,937,374	56,453,783	8,496,546	50,987,045	1,371,111	1.18%	2.69%
	PUGET SOUND REGION TOTALS	7,702,743,931	2,884,349,682	1,270,061,632	3,548,332,617	148,975,915	1.93%	4.20%

LIC #	REGION /HOSPITAL	REVENUE CATEGORIES (DOLLARS) TOTAL REVENUE	(LESS) MEDICARE REVENUE	(LESS) MEDICAL ASSISTANCE REVENUE	ADJUSTED REVENUE	CHARITY CARE CHARITY CARE	CHARITY CARE % OF TOTAL REV	CHARITY CARE % OF ADJ REV
	SOUTHWEST WASHINGTON REGION (N=14)							
197	Capital Medical Center	182,272,102	63,087,565	11,419,689	107,764,848	453,058	0.25%	0.42%
63	Grays Harbor Community Hospital	227,543,663	92,598,860	35,341,970	99,602,833	1,550,062	0.68%	1.56%
8	Klickitat Valley Hospital*	20,779,771	8,201,103	5,278,731	7,299,937	281,918	1.36%	3.86%
208	Legacy Salmon Creek Hospital	221,937,853	78,571,714	45,725,406	97,640,733	9,205,220	4.15%	9.43%
186	Mark Reed Hospital	6,797,958	1,900,607	1,679,231	3,218,120	112,302	1.65%	3.49%
152	Mason General Hospital	101,596,085	43,316,130	18,026,269	40,253,686	1,828,280	1.80%	4.54%
173	Morton General Hospital	17,773,885	7,235,857	2,487,746	8,050,282	169,135	0.95%	2.10%
79	Ocean Beach Hospital	30,284,381	16,614,168	3,224,847	10,445,366	788,158	2.60%	7.55%
26	PeaceHealth Saint John Medical Center	355,975,321	159,619,540	62,596,605	133,759,176	11,658,148	3.27%	8.72%
191	Providence Centralia Hospital	243,655,551	105,834,733	44,388,971	93,431,847	14,150,505	5.81%	15.15%
159	Providence Saint Peter Hospital	898,500,849	441,715,007	95,338,488	361,447,354	30,535,691	3.40%	8.45%
96	Skyline Hospital	18,382,714	7,500,921	3,769,548	7,112,245	154,037	0.84%	2.17%
170	Southwest Medical Center	942,922,104	334,599,251	155,758,148	452,564,705	23,439,609	2.49%	5.18%
56	Willapa Harbor Hospital	15,224,288	7,654,658	1,991,016	5,578,614	341,666	2.24%	6.12%
	SOUTHWEST WASH REGION TOTALS	3,283,646,525	1,368,450,114	487,026,665	1,428,169,746	94,667,789	2.88%	6.63%
	CENTRAL WASHINGTON REGION (N=21)							
158	Cascade Medical Center	8,435,375	3,828,076	267,138	4,340,161	226,074	2.68%	5.21%
168	Central Washington Hospital	284,060,875	142,559,002	40,883,337	100,618,536	5,514,945	1.94%	5.48%
45	Columbia Basin Hospital	13,700,077	4,230,891	3,989,924	5,479,262	56,225	0.41%	1.03%
150	Coulee Community Hospital	17,409,997	5,342,478	4,774,866	7,292,653	127,564	0.73%	1.75%
161	Kadlec Medical Center	399,721,500	152,261,825	60,264,794	187,194,881	12,191,001	3.05%	6.51%
39	Kennewick General Hospital	191,189,398	64,329,530	44,852,099	82,007,769	3,791,366	1.98%	4.62%
140	Kittitas Valley Hospital	60,485,982	22,051,966	6,868,759	31,565,257	1,013,330	1.68%	3.21%
165	Lake Chelan Community Hospital	19,317,385	6,935,444	1,531,052	10,850,889	164,661	0.85%	1.52%
915	Lourdes Counseling Center	28,085,209	4,998,683	15,041,863	8,044,663	185,420	0.66%	2.30%
22	Lourdes Medical Center	143,819,079	46,972,974	37,417,514	59,428,591	2,367,407	1.65%	3.98%
147	Mid Valley Hospital	42,277,140	16,032,349	10,126,864	16,117,927	615,621	1.46%	3.82%
107	North Valley Hospital	19,446,465	7,140,826	6,273,943	6,031,696	320,102	1.65%	5.31%
23	Okanogan-Douglas Hospital	21,281,925	8,269,504	2,629,817	10,382,604	460,870	2.17%	4.44%
46	Prosser Memorial Hospital	39,078,505	11,291,507	11,776,293	16,010,705	573,370	1.47%	3.58%
129	Quincy Valley Hospital	8,976,894	2,331,089	1,886,917	4,758,888	66,941	0.75%	1.41%
78	Samaritan Hospital	103,537,541	32,352,818	29,159,842	42,024,881	2,692,200	2.60%	6.41%
198	Sunnyside Community Hospital	54,209,873	13,524,570	20,341,206	20,344,097	1,382,687	2.55%	6.80%
199	Toppenish Community Hospital	57,207,454	9,943,882	17,664,038	29,599,534	221,808	0.39%	0.75%
205	Wenatchee Valley Hospital	89,353,735	34,935,848	6,506,077	47,911,810	1,043,894	1.17%	2.18%
102	Yakima Regional Medical Center	299,954,121	119,863,272	38,135,287	141,955,562	3,394,837	1.13%	2.39%
58	Yakima Valley Memorial Hospital	492,112,303	203,289,564	91,131,026	197,691,713	9,227,813	1.88%	4.67%
	CENTRAL WASH REGION TOTALS	2,393,660,833	912,486,098	451,522,656	1,029,652,079	45,638,136	1.91%	4.43%

