

## Service-Specific Indigent and Charity Care Commitment Survey Instructions and Definitions for Adjusted Gross Revenue Commitments

### Part A: General Information

Please report as indicated for the facility's service-specific indigent and charity care commitment. The report period should represent one full year.

### Part B: Signature and Contact Information

**Authorized Signature** - The survey WILL NOT BE ACCEPTED without the authorized signature of the Chief Executive Officer, Executive Director, principal officer, or Chief Financial Officer of the facility. By law, the signatory is attesting under penalty of law that the information is accurate and complete. Also, provide the title of the signatory and the date the survey was signed.

**Contact Information** - Include the name, title, telephone number, fax number, and e-mail address of the person authorized to respond to inquiries about the responses to this survey.

### Part C: Service-Specific Data for Specified Service

The following definitions should be used as guidelines for responding to Office of Health Planning surveys. These definitions are used by the Office of Health Planning for purposes related to administration of the Certificate of Need program and for other purposes related to the mission and responsibilities of the Department of Community Health. Each of the following may be requested by the Office of Health Planning on annual surveys and should reflect values for the CON-regulated facility as a whole or for specific CON-regulated services as defined by Office of Health Planning surveys.

**Uncompensated Indigent Care** - Indigent care is any unpaid charges for the specific service or program for patients whose family income is less than or equal to 125% of the Federal Poverty Guidelines. Do not include unpaid charges for patients who were eligible for Medicare, Medicaid, Third Party, or patients provided other free care. Uncompensated Indigent Care should represent the net charges or the total charges for services provided to indigent qualified patients less any contributions or payments earmarked for indigent care.

**Uncompensated Charity Care** - Charity Care can consist of any unpaid charges for the specific service or program to patients whose family income is greater than 125% of the Federal Poverty Guidelines, and which were provided in accordance with the facility or program's formal written charity care policy, and which were written off to a formal charity care account in the facility's accounting records. Charity care represents that portion of health care services that are provided but where payment is not expected. Charity care is provided to a patient with demonstrated inability to pay for some or all of the service. Only the portion of a patient's account that meets the organization's charity care criteria is recognized as charity.

**Total Uncompensated Care** - The sum of Uncompensated Indigent Care and Uncompensated Charity Care.

**Adjusted Gross Revenue** -- Adjusted Gross Revenue (AGR) is calculated by subtracting Medicaid and Medicare contractual adjustments *only* and bad debt from the facility's total gross revenues. AGR is used as the basis for determining an agency's level of uncompensated indigent and charity care services. Generally, these figures are presented as a percentage of the facility's AGR.

## **Other Definitions:**

**Facility Indigent and Charity Care Policy** - Each CON-regulated facility is expected to maintain a policy governing provision of services to patients who qualify as indigent or charity under the definitions provided above. Facilities have broad discretion in defining charity care provided that charity care patients are defined as having incomes exceeding 125% of FPG and specifically qualified under the facility policy.

**Indigent and Charity Care Write-Offs** -- Unpaid charges for indigent and charity care cases should be related only to the provision of services regulated by the Certificate of Need program rules and statute. Unpaid charges from other lines of business should generally NOT be included.

**Gross Patient Revenue** - Gross patient review includes charges generated by all patients at full-established rates before provisions for contractual and other adjustments are applied. Please include any revenue forgone for provision of care for indigent/charity patients at full-established rates.

**Contractual Adjustments** - Contractual adjustments represent any charges that are not paid by third-party payers and cannot be billed to the patient pursuant to contractual agreements. Contractual adjustments for Medicare, Medicaid and other payers should be captured separately.

**Bad Debt** - Bad Debt is an amount that a party has an obligation to pay but that is considered uncollectible. Bad debt represent the portion of a patient's account not expected to be collected from the patient or other responsible party (the patient's portion). The patient's portion of a bill should not be categorized as a bad debt for patients whose income is less than or equal to 125% of the federal poverty guidelines. Bad debt must be differentiated from charity services. Patient charges otherwise eligible for classification as charity care should only be treated as bad debt if all conditions of your facility's charity care definition are not met.

**Indigent and Charity Care Commitments** - Some facilities have commitments to provide a specified level of indigent and charity care as part of their Certificate of Need authorization. For those facilities that have a CON commitment to provide indigent and charity care, the commitment (expressed as a percentage) is multiplied by the facility's AGR to calculate the amount of uncompensated indigent and charity care provided. The scope of the facility's commitment is defined in the Certificate of Need.

**Indigent and Charity Care Patients** - The number of patients who were classified as indigent or charity care cases consistent with the definitions provided above. Should include only income-tested indigent and charity care patients who received services and who had indigent or charity care charges.

**Indigent and Charity Care Income-Testing** - Patients should be income-tested to establish income and indigency or charity levels if they do not present a method of payment. Generally, this should occur before discharge and should occur before billing for indigent care patients. Indigent care patients should not be billed. Facilities should maintain detailed logs associated with uncompensated indigent and charity care charges and be able to provide supporting documentation for indigent and charity care qualifications if requested.

## **Submitting the Service-Specific Survey**

Surveys should be completed and submitted through the facility's online portal at <http://www.georgiahealthdata.info>.