

**SUBJECT:** CHARITY CARE  
**Policy:** BO 165  
**Effective Date:** 09/17/2025  
**Revision Date:**

*Business Office Policies and Procedures*

**POLICY**

In accordance with the Partnership Agreement "Agreement" between DUKE HEALTH AND WAKEMED and PEAK REHABILITATION HOSPITAL. It is required to adopt the Charity Care Policy of DUKE HEALTH AND WAKEMED.

As a part of PEAK REHABILITATION HOSPITAL's obligation to provide charity care consistent with DUKE HEALTH AND WAKEMED charity care policy and as part of the rehabilitation hospital's stewardship duty to use its resources as effectively as possible, manage its business affairs prudently and well, and preserve its capacity to continue serving in future years while fulfilling current needs, PEAK REHABILITATION HOSPITAL strives to identify the dollar volume of charity care it provides to patients who cannot pay for hospital care because they lack the necessary financial resources. Identification of Charity Care will assist PEAK REHABILITATION HOSPITAL in providing care to a segment of the community served by PEAK REHABILITATION HOSPITAL who cannot pay for that care and allow PEAK REHABILITATION HOSPITAL to better concentrate its collection efforts on the accounts that are collectible.

GUIDELINES

1. Charity Care includes care to individuals who lack the ability to pay as determined by PEAK REHABILITATION HOSPITAL, utilizing DUKE HEALTH AND WAKEMED's guidelines as outlined below and according to their current policy and procedures as these may change over time. Uncollected accounts for other patients shall be subjected to full collection efforts, and if not collected, shall be considered for bad debt. All or part of the hospital bill may be considered charity care.
2. The determination of the ability to pay may take into account a number of variables, including but not limited to;
  - a. the earning status and potential of the patient and family,
  - b. other sources of income and assets,
  - c. the level and type of liabilities,
  - d. the ability to obtain additional credit,
  - e. the amount and frequency of hospital/medical bills, and
  - f. the family size.

All or a part of the hospital bill may be considered charity care.

3. Patients eligible for charity consideration, including both Financially Indigent and Medically Indigent applicants who have inadequate resources to pay for services provided.

**SUBJECT:** CHARITY CARE  
**Policy:** BO 165  
**Effective Date:** 09/17/2025  
**Revision Date:**

*Business Office Policies and Procedures*

- a. Financially Indigent patients include those patients who are uninsured or underinsured, whose annual income is equal to or less than the Federal Poverty Guidelines as published and updated annually in the Federal Register, and who have no ability to pay for their medical care.
  - b. Medically Indigent patients include those patients who are capable for paying for their living expenses, but who's medical and hospital bills, after payment by third party payers, would require use or liquidation of income and/or assets critical to living or earning a living.
4. The identification of charity care begins at time of registration with the gathering of information concerning third party payers and the patient's and guarantor's financial data and identification of community resources available to assist in paying the account. Generally, information will be gathered and potential community resources identified during the pre-admission process, where available, and while the patient is in the hospital because access to the patient and family is greatest during that period. However, identification can occur at any time sufficient information is available to make the determination, including well after the normal collection cycle.
5. Classification of an account as charity care generally will end efforts to collect the accounts from the patient and, in most instances, from family members. Routine activity may continue in order to ensure that PEAK REHABILITATION HOSPITAL can identify changed circumstances in the future and ensure continuity with respect to subsequent visits. Efforts to collect from third parties will continue, and any resulting collection would be a charity recovery. Classification of an account as charity care should not occur until:
- a. It is determined that in accordance with Item 2 above, the patient and guarantor definitely do not have the financial resources to pay the account (or portions of the account), or in accordance with Item 7 below, treatment as charity is warranted under the circumstances determined by PEAK REHABILITATION HOSPITAL in a manner consistent with how DUKE HEALTH AND WAKEMED makes charity care determinations.
  - b. Even if an account is to be considered charity care under this policy, the patient and guarantor should receive at least one statement indicating the balance due on the account. They should also receive the routine follow-up statements and collection letters until such time as the charity care designation is made and it is determined that continuing such mailings will not result in collecting part or all of the account. These statements and collection letters should not indicate that the account is to be designated as charity care.
  - c. It may be appropriate in some cases to notify a patient or guarantor that the account is classified as charity care, if doing so will enhance the public's understanding of the hospital's charity care or assist in the collection of a portion of the account. If a patient or guarantor is to be notified that the account will be classified as charity care, the notification should be from a member of PEAK REHABILITATION HOSPITAL management. (Exhibit 3).