LIC #	REGION /HOSPITAL	REVENUE CATEGORIES (DOLLARS) TOTAL REVENUE	(LESS) MEDICARE REVENUE	(LESS) MEDICAL ASSISTANCE REVENUE	ADJUSTED REVENUE	CHARITY CARE CHARITY CARE	% OF TOTAL REV	% OF ADJ REV
	EASTERN WASHINGTON REGION (N=21)							
141	Dayton General Hospital	6,981,509	2,642,748	2,038,633	2,300,128	32,816	0.47%	1.43%
37	Deaconess Medical Center	519,915,087	195,732,825	75,140,451	249,041,811	4,337,666	0.83%	1.74%
178	Deer Park Health Center & Hospital	8,998,583	3,005,293	1,897,050	4,096,240	223,862	2.49%	5.47%
111	East Adams Rural Hospital	4,695,011	2,337,493	424,934	1,932,584	12,498	0.27%	0.65%
167	Ferry County Memorial Hospital	8,945,714	3,665,386	1,620,076	3,660,252	119,674	1.34%	3.27%
82	Garfield County Memorial Hospital	5,786,067	2,400,311	1,516,928	1,868,828	27,549	0.48%	1.47%
137	Lincoln Hospital	22,332,938	9,220,162	4,495,321	8,617,455	340,587	1.53%	3.95%
21	Newport Community Hospital	27,763,944	9,904,949	7,717,576	10,141,419	374,304	1.35%	3.69%
80	Odesssa Memorial Hospital	3,952,896	1,072,703	1,584,096	1,296,097	22,478	0.57%	1.73%
125	Othello Community Hospital	28,091,565	4,796,964	10,918,475	12,376,126	833,702	2.97%	6.74%
139	Providence Holy Family Hospital	351,805,418	149,601,707	71,767,605	130,436,106	7,451,687	2.12%	5.71%
193	Providence Mount Carmel Hospital	48,912,253	20,277,442	5,328,363	23,306,448	960,894	1.96%	4.12%
162	Providence Sacred Heart Medical Center	1,320,906,441	548,157,937	253,099,846	519,648,658	16,115,756	1.22%	3.10%
194	Providence Saint Joseph's Hospital of Chewe	30,598,624	13,306,766	5,409,277	11,882,581	1,152,039	3.77%	9.70%
50	Providence Saint Mary Medical Center	222,656,010	95,017,907	14,453,726	113,184,377	5,079,952	2.28%	4.49%
172	Pullman Regional Hospital	56,694,818	18,135,718	3,011,839	35,547,261	526,150	0.93%	1.48%
157	Saint Luke's Rehabilatation Institute	41,997,652	26,730,628	4,030,328	11,236,696	107,774	0.26%	0.96%
108	Tri-State Memorial Hospital	72,193,748	45,832,471	5,517,762	20,843,515	940,716	1.30%	4.51%
180	Valley Hospital and Medical Center	149,707,841	55,102,507	39,239,063	55,366,271	1,293,845	0.86%	2.34%
43	Walla Walla General Hospital	90,591,702	37,984,932	10,658,932	41,947,838	1,978,982	2.18%	4.72%
153	Whitman Community Hospital	28,506,418	14,366,670	3,016,151	11,123,597	174,012	0.61%	1.56%
	EASTERN WASH REGION TOTALS	3,052,034,239	1,259,293,519	522,886,432	1,269,854,288	42,106,943	1.38%	3.32%
	STATEWIDE TOTALS (N=94)	27,296,487,390	9,770,254,899	4,221,913,025	13,304,319,466	590,294,087	2.16%	4.44%

Includes Medicaid and other state-sponsored programs
* Klickitat Valley values are estimates
Source: Washington Department of Health

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Appendix 2

Rural Definitions

"**Rural**" means geographic areas outside the boundaries of Metropolitan Statistical Areas. Three general types of rural areas reflect the relative isolation from principal health care delivery sites experienced by the resident population and include:

1. "**small town/isolated rural,**" which are areas with a population less than 10,000;

2. "**rural urban fringe,**" which are areas not urbanized but 30% of the population commute to an urban area; and

3. "**large town,**" which are rural areas with a population between 10,000 and 50,000.

TOTAL REVENUE, ADJUSTED REVENUE, AND AMOUNT OF CHARITY CARE AS A PERCENT OF TOTAL REVENUE AND ADJUSTED REVENUE FOR RURAL WASHINGTON HOSPITALS WITH FISCAL YEARS ENDING DURING CALENDAR YEAR 2007

LIC #	REGION / HOSPITAL	CAH	OWNER TYPE	REVENUE CATEGORIES (Dollars) TOTAL REVENUE	(LESS) MEDICARE REVENUE	(LESS) MEDICAID REVENUE	ADJUSTED REVENUE	CHARITY CARE CHARITY CARE	% of TOT REV	% of ADJ REV
	Small Town/Isolated Rural									
194	Providence Saint Joseph's Hospital	CAH	NonProfit	30,598,624	13,306,766	5,409,277	11,882,581	1,152,039	3.77%	9.70%
85	Jefferson Healthcare	CAH	District	66,943,427	32,187,822	8,184,890	26,570,715	2,127,445	3.18%	8.01%
79	Ocean Beach Hospital	CAH	District	30,284,381	16,614,168	3,224,847	10,445,366	788,158	2.60%	7.55%
125	Othello Community Hospital	CAH	District	28,091,565	4,796,964	10,918,475	12,376,126	833,702	2.97%	6.74%
56	Willapa Harbor Hospital	CAH	District	15,224,288	7,654,658	1,991,016	5,578,614	341,666	2.24%	6.12%
107	North Valley Hospital	CAH	District	19,446,465	7,140,826	6,273,943	6,031,696	320,102	1.65%	5.31%
158	Cascade Medical Center	CAH	District	8,435,375	3,828,076	267,138	4,340,161	226,074	2.68%	5.21%
23	Okanogan-Douglas Hospital	CAH	District	21,281,925	8,269,504	2,629,817	10,382,604	460,870	2.17%	4.44%
193	Providence Mount Carmel Hospital	CAH	NonProfit	48,912,253	20,277,442	5,328,363	23,306,448	960,894	1.96%	4.12%
137	Lincoln Hospital	CAH	District	22,332,938	9,220,162	4,495,321	8,617,455	340,587	1.53%	3.95%
8	Klickitat Valley Hospital*	CAH	District	20,779,771	8,201,103	5,278,731	7,299,937	281,918	1.36%	3.86%
147	Mid Valley Hospital	CAH	District	42,277,140	16,032,349	10,126,864	16,117,927	615,621	1.46%	3.82%
46	Prosser Memorial Hospital	CAH	District	39,078,505	11,291,507	11,776,293	16,010,705	573,370	1.47%	3.58%
167	Ferry County Memorial Hospital	CAH	District	8,945,714	3,665,386	1,620,076	3,660,252	119,674	1.34%	3.27%
54	Forks Community Hospital	CAH	District	24,890,605	5,262,008	5,815,053	13,813,544	377,917	1.52%	2.74%
173	Morton General Hospital	CAH	District	17,773,885	7,235,857	2,487,746	8,050,282	169,135	0.95%	2.10%
150	Coulee Community Hospital	CAH	District	17,409,997	5,342,478	4,774,866	7,292,653	127,564	0.73%	1.75%
80	Odesssa Memorial Hospital	CAH	District	3,952,896	1,072,703	1,584,096	1,296,097	22,478	0.57%	1.73%
153	Whitman Community Hospital	CAH	District	28,506,418	14,366,670	3,016,151	11,123,597	174,012	0.61%	1.56%
165	Lake Chelan Community Hospital	CAH	District	19,317,385	6,935,444	1,531,052	10,850,889	164,661	0.85%	1.52%
82	Garfield County Memorial Hospital	CAH	District	5,786,067	2,400,311	1,516,928	1,868,828	27,549	0.48%	1.47%
141	Dayton General Hospital	CAH	District	6,981,509	2,642,748	2,038,633	2,300,128	32,816	0.47%	1.43%
129	Quincy Valley Hospital	CAH	District	8,976,894	2,331,089	1,886,917	4,758,888	66,941	0.75%	1.41%
45	Columbia Basin Hospital	CAH	District	13,700,077	4,230,891	3,989,924	5,479,262	56,225	0.41%	1.03%
111	East Adams Rural Hospital	CAH	District	4,695,011	2,337,493	424,934	1,932,584	12,498	0.27%	0.65%
	Small Town/Isolated Rural			554,623,115	216,644,425	106,591,351	231,387,339	10,373,916	1.87%	4.48%
	Rural Urban Fringe									
21	Newport Community Hospital	CAH	District	27,763,944	9,904,949	7,717,576	10,141,419	374,304	1.35%	3.69%
186	Mark Reed Hospital	CAH	District	6,797,958	1,900,607	1,679,231	3,218,120	112,302	1.65%	3.49%
178	Deer Park Health Center & Hospital	No	NonProfit	8,998,583	3,005,293	1,897,050	4,096,240	223,862	2.49%	5.47%
195	Snoqualmie Valley Hospital	No	District	15,453,789	5,436,952	1,036,224	8,980,613	316,760	2.05%	3.53%
106	Cascade Valley Hospital	No	District	59,945,559	19,234,007	9,486,683	31,224,869	744,586	1.24%	2.38%
	Rural Urban Fringe			118,959,833	39,481,808	21,816,764	57,661,261	1,771,814	1.49%	3.07%
	Large Town									
198	Sunnyside Community Hospital	CAH	NonProfit	54,209,873	13,524,570	20,341,206	20,344,097	1,382,687	2.55%	6.80%
152	Mason General Hospital	CAH	District	101,596,085	43,316,130	18,026,269	40,253,686	1,828,280	1.80%	4.54%
140	Kittitas Valley Hospital	CAH	District	60,485,982	22,051,966	6,868,759	31,565,257	1,013,330	1.68%	3.21%
156	Whidbey General Hospital	CAH	District	115,937,374	56,453,783	8,496,546	50,987,045	1,371,111	1.18%	2.69%
96	Skyline Hospital	CAH	District	18,382,714	7,500,921	3,769,548	7,112,245	154,037	0.84%	2.17%
172	Pullman Regional Hospital	CAH	District	56,694,818	18,135,718	3,011,839	35,547,261	526,150	0.93%	1.48%
191	Providence Centralia Hospital	No	NonProfit	243,655,551	105,834,733	44,388,971	93,431,847	14,150,505	5.81%	15.15%
78	Samaritan Hospital	No	District	103,537,541	32,352,818	29,159,842	42,024,881	2,692,200	2.60%	6.41%
43	Walla Walla General Hospital	No	NonProfit	90,591,702	37,984,932	10,658,932	41,947,838	1,978,982	2.18%	4.72%
50	Providence Saint Mary Medical Center	No	NonProfit	222,656,010	95,017,907	14,453,726	113,184,377	5,079,952	2.28%	4.49%
38	Olympic Memorial Hospital	No	District	187,207,006	99,599,183	20,561,101	67,046,722	2,008,108	1.07%	3.00%
134	Island Hospital	No	District	105,340,766	41,614,077	4,372,665	59,354,024	997,461	0.95%	1.68%
63	Grays Harbor Community Hospital	No	NonProfit	227,543,663	92,598,860	35,341,970	99,602,833	1,550,062	0.68%	1.56%
199	Toppenish Community Hospital	No	NonProfit	57,207,454	9,943,882	17,664,038	29,599,534	221,808	0.39%	0.75%
	Large Town			1,645,046,539	675,929,480	237,115,412	732,001,647	34,954,673	2.12%	4.78%

