



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

COMPLIANCE ALERT 12-08

Posting of HHSC Charity Care Availability on Bills and in HHSC Facilities

EXECUTIVE SUMMARY: HHSC Hospitals and Clinics may promote our charity care policy for the uninsured and underinsured. There is no OIG prohibition against this practice. We can post the availability of the program in the hospital and include it on bill statements.

BACKGROUND: As HHSC tries to collect on bills owed to us, sometimes partial payment plans or reduced payments can be made if the patient qualifies for our charity care program. The issue was that many hospitals felt that they could only use the charity care program if the patient asked about it—that we couldn't "advertise or offer" it to patients.

While we can't advertise charity care as a means to induce patients and services, we can make patients aware of its availability. The OIG, in 2004 (and confirmed in 2007) supported the provision of Charity Care. The OIG "believes that hospitals have the ability to provide relief to uninsured and underinsured patients who cannot afford their hospital bills and to Medicare beneficiaries who cannot afford their Medicare cost-sharing amounts. The OIG fully supports hospitals' efforts in this area. ."

Further, The OIG has stated that "Hospitals have the ability to provide discounts to uninsured and underinsured patients who cannot afford their hospital bills and to Medicare beneficiaries who cannot afford their Medicare cost-sharing obligations. Nothing in the OIG rules or regulations prohibits such discounts, and the OIG fully supports the hospital industry's efforts to lower health care costs for those unable to afford care. While every case must be evaluated on its own merits, it is important to note that the OIG has never brought a case based on a hospital's bona fide discounting of its bill for an uninsured or underinsured patient of limited means.

Finally, recent confirmation from outside counsel Robert Wade affirms our ability to print this information on our bills and post in our facilities.

ACTION NEEDED: Management can decide how to proceed with the promotion of the charity care program in HHSC facilities.

Source: <http://oig.hhs.gov/fraud/docs/alertsandbulletins/2004/FA021904hospitaldiscounts.pdf>
<http://oig.hhs.gov/fraud/docs/alertsandbulletins/2007/revise%20addendum%20to%20uninsured%20guidance%204%202%202.pdf>