**SUBJECT:** CHARITY CARE  
**Policy:** BO 165  
**Effective Date:** 09/17/2025  
**Revision Date:**

*Business Office Policies and Procedures*

- d. The charity care classification is authorized in accordance with Item 7 below.
6. Failure to provide information necessary to complete a financial assessment may result in a negative determination. A determination of eligibility for charity may be made without a complete assessment if eligibility is warranted under the circumstances as determined by PEAK REHABILITATION HOSPITAL in a manner consistent with how DUKE HEALTH AND WAKEMED makes charity care determinations.
7. A charity care classification must be approved which shall be exercised in a manner consistent with how DUKE HEALTH AND WAKEMED approves charity care classifications.
8. No person shall be excluded from consideration for financial assistance based on race, creed, color, religion, spirituality, sex, national origin, or physical disability. Only exclusion would be if the patient does not meet rehabilitation appropriateness.
9. This policy may not be terminated, modified or amended without approval of the PEAK REHABILITATION HOSPITAL Board. The PEAK REHABILITATION HOSPITAL Board may, from time to time, and to the extent not inconsistent with the terms and requirements of the Agreement, develop and adopt and require implementation of changes, modifications and amendments to this policy that it deems appropriate.

**APPLICATION FOR FINANCIAL ASSISTANCE – EXHIBIT 1**

<b>PATIENT INFORMATION</b>					
Patient Name		Age	Telephone No.		Patient No.
Home Address		Rent <input type="checkbox"/>			Live with parents? No <input type="checkbox"/> Yes <input type="checkbox"/>
		Own <input type="checkbox"/>			
SSN	Marital Status	Discharge diagnosis			If pregnant, due date?
Name & Address of employer			Employer Telephone No.	How long employed?	
Position/Title			Supervisor's Name		
If unemployed, last date & place of employment			Position/Title		
<b>RESPONSIBLE PARTY INFORMATION</b>					
Name		Relationship to patient		Age	Telephone No.
Street address, if different from patient					
SSN	Marital Status	Family Size	Names & Ages		
Name & Address of Employer			How long employed?	Employer Telephone No.	
Position/Title			Supervisor's Name		
If unemployed, last date & place of employment			Position/Title		
Name of Nearest Relative				Relationship	
Address				Telephone No.	
<b>SPOUSE INFORMATION</b>					
Name		Age	SSN	Name of Employer	
Employer Address		How long employed?		Employer Telephone No.	
Position/Title		Supervisor's Name			
If unemployed, last date & place of employment				Position/Title	
<b>MONTHLY INCOME</b>			<b>ASSETS</b>		
<b>ITEM</b>	<input type="checkbox"/> Patient	<input type="checkbox"/> Patient	<input type="checkbox"/> Patient	Checking Account(s) – bank & account number	Balance
	<input type="checkbox"/> Spouse	<input type="checkbox"/> Spouse	<input type="checkbox"/> Spouse		
	<input type="checkbox"/> Father	<input type="checkbox"/> Father	<input type="checkbox"/> Father		
	<input type="checkbox"/> Mother	<input type="checkbox"/> Mother	<input type="checkbox"/> Mother		
Base Income					
Overtime				Savings Account(s) – bank &	Balance
Social Security					
Interest/Dividends				Other (bank & account number,	Balance
Rental Income					

Alimony/Child				Life Insurance (company &	Value
Unemployment					
State Assistance				Stocks, Bonds & Mutual Funds	Value
Food Stamps					
Pension				Automobiles/Trucks (make,	Value
Disability					
Worker's					
Other				Other Assets (personal,	Value
				Real Estate (list and describe)	Present Value
<b>TOTAL</b>				<b>TOTAL ASSETS</b>	

PLEASE COMPLETE THE INFORMATION AS THOROUGHLY AS POSSIBLE SO THAT AN ACCURATE ASSESSMENT OF YOUR CURRENT FINANCIAL SITUATION CAN BE DETERMINED. ALONG WITH THE FINANCIAL STATEMENT, AT LEAST TWO OF THE FOLLOWING ITEMS ARE REQUIRED FOR REVIEW. PLEASE PROVIDE THE FOLLOWING ITEMS:

1. MOST RECENTLY FILED FEDERAL AND STATE INCOME TAX
2. BANK ACCOUNT STATEMENT (CHECKING AND SAVINGS; LAST THREE MONTHS)
3. VERIFICATION OF INCOME (PAYCHECK STUBS, UNEMPLOYMENT CHECK, SOCIAL SECURITY CHECKS, ETC)