Includes Medicaid and other state-sponsored programs

Source: Washington Department of Health Hospital Year-end Reports, fy 2007

* Klickitat Valley values estimated

Appendix 3
Charity Care Provided and Estimated FY2007-2008

Lic	Hospital	City	2007 Actual	2008 Estimated
183	Auburn Regional Medical Center	Auburn	1,677,458	1,954,551
904	BHC Fairfax Hospital	Kirkland	1,430,651	1,347,276
197	Capital Medical Center	Olympia	453,058	
158	Cascade Medical Center	Leavenworth	226,074	322,726
106	Cascade Valley Hospital	Arlington	744,586	
168	Central Washington Hospital	Wenatchee	5,514,945	6,661,797
45	Columbia Basin Hospital	Ephrata	56,225	63,000
150	Coulee Community Hospital	Grand Coulee	127,564	139,000
141	Dayton General Hospital	Dayton	32,816	
37	Deaconess Medical Center	Spokane	4,337,666	
178	Deer Park Hospital	Deer Park	223,862	333,401
111	East Adams Rural Hospital	Ritzville	12,498	4,200
35	Enumclaw Regional Hospital	Enumclaw	823,928	
164	Evergreen Hospital Medical Center	Kirkland	6,278,194	7,723,587
167	Ferry County Memorial Hospital	Republic	119,674	130,000
54	Forks Community Hospital	Forks	377,917	
82	Garfield County Memorial Hospital	Pomeroy	27,549	58,765
81	Good Samaritan Hospital	Puyallup	6,333,011	
63	Grays Harbor Community Hospital	Aberdeen	1,550,062	1,600,000
20	Group Health Central Hospital	Seattle	413,557	
169	Group Health Eastside Hospital	Redmond	827,442	
29	Harborview Medical Center	Seattle	124,390,000	128,326,000
142	Harrison Medical Center	Bremerton	7,651,989	9,500,000
126	Highline Medical Center	Seattle	8,962,739	
134	Island Hospital	Anacortes	997,461	1,164,175
85	Jefferson Healthcare	Port Townsend	2,127,445	
161	Kadlec Medical Center	Richland	12,191,001	14,479,452
39	Kennewick General Hospital	Kennewick	3,791,366	5,239,459
148	Kindred Hospital - Seattle	Seattle	0	
140	Kittitas Valley Hospital	Ellensburg	1,013,330	1,326,360
8	Klickitat Valley Hospital	Goldendale	281,918	297,875
165	Lake Chelan Community Hospital	Chelan	164,661	200,765
208	Legacy Salmon Creek Hospital	Vancouver	9,205,220	10,894,593
137	Lincoln Hospital	Davenport	340,587	0
915	Lourdes Counseling Center	Richland	185,420	181,566
22	Lourdes Medical Center	Pasco	2,367,407	2,696,325
186	Mark Reed Hospital	McCleary	112,302	215,427
175	Mary Bridge Children's Health Center	Tacoma	1,414,670	
152	Mason General Hospital	Shelton	1,828,280	1,979,432
147	Mid Valley Hospital	Omak	615,621	773,625
173	Morton General Hospital	Morton	169,135	
21	Newport Community Hospital	Newport	374,304	250,000
107	North Valley Hospital	Tonasket	320,102	350,000
130	Northwest Hospital & Medical Center	Seattle	3,840,786	
79	Ocean Beach Hospital	Ilwaco	788,158	
80	Odessa Memorial Hospital	Odessa	22,478	
23	Okanogan-Douglas District Hospital	Brewster	460,870	351,966
38	Olympic Medical Center	Port Angeles	2,008,108	2,578,566

