

Charity care is care given to persons with modest resources without standard compensation for that care. There has been an evolution in the definition of what qualifies as charity care, and there are differences of opinion on what should be included in any definition of charity care.

In Virginia, the term “indigent care” is used for charity care. When Virginia’s Indigent Care Trust Fund was established, it established indigent care as care to persons below the Federal poverty level, with no payment received for that care. Although calculations of payments to and distributions from the Indigent Care Trust Fund are still based on 100 percent of the Federal Poverty Level, data are reported for care to persons up to 200 percent of the poverty level. All reported data must be verified, including the income of the family of the individual who received care.

The Certificate of Public Need program currently uses 200 percent of the poverty level in determining the amount of indigent care provided by a facility. Conditions are placed on Certificates granted requiring facilities to provide the regional average (excluding the two state supported teaching hospitals) of indigent care.

Facilities unable to meet the regional average can fulfill part of their obligation by providing support to care for the indigent in other ways, including contributions to the Virginia Primary Care Association, the Virginia Association of Free Clinics, and the Virginia Health Care Foundation. Many support local programs providing care to the indigent.

In addition to the officially calculated indigent care, it also can be argued that hospitals and other facilities provide charity care in other ways, including the following:

1. Many now provide charity care to persons above 200 percent of poverty, with some facilities writing off much or all of charges for anyone with family income up to 400 percent of poverty.
2. Many receive only a small payment for some people, particularly for those between 100 and 200 percent of poverty, with the facility unable to officially count any of the cost of care to that person as indigent care even if the actual cost exceeded the payment received by tens of thousands of dollars.
3. Many write off the deductible or co-payment for a person who is below 200 percent of poverty and who has insurance that pays part of the bill, with the write-off not credited as indigent care.
4. Some care, particularly emergency department care, is provided to persons who indicate they are indigent but who never come back to the facility with the documentation to prove the assertion, with that not counted as indigent care because of the lack of verification.
5. Many provide support for indigent care programs in their local communities, such as community health centers, with that support not recorded as indigent care.

6. All or nearly all facilities accept payments from Medicaid that may be less than the facility's actual cost of providing the care.

There are state data on indigent care provided to persons below 200 percent of poverty when no payment for care was received. There is not comprehensive information on other indigent care, such as in the six items above.

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