MONTHLY EXPENSES		OTHER EXPENSES	MONTHLY PAYMENT	BALANCE	PAYMENT CURRENT?
<b>ITEM</b>	<b>MONTHLY PAYMENT</b>	Charge Accounts			<input type="checkbox"/> No <input type="checkbox"/> Yes
Rent					<input type="checkbox"/> No <input type="checkbox"/> Yes
Mortgage					<input type="checkbox"/> No <input type="checkbox"/> Yes
Electricity					<input type="checkbox"/> No <input type="checkbox"/> Yes
Gas/Propane					<input type="checkbox"/> No <input type="checkbox"/> Yes
Water					<input type="checkbox"/> No <input type="checkbox"/> Yes
Refuse		Personal Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Telephone					<input type="checkbox"/> No <input type="checkbox"/> Yes
Cable TV		Automobile Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Food					<input type="checkbox"/> No <input type="checkbox"/> Yes
Clothing		Real Estate Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Medicine					<input type="checkbox"/> No <input type="checkbox"/> Yes
Baby Sitter		Cellular			<input type="checkbox"/> No <input type="checkbox"/> Yes
Transportation					<input type="checkbox"/> No <input type="checkbox"/> Yes
Alimony/Child		Miscellaneous			<input type="checkbox"/> No <input type="checkbox"/> Yes
Auto					<input type="checkbox"/> No <input type="checkbox"/> Yes
Home					<input type="checkbox"/> No <input type="checkbox"/> Yes
Life Insurance		<b>TOTALS</b>	<b>TOTAL MONTHLY PAYMENTS</b>	<b>TOTAL BALANCE</b>	
Health					
Personal					
Real Estate					
Sub-total		<b>SUMMARY</b>			
		<b>Total Monthly Income</b>			\$ _____
		<b>Total Monthly Expenses</b>			\$ _____
		<b>Discretionary Income</b>			\$ _____
		<b>Monthly Payment Arrangements</b>			\$ _____
<b>OTHER EXPENSES</b>					
Will the patient be unable to work or go to school due to physical impairment? <input type="checkbox"/> No <input type="checkbox"/> Yes					

If yes, what is the disabling condition or diagnosis? \_\_\_\_\_

How long will the patient be disabled? \_\_\_\_\_  
\_\_\_\_\_. (Please attach a statement from the doctor.)

**COMMENTS**

**PATIENT AGREEMENT**

The undersigned applies for financial assistance indicated in this application and represents that all statements made in this application are true and are made for the purpose of obtaining financial assistance. The original or a copy of this application will be retained by the creditor, even if financial assistance is not granted. The undersigned also agrees to allow this facility to contact any or all of the above references for credit verification, including credit bureaus.

\_\_\_\_\_  
**Patient Signature**

\_\_\_\_\_  
**Responsible Party or Spouse Signature**

\_\_\_\_\_  
**Facility Representative Department**

\_\_\_\_\_  
**Date**

**EXHIBIT 2**

Date: \_\_\_\_\_

Patient Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Admission Date: \_\_\_\_\_ Discharge Date: \_\_\_\_\_

Estimated Insurance Liability \$ \_\_\_\_\_ Account Balance: \$ \_\_\_\_\_

Total Amount Due \$ \_\_\_\_\_

Dear \_\_\_\_\_:

Attached you will find a financial assistance application form. Financial assistance is based on current balances. If you qualify for any financial assistance, payments already made to this account will not be refunded. Please fill out the application completely and provide me with the following indicated support documents within two (2) weeks:

- \_\_\_\_\_ Last year's federal tax return with W-2, W-2G, or 1099-R forms and support schedules.
- \_\_\_\_\_ Proof of income (i.e., check stubs, Social Security Benefits, etc.)
- \_\_\_\_\_ Bank statements for the past three (3) months

The financial statement must be signed by the guarantor and the guarantor's spouse, if applicable.

Thank you for your anticipated cooperation in gathering the information needed for the application. Please be aware that if all information is not received, your application for assistance will not be processed.

Your account will be kept open for two (2) weeks pending the return of the above information. If you have any questions, please call toll-free at xxx-xxx-xxxx, Monday through Friday, 8:30 a.m. to 4:30 p.m.

Sincerely,

XXXXX  
Director, Patient Accounts  
Enclosures

**EXHIBIT 3**

Date: \_\_\_\_\_

Patient Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Dates of Service: \_\_\_\_\_

\_\_\_\_\_ Your application for financial assistance has been approved in the amount of \_\_\_\_\_%. This allowance will be applied to the hospital charges remaining after all applicable insurance benefits have been paid. This allowance does not apply to your physician's bill or non-covered items such as private room, take home items, etc. The balance remaining, after financial assistance has been applied, must be paid by cash, personal check or money order. Please contact the Patient Accounts Department regarding your choice of payment options.

Your current balance after financial assistance is \$: \_\_\_\_\_.

\_\_\_\_\_ Your application for financial assistance has been denied. Your level of income is higher than the standard level used to compute our financial assistance allowance.

Sincerely,

Patient Accounts Department  
Monday – Friday (8:30 a.m. to 4:30 p.m.)