Lic	Hospital	City	2007 Actual	2008 Estimated
125	Othello Community Hospital	Othello	833,702	885,000
131	Overlake Hospital Medical Center	Bellevue	5,451,760	5,920,399
26	Peacehealth Saint John Medical Center	Longview	11,658,148	13,345,517
145	Peacehealth Saint Joseph Hospital	Bellingham	12,921,335	12,043,000
46	Prosser Memorial Hospital	Prosser	573,370	
191	Providence Centralia Hospital	Centralia	14,150,505	21,430,945
139	Providence Holy Family Hospital	Spokane	7,451,687	10,249,000
193	Providence Mount Carmel Hospital	Colville	960,894	691,593
84	Providence Regional Medical Center - Everett	Everett	36,332,041	46,278,889
162	Providence Sacred Heart Medical Center	Spokane	16,115,756	
194	Providence Saint Josephs Hospital	Chewelah	1,152,039	677,000
50	Providence Saint Mary Medical Center	Walla Walla	5,079,952	4,677,774
159	Providence Saint Peter Hospital	Olympia	30,535,691	24,320,962
172	Pullman Regional Hospital	Pullman	526,150	733,703
129	Quincy Valley Medical Center	Quincy	66,941	
202	Regional Hospital for Respiratory & Complex Care	Burien	98,144	
132	Saint Clare Hospital	Lakewood	11,135,378	10,815,000
201	Saint Francis Community Hospital	Federal Way	11,421,117	10,850,000
32	Saint Joseph Medical Center	Tacoma	24,181,715	22,652,000
157	Saint Lukes Rehabilitation Institute	Spokane	107,774	132,059
78	Samaritan Hospital	Moses Lake	2,692,200	3,258,570
204	Seattle Cancer Care Alliance	Seattle	2,291,687	2,624,000
14	Seattle Children's Hospital	Seattle	12,927,000	14,082,000
207	Skagit Valley Hospital	Mount Vernon	3,641,809	4,949,947
96	Skyline Hospital	White Salmon	154,037	156,076
195	Snoqualmie Valley Hospital	Snoqualmie	316,760	
170	Southwest Washington Medical Center	Vancouver	23,439,609	27,631,000
138	Stevens Hospital	Edmonds	5,334,972	
198	Sunnyside Community Hospital	Sunnyside	1,382,687	1,392,732
1	Swedish Health Services	Seattle	28,820,080	32,148
3	Swedish Medical Center - Cherry Hill	Seattle	12,499,950	14,253
176	Tacoma General Allenmore Hospital	Tacoma	25,496,810	
199	Toppenish Community Hospital	Toppenish	221,808	253,812
108	Tri-State Memorial Hospital	Clarkston	940,716	
206	United General Hospital	Sedro Woolley	1,918,598	2,375,576
128	University of Washington Medical Center	Seattle	15,983,605	15,054,288
104	Valley General Hospital	Monroe	4,986,959	5,918,004
180	Valley Hospital and Medical Center	Spokane	1,293,845	
155	Valley Medical Center	Renton	12,691,187	17,169,696
10	Virginia Mason Medical Center	Seattle	8,806,690	
43	Walla Walla General Hospital	Walla Walla	1,978,982	
205	Wenatchee Valley Medical Center	Wenatchee	1,043,894	1,200,000
919	West Seattle Psychiatric Hospital	Seattle	193,568	
156	Whidbey General Hospital	Coupeville	1,371,111	
153	Whitman Hospital and Medical Center	Colfax	174,012	207,944
56	Willapa Harbor Hospital	South Bend	341,666	
102	Yakima Regional Medical and Cardiac Center	Yakima	3,394,837	18,278,000
58	Yakima Valley Memorial Hospital	Yakima	9,227,813	9,007,282
	STATEWIDE TOTALS		591,535,086	510,452,058

Source: Washington Department of Health Hospital Financial Data Year-end Reports FY 2007 and FY 2008 Annual Budgets

Appendix 4

Charity Care Laws

70.170.010 Intent.
(1) The legislature finds and declares that there is a need for health care information that helps the general public understand health care issues and how they can be better consumers and that is useful to purchasers, payers, and providers in making health care choices and negotiating payments. It is the purpose and intent of this chapter to establish a hospital data collection, storage, and retrieval system which supports these data needs and which also provides public officials and others engaged in the development of state health policy the information necessary for the analysis of health care issues.

(2) The legislature finds that rising health care costs and access to health care services are of vital concern to the people of this state. It is, therefore, essential that strategies be explored that moderate health care costs and promote access to health care services.

(3) The legislature further finds that access to health care is among the state's goals and the provision of such care should be among the purposes of health care providers and facilities. Therefore, the legislature intends that charity care requirements and related enforcement provisions for hospitals be explicitly established.

(4) The lack of reliable statistical information about the delivery of charity care is a particular concern that should be addressed. It is the purpose and intent of this chapter to require hospitals to provide, and report to the state, charity care to persons with acute care needs, and to have a state agency both monitor and report on the relative commitment of hospitals to the delivery of charity care services, as well as the relative commitment of public and private purchasers or payers to charity care funding.
[1989 1st ex.s. c 9 § 501.]

70.170.020 Definitions.
As used in this chapter:

(1) "Department" means department of health.

(2) "Hospital" means any health care institution which is required to qualify for a license under *RCW 70.41.020(2); or as a psychiatric hospital under chapter 71.12 RCW.

(3) "Secretary" means secretary of health.

(4) "Charity care" means necessary hospital health care rendered to indigent persons, to the extent that the persons are unable to pay for the care or to pay deductibles or co-insurance amounts required by a third-party payer, as determined by the department.

(5) "Sliding fee schedule" means a hospital-determined, publicly available schedule of

discounts to charges for persons deemed eligible for charity care; such schedules shall be established after consideration of guidelines developed by the department.

(6) "Special studies" means studies which have not been funded through the department's biennial or other legislative appropriations.
[1995 c 269 § 2203; 1989 1st ex.s. c 9 § 502.]
Notes:
*Reviser's note: RCW 70.41.020 was amended by 2002 c 116 § 2, changing subsection (2) to subsection (4).
Effective date -- 1995 c 269: See note following RCW 9.94A.850.
Part headings not law -- Severability -- 1995 c 269: See notes following RCW 13.40.005.

70.170.050 Requested studies — Costs.
The department shall have the authority to respond to requests of others for special studies or analysis. The department may require such sponsors to pay any or all of the reasonable costs associated with such requests that might be approved, but in no event may costs directly associated with any such special study be charged against the funds generated by the assessment authorized under RCW 70.170.080.
[1989 1st ex.s. c 9 § 505.]

70.170.060 Charity care — Prohibited and required hospital practices and policies — Rules — Department to monitor and report.
(1) No hospital or its medical staff shall adopt or maintain admission practices or policies which result in:

(a) A significant reduction in the proportion of patients who have no third-party coverage and who are unable to pay for hospital services;

(b) A significant reduction in the proportion of individuals admitted for inpatient hospital services for which payment is, or is likely to be, less than the anticipated charges for or costs of such services; or

(c) The refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital.

(2) No hospital shall adopt or maintain practices or policies which would deny access to emergency care based on ability to pay. No hospital which maintains an emergency department shall transfer a patient with an emergency medical condition or who is in active labor unless the transfer is performed at the request of the patient or is due to the limited medical resources of the transferring hospital. Hospitals must follow reasonable procedures in making transfers to other hospitals including confirmation of acceptance of the transfer by the receiving hospital.

(3) The department shall develop definitions by rule, as appropriate, for subsection (1) of this section and, with reference to federal requirements, subsection (2) of this section. The department shall monitor hospital compliance with subsections (1) and (2) of this section. The

department shall report individual instances of possible noncompliance to the state attorney general or the appropriate federal agency.

(4) The department shall establish and maintain by rule, consistent with the definition of charity care in RCW 70.170.020, the following:

(a) Uniform procedures, data requirements, and criteria for identifying patients receiving charity care;

(b) A definition of residual bad debt including reasonable and uniform standards for collection procedures to be used in efforts to collect the unpaid portions of hospital charges that are the patient's responsibility.

(5) For the purpose of providing charity care, each hospital shall develop, implement, and maintain a charity care policy which, consistent with subsection (1) of this section, shall enable people below the federal poverty level access to appropriate hospital-based medical services, and a sliding fee schedule for determination of discounts from charges for persons who qualify for such discounts by January 1, 1990. The department shall develop specific guidelines to assist hospitals in setting sliding fee schedules required by this section. All persons with family income below one hundred percent of the federal poverty standard shall be deemed charity care patients for the full amount of hospital charges, provided that such persons are not eligible for other private or public health coverage sponsorship. Persons who may be eligible for charity care shall be notified by the hospital.

(6) Each hospital shall make every reasonable effort to determine the existence or nonexistence of private or public sponsorship which might cover in full or part the charges for care rendered by the hospital to a patient; the family income of the patient as classified under federal poverty income guidelines; and the eligibility of the patient for charity care as defined in this chapter and in accordance with hospital policy. An initial determination of sponsorship status shall precede collection efforts directed at the patient.

(7) The department shall monitor the distribution of charity care among hospitals, with reference to factors such as relative need for charity care in hospital service areas and trends in private and public health coverage. The department shall prepare reports that identify any problems in distribution which are in contradiction of the intent of this chapter. The report shall include an assessment of the effects of the provisions of this chapter on access to hospital and health care services, as well as an evaluation of the contribution of all purchasers of care to hospital charity care.

(8) The department shall issue a report on the subjects addressed in this section at least annually, with the first report due on July 1, 1990.
[1998 c 245 § 118; 1989 1st ex.s. c 9 § 506.]

70.170.070 Penalties.

(1) Every person who shall violate or knowingly aid and abet the violation of RCW 70.170.060 (5) or (6), 70.170.080, or *70.170.100, or any valid orders or rules adopted pursuant to these sections, or who fails to perform any act which it is herein made his or her duty to perform, shall be guilty of a misdemeanor. Following official notice to the accused by the department of the existence of an alleged violation, each day of noncompliance upon which a violation occurs shall constitute a separate violation. Any person violating the provisions of this chapter may be enjoined from continuing such violation. The department has authority to levy civil penalties not exceeding one thousand dollars for violations of this chapter and determined pursuant to this section.

(2) Every person who shall violate or knowingly aid and abet the violation of RCW 70.170.060 (1) or (2), or any valid orders or rules adopted pursuant to such section, or who fails to perform any act which it is herein made his or her duty to perform, shall be subject to the following criminal and civil penalties:

(a) For any initial violations: The violating person shall be guilty of a misdemeanor, and the department may impose a civil penalty not to exceed one thousand dollars as determined pursuant to this section.

(b) For a subsequent violation of RCW 70.170.060 (1) or (2) within five years following a conviction: The violating person shall be guilty of a misdemeanor, and the department may impose a penalty not to exceed three thousand dollars as determined pursuant to this section.

(c) For a subsequent violation with intent to violate RCW 70.170.060 (1) or (2) within five years following a conviction: The criminal and civil penalties enumerated in (a) of this subsection; plus up to a three-year prohibition against the issuance of tax exempt bonds under the authority of the Washington health care facilities authority; and up to a three-year prohibition from applying for and receiving a certificate of need.

(d) For a violation of RCW 70.170.060 (1) or (2) within five years of a conviction under (c) of this subsection: The criminal and civil penalties and prohibition enumerated in (a) and (b) of this subsection; plus up to a one-year prohibition from participation in the state medical assistance or medical care services authorized under chapter 74.09 RCW.

(3) The provisions of chapter 34.05 RCW shall apply to all noncriminal actions undertaken by the department of health, the department of social and health services, and the Washington health care facilities authority pursuant to chapter 9, Laws of 1989 1st ex. sess.
[1989 1st ex.s. c 9 § 507.]

Notes:
*Reviser's note: RCW 70.170.100 was repealed by 1995 c 265 § 27 and by 1995 c 267 § 12, effective July 1, 1995.

70.170.080 Assessments — Costs.
The basic expenses for the hospital data collection and reporting activities of this chapter shall be financed by an assessment against hospitals of no more than four one-hundredths of one percent

of each hospital's gross operating costs, to be levied and collected from and after that date, upon which the similar assessment levied under *chapter 70.39 RCW is terminated, for the provision of hospital services for its last fiscal year ending on or before June 30th of the preceding calendar year. Budgetary requirements in excess of that limit must be financed by a general fund appropriation by the legislature. All moneys collected under this section shall be deposited by the state treasurer in the hospital data collection account which is hereby created in the state treasury. The department may also charge, receive, and dispense funds or authorize any contractor or outside sponsor to charge for and reimburse the costs associated with special studies as specified in RCW 70.170.050.

During the 1993-1995 fiscal biennium, moneys in the hospital data collection account may be expended, pursuant to appropriation, for hospital data analysis and the administration of the health information program.

Any amounts raised by the collection of assessments from hospitals provided for in this section which are not required to meet appropriations in the budget act for the current fiscal year shall be available to the department in succeeding years.
[1993 sp.s. c 24 § 925; 1991 sp.s. c 13 § 71; 1989 1st ex.s. c 9 § 508.]

Notes:
*Reviser's note: Chapter 70.39 RCW was repealed by 1982 c 223 § 10, effective June 30, 1990.
Severability -- Effective dates -- 1993 sp.s. c 24: See notes following RCW 28A.310.020.
Effective dates -- Severability -- 1991 sp.s. c 13: See notes following RCW 18.08.240.

70.170.090 Confidentiality.
The department and any of its contractors or agents shall maintain the confidentiality of any information which may, in any manner, identify individual patients.
[1989 1st ex.s. c 9 § 509.]

70.170.900 Effective date — 1989 1st ex.s. c 9.
See RCW 43.70.910.

70.170.905 Severability — 1989 1st ex.s. c 9.
See RCW 43.70.920.

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Hospital Charity Care Rules

Last Update: 6/l/94

WAC 246-453-001 Purpose.
This chapter is adopted by the Washington state department of health to implement the provisions of chapter 70.170 RCW. These sections relate to hospital policies for charity care, bad debt and emergency medical care, including admission practices, the compilation and measurement of the level of charity care services provided by each hospital, and penalties for violation of these provisions.

[Statutory Authority: Chapters 43.070 [43.70] and 70.170 RCW. 94-12-089, § 246-453-001, filed 6/1/94, effective 7/2/94. Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-001, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 43.70.040. 91-02-049 (Order 121), recodified as § 246-453-001, filed 12/27/90, effective 1/31/91. Statutory Authority: Chapter 70.39 RCW. 85-01-007 (Order 84-07, Resolution No. 84-07), § 261-14-010, filed 12/7/84.]

246-453-010 Definitions.
As used in this chapter, unless the context requires otherwise,

(1) "Department" means the Washington state department of health created by chapter 43.70 RCW;

(2) "Hospital" means any health care institution which is required to qualify for a license under RCW 70.41.020(2); or as a psychiatric hospital under chapter 71.12 RCW;

(3) "Manual" means the *Washington State Department of Health Accounting and Reporting Manual for Hospitals*, adopted under WAC 246-454-020;

(4) "Indigent persons" means those patients who have exhausted any third-party sources, including Medicare and Medicaid, and whose income is equal to or below 200% of the federal poverty standards, adjusted for family size or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payor;

(5) "Charity care" means appropriate hospital-based medical services provided to indigent persons, as defined in this section;

(6) "Bad debts" means uncollectible amounts, excluding contractual adjustments, arising from failure to pay by patients whose care has not been classified as charity care;

(7) "Appropriate hospital-based medical services" means those hospital services which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, or cause suffering or pain, or result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. For purpose of this section, "course of treatment" may include mere observation or, where appropriate, no treatment at all;

(8) "Medical staff" means physicians, dentists, nurses, and other professional individuals who have admitting privileges to the hospital, and may also participate as members of the medical staff committees, serve as officers of the medical staff, and serve as directors or chiefs of hospital departments;

(9) "Third-party coverage" and "third-party sponsorship" means an obligation on the part of an insurance company or governmental program which contracts with hospitals and patients to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received hospital services;

(10) "Unusually costly or prolonged treatment" means those services or combinations of services which exceed two standard deviations above the average charge, and/or three standard deviations above the average length of stay, as determined by the department's discharge data base;

(11) "Emergency care or emergency services" means services provided for care related to an emergency medical or mental condition;

(12) "Emergency department" and "emergency room" means that portion of the hospital facility organized for the purpose of providing emergency care or emergency services;

(13) "Emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in:

(a) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;

(b) Serious impairment of bodily functions;

(c) Serious dysfunction of any bodily organ or part.

With respect to a pregnant woman who is having contractions the term shall mean:

(d) That there is inadequate time to effect a safe transfer to another hospital before delivery; or

(e) That transfer may pose a threat to the health or safety of the woman or the unborn child;

(14) "Responsible party" means that individual who is responsible for the payment of any hospital charges which are not subject to third-party sponsorship;

(15) "Limited medical resources" means the nonavailability of services or medical expertise which are required or are expected to be required for the appropriate diagnosis, treatment, or

stabilization per federal requirements of an individual's medical or mental situation;

(16) "Publicly available" means posted or prominently displayed within public areas of the hospital, and provided to the individual in writing and explained, at the time that the hospital requests information from the responsible party with regard to the availability of any third-party coverage, in any language spoken by more than ten percent of the population in the hospital's service area, and interpreted for other non-English speaking or limited-English speaking or other patients who can not read or understand the writing and explanation;

(17) "Income" means total cash receipts before taxes derived from wages and salaries, welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual;

(18) "Family" means a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family;

(19) "Initial determination of sponsorship status" means an indication, pending verification, that the services provided by the hospital may or may not be covered by third party sponsorship, or an indication from the responsible party, pending verification, that he or she may meet the criteria for designation as an indigent person qualifying for charity care; and

(20) "Final determination of sponsorship status" means the verification of third party coverage or lack of third party coverage, as evidenced by payment received from the third party sponsor or denial of payment by the alleged third party sponsor, and verification of the responsible party's qualification for classification as an indigent person, subsequent to the completion of any appeals to which the responsible party may be entitled and which on their merits have a reasonable chance of achieving third-party sponsorship in full or in part.

[Statutory Authority: Chapters 43.070 [43.70] and 70.170 RCW. 94-12-089, § 246-453-010, filed 6/1/94, effective 7/2/94. Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-010, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 43.70.040. 91-02-049 (Order 121), recodified as § 246-453-010, filed 12/27/90, effective 1/31/91. Statutory Authority: Chapter 70.39 RCW. 85-01-007 (Order 84-07, Resolution No. 84-07), § 261-14-020, filed 12/7/84.]

246-453-020 Uniform procedures for the identification of indigent persons.

For the purpose of identifying those patients that will be classified as indigent persons, all hospitals shall adopt and implement the following procedures:

(1) The initiation of collection efforts directed at the responsible party shall be precluded pending an initial determination of sponsorship status, provided that the responsible party is cooperative with the hospital's efforts to reach an initial determination of sponsorship status;

(a) Collection efforts shall include any demand for payment or transmission of account documents or information which is not clearly identified as being intended solely for the purpose of transmitting information to the responsible party;

(b) The initial determination of sponsorship status shall be completed at the time of admission

or as soon as possible following the initiation of services to the patient;

(c) If the initial determination of sponsorship status indicates that the responsible party may meet the criteria for classification as an indigent person, as described in WAC 246-453-040, collection efforts directed at the responsible party will be precluded pending a final determination of that classification, provided that the responsible party is cooperative with the hospital's reasonable efforts to reach a final determination of sponsorship status;

(d) During the pendency of the initial determination of sponsorship status and/or the final determination of the applicability of indigent person criteria, hospitals may pursue reimbursement from any third-party coverage that may be identified to the hospital;

(e) The requirements of this subsection shall not apply to clinics operated by disproportionate share hospitals, as defined and identified by the department of social and health services, medical assistance services, provided that patients are advised of the availability of charity care at the time that services are provided and when presented with a request for payment.

(2) Notice shall be made publicly available that charges for services provided to those persons meeting the criteria established within WAC 246-453-040 may be waived or reduced.

(3) Any responsible party who has been initially determined to meet the criteria identified within WAC 246-453-040 shall be provided with at least fourteen calendar days or such time as the person's medical condition may require, or such time as may reasonably be necessary to secure and to present documentation as described within WAC 246-453-030 prior to receiving a final determination of sponsorship status.

(4) Hospitals must make every reasonable effort to determine the existence or nonexistence of third-party sponsorship that might cover in full or in part the charges for services provided to each patient.

(5) Hospitals may require potential indigent persons to use an application process attesting to the accuracy of the information provided to the hospital for purposes of determining the person's qualification for charity care sponsorship. Hospitals may not impose application procedures for charity care sponsorship which place an unreasonable burden upon the responsible party, taking into account any physical, mental, intellectual, or sensory deficiencies or language barriers which may hinder the responsible party's capability of complying with the application procedures. The failure of a responsible party to reasonably complete appropriate application procedures shall be sufficient grounds for the hospital to initiate collection efforts directed at the patient.

(6) Hospitals may not require deposits from those responsible parties meeting the criteria identified within WAC 246-453-040 (1) or (2), as indicated through an initial determination of sponsorship status.

(7) Hospitals must notify persons applying for charity care sponsorship of their final determination of sponsorship status within fourteen calendar days of receiving information in accordance with WAC 246-453-030; such notification must include a determination of the

amount for which the responsible party will be held financially accountable.

(8) In the event that the hospital denies the responsible party's application for charity care sponsorship, the hospital must notify the responsible party of the denial and the basis for that denial.

(9) All responsible parties denied charity care sponsorship under WAC 246-453-040 (1) or (2) shall be provided with, and notified of, an appeals procedure that enables them to correct any deficiencies in documentation or request review of the denial and results in review of the determination by the hospital's chief financial officer or equivalent.

(a) Responsible parties shall be notified that they have thirty calendar days within which to request an appeal of the final determination of sponsorship status. Within the first fourteen days of this period, the hospital may not refer the account at issue to an external collection agency. After the fourteen day period, if no appeal has been filed, the hospital may initiate collection activities.

(b) If the hospital has initiated collection activities and discovers an appeal has been filed, they shall cease collection efforts until the appeal is finalized.

(c) In the event that the hospital's final decision upon appeal affirms the previous denial of charity care designation under the criteria described in WAC 246-453-040 (1) or (2), the responsible party and the department of health shall be notified in writing of the decision and the basis for the decision, and the department of health shall be provided with copies of documentation upon which the decision was based.

(d) The department will review the instances of denials of charity care. In the event of an inappropriate denial of charity care, the department may seek penalties as provided in RCW 70.170.070.

(10) Hospitals should make every reasonable effort to reach initial and final determinations of charity care designation in a timely manner; however, hospitals shall make those designations at any time upon learning of facts or receiving documentation, as described in WAC 246-453-030, indicating that the responsible party's income is equal to or below two hundred percent of the federal poverty standard as adjusted for family size. The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts.

(11) In the event that a responsible party pays a portion or all of the charges related to appropriate hospital-based medical care services, and is subsequently found to have met the charity care criteria at the time that services were provided, any payments in excess of the amount determined to be appropriate in accordance with WAC 246-453-040 shall be refunded to the patient within thirty days of achieving the charity care designation.

[Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-020, filed 2/14/91, effective 3/17/91.]

246-453-030 Data requirements for the identification of indigent persons.

(1) For the purpose of reaching an initial determination of sponsorship status, hospitals shall rely upon information provided orally by the responsible party. The hospital may require the responsible party to sign a statement attesting to the accuracy of the information provided to the hospital for purposes of the initial determination of sponsorship status.

(2) Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care sponsorship status, when the income information is annualized as may be appropriate:

(a) A "W-2" withholding statement;

(b) Pay stubs;

(c) An income tax return from the most recently filed calendar year;

(d) Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;

(e) Forms approving or denying unemployment compensation; or

(f) Written statements from employers or welfare agencies.

(3) In the event that the responsible party's identification as an indigent person is obvious to hospital personnel, and the hospital personnel are able to establish the position of the income level within the broad criteria described in WAC 246-453-040 or within income ranges included in the hospital's sliding fee schedule, the hospital is not obligated to establish the exact income level or to request the aforementioned documentation from the responsible party, unless the responsible party requests further review.

(4) In the event that the responsible party is not able to provide any of the documentation described above, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person.

(5) Information requests, from the hospital to the responsible party, for the verification of income and family size shall be limited to that which is reasonably necessary and readily available to substantiate the responsible party's qualification for charity sponsorship, and may not be used to discourage applications for such sponsorship. Only those facts relevant to eligibility may be verified, and duplicate forms of verification shall not be demanded.

[Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-030, filed 2/14/91, effective 3/17/91.]

246-453-040 Uniform criteria for the identification of indigent persons.

For the purpose of identifying indigent persons, all hospitals shall use the following criteria:

(1) All responsible parties with family income equal to or below one hundred percent of the federal poverty standard, adjusted for family size, shall be determined to be indigent persons qualifying for charity sponsorship for the full amount of hospital charges related to appropriate hospital-based medical services that are not covered by private or public third-party sponsorship;

(2) All responsible parties with family income between one hundred one and two hundred percent of the federal poverty standard, adjusted for family size, shall be determined to be indigent persons qualifying for discounts from charges related to appropriate hospital-based medical services in accordance with the hospital's sliding fee schedule and policies regarding individual financial circumstances;

(3) Hospitals may classify any individual responsible party whose income exceeds two hundred percent of the federal poverty standard, adjusted for family size, as an indigent person eligible for a discount from charges based upon that responsible party's individual financial circumstances.

[Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-040, filed 2/14/91, effective 3/17/91.]

246-453-050 Guidelines for the development of sliding fee schedules.
All hospitals shall, within ninety days of the adoption of these rules, implement a sliding fee schedule for determination of discounts from billed charges for responsible parties meeting the criteria in WAC 246-453-040(2). These sliding fee schedules must be made available upon request.

(1) In developing these sliding fee schedules, hospitals shall consider the following guidelines:

(a) The sliding fee schedule shall consider the level of charges that are not covered by any public or private sponsorship in relation to or as a percentage of the responsible party's family income;

(b) The sliding fee schedule shall determine the maximum amount of charges for which the responsible party will be expected to provide payment, with flexibility for hospital management to hold the responsible party accountable for a lesser amount after taking into account the specific financial situation of the responsible party;

(c) The sliding fee schedule shall take into account the potential necessity for allowing the responsible party to satisfy the maximum amount of charges for which the responsible party will be expected to provide payment over a reasonable period of time, without interest or late fees; and

(d) Hospital policies and procedures regarding the sliding fee schedule shall specify the individual financial circumstances which may be considered by appropriate hospital personnel for purposes of adjusting the amount resulting from the application of the sliding fee schedule, such as:

(i) Extraordinary nondiscretionary expenses relative to the amount of the responsible party's medical care expenses;

(ii) The existence and availability of family assets, which may only be considered with regard to the applicability of the sliding fee schedule;

(iii) The responsible party's future income earning capacity, especially where his or her ability to work in the future may be limited as a result of illness; and

(iv) The responsible party's ability to make payments over an extended period of time.

(2) Examples of sliding fee schedules which address the guidelines in the previous subsection are:

(a) A person whose annual family income is between one hundred one and two hundred percent of the federal poverty standard, adjusted for family size, shall have his/her hospital charges that are not covered by public or private sponsorship limited to forty percent of the excess of that person's annual family income over one hundred percent of the federal poverty standard, adjusted for family size. This responsibility may be adjusted by appropriate hospital personnel after taking into consideration the individual financial circumstances of the responsible party. The responsible party's financial obligation which remains after the application of this sliding fee schedule may be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between the hospital and the responsible party.

(b) A person whose family income is between one hundred one and two hundred percent of the federal poverty standard, adjusted for family size, shall have his/her hospital charges that are not covered by public or private sponsorship reduced according to the schedule below. The resulting responsibility may be adjusted by appropriate hospital personnel after taking into consideration the individual financial circumstances of the responsible party. The responsible party's financial obligation which remains after the application of this sliding fee schedule may be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between the hospital and the responsible party. The schedule is as follows:

INCOME AS A PERCENTAGE OF FEDERAL POVERTY LEVEL	PERCENTAGE DISCOUNT
One hundred one to one hundred thirty-three	Seventy-five percent
One hundred thirty-four to one hundred sixty-six	Fifty percent
One hundred sixty-seven to two hundred	Twenty-five percent

(3) The provisions of this section and RCW 70.170.060(5) shall not apply to the professional services of the hospital's medical staff, provided that the charges for such services are either submitted by the individual medical staff or are separately identified within the hospital's billing system.

[Statutory Authority: Chapters 43.070 [43.70] and 70.170 RCW. 94-12-089, § 246-453-050, filed 6/1/94, effective 7/2/94. Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-050, filed 2/14/91, effective 3/17/91.]

246-453-060 Denial of access to emergency care based upon ability to pay and transfer of patients with emergency medical conditions or active labor.

(1) No hospital or its medical staff shall adopt or maintain admission practices or policies which result in:

(a) A significant reduction in the proportion of patients who have no third-party coverage and who are unable to pay for hospital services;

(b) A significant reduction in the proportion of individuals admitted for inpatient hospital services for which payment is, or is likely to be, less than the anticipated charges for or costs of such services; or

(c) The refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital.

(2) No hospital shall adopt or maintain practices or policies which would deny access to emergency care based on ability to pay. No hospital which maintains an emergency department shall transfer a patient with an emergency medical condition or who is in active labor unless the transfer is performed at the request of the patient or is due to the limited medical resources of the transferring hospital. Hospitals must follow reasonable procedures in making transfers to other hospitals including confirmation of acceptance of the transfer by the receiving hospital.

(3) The department shall monitor hospital compliance with subsections (1) and (2) of this section. The department shall report to the legislature and the governor on hospital compliance with these requirements and shall report individual instances of possible noncompliance to the state attorney general or the appropriate federal agency. For purposes of monitoring compliance with subsection (2) of this section, the department is to follow all definitions and requirements of federal law.

(4) Except as required by federal law and subsection (2) of this section, nothing in this section shall be interpreted to indicate that hospitals and their medical staff are required to provide appropriate hospital-based medical services, including experimental services, to any individual.

[Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-060, filed 2/14/91, effective 3/17/91.]

246-453-070 Standards for acceptability of hospital policies for charity care and bad debts.

(1) Each hospital shall develop, and submit to the department, charity care policies, procedures, and sliding fee schedules consistent with the requirements included in WAC 246-453-020, 246-453-030, 246-453-040, and 246-453-050. Any subsequent modifications to those policies, procedures, and sliding fee schedules must be submitted to the department no later than thirty days prior to their adoption by the hospital.

(2) Each hospital shall develop, and submit to the department, bad debt policies and procedures, including reasonable and uniform standards for collection of the unpaid portions of hospital charges that are the patient's responsibility. These standards are to be part of each hospital's system of accounts receivable management manuals, which support hospital collection policies. Manuals should cover procedures for preadmission, admission, discharge, outpatient registration and discharge, billing, and credit and collections. All subsequent modifications to these bad debt policies must be submitted to the department no later than thirty days prior to their adoption by the hospital.

(3) The department shall review the charity care and bad debt policies and procedures submitted in accordance with the provisions of this section. If any of the policies and procedures do not meet the requirements of this section or WAC 246-453-020, 246-453-030, 246-453-040, or 246-453-050, the department shall reject the policies and procedures and shall so notify the hospital. Such notification shall be in writing, addressed to the hospital's chief executive officer or equivalent, and shall specify the reason(s) that the policies and procedures have been rejected. Any such notification must be mailed within fourteen calendar days of the receipt of the hospital's policies and procedures. Within fourteen days of the date of the rejection notification, the hospital shall revise and resubmit the policies and procedures.

[Statutory Authority: Chapters 43.070 [43.70] and 70.170 RCW. 94-12-089, § 246-453-070, filed 6/1/94, effective 7/2/94. Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-070, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 43.70.040. 91-02-049 (Order 121), recodified as § 246-453-070, filed 12/27/90, effective 1/31/91. Statutory Authority: Chapter 70.39 RCW. 85-01-007 (Order 84-07, Resolution No. 84-07), § 261-14-030, filed 12/7/84.]

246-453-080 Reporting requirements.

Each hospital shall compile and report data to the department with regard to the amount of charity care provided, in accordance with instructions issued by the department.

[Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-080, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 43.70.040. 91-02-049 (Order 121), recodified as § 246-453-080, filed 12/27/90, effective 1/31/91. Statutory Authority: Chapter 70.39 RCW. 85-01-007 (Order 84-07, Resolution No. 84-07), § 261-14-040, filed 12/7/84.]

246-453-090 Penalties for violation.

(1) Failure to file the policies, procedures, and sliding fee schedules as required by WAC 246-453-070 or the reports required by WAC 246-453-080 shall constitute a violation of RCW 70.170.060, and the department will levy a civil penalty of one thousand dollars per day for each day following official notice of the violation. The department may grant extensions of time to file the reports, in which cases failure to file the reports shall not constitute a violation until the

extension period has expired.

(2) Failure to comply with other provisions of chapter 70.170 RCW, and chapter 246-453 WAC, shall result in civil penalties as provided within RCW 70.170.070(2), with the exception that the terms "not exceeding" and "not to exceed" will be read to mean "of."

[Statutory Authority: Chapters 43.070 [43.70] and 70.170 RCW. 94-12-089, § 246-453-090, filed 6/1/94, effective 7/2/94. Statutory Authority: RCW 70.170.060. 91-05-048 (Order 142), § 246-453-090, filed 2/14/91, effective 3/17/91. Statutory Authority: RCW 43.70.040. 91-02-049 (Order 121), recodified as § 246-453-090, filed 12/27/90, effective 1/31/91. Statutory Authority: RCW 70.39.180. 86-11-041 (Order 86-01, Resolution No. 86-01), § 261-14-090, filed 5/16/86.]

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Appendix 5

Federal Poverty Guidelines

The Federal Poverty Guidelines for all states except Alaska and Hawaii but including the District of Columbia from the Federal Register:

Annual Federal Income Poverty Guidelines				
Size of Family	2006	2007	2008	2009
1	$9,800	$10,210	$10,400	$10,830
2	13,200	13,690	14,000	14,570
3	16,600	17,170	17,600	18,310
4	20,000	20,650	21,200	22,050
5	23,400	24,130	24,800	25,790
6	26,800	27,610	28,400	29,530
7	30,200	31,090	32,000	33,270
8	33,600	34,570	35,600	37,010
Additional Family Members	3,400	3,480	3,600	3,740

These guidelines go into effect on the day they are published; usually around January 23 with the exception of Hill Burton hospitals, which are effective sixty days from the date of publication.

The Health & Human Services 2009 Poverty Guidelines are also directly available at this website: http://aspe.hhs.gov/poverty/09poverty.shtml