

TITLE: Charity Care, Deposit and Discount Payment

DEPARTMENT: Business Office

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SCOPE: FINANCIAL PERSONNEL

POLICY: The Business Office will maintain an understandable, written financial assistance policy for low-income uninsured and underinsured patients, addressing the hospital's charity care, deposit and discount payment policy.

The written charity care, deposit and discount payment policy will be in compliance with AB 774.

Uninsured patients, as well as insured patients with high medical costs, are eligible to apply under the policy if their family income is at or below 250 percent of the federal poverty level.

The charity care, deposit and discount payment policy will state the process used to determine whether a patient is eligible for charity care or a discounted payment.

Underinsured patients, such as those with high-deductible consumer-driven health plans, are eligible to apply under the District's policy. To be eligible, patients must incur out-of-pocket costs that exceed 10 percent of their family income in the prior 12 months.

A patient applying must make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the patient fails to provide information that is reasonable and necessary for the hospital to make a determination, the hospital may consider that grounds for disqualification.

PROCEDURE:

If a patient or hospital staff member considers that the patient may be eligible for charity care or discounted payment, they will provide the patient with a Financial Statement form and request that it be returned to the Financial Counselor for eligibility determination.

The Financial Counselor will review all Financial Statements submitted for eligibility determination for either charity care or discount payment as soon as reasonably possible, but in all cases prior to instituting any collection practices other than the initial deposit requirements as specified in the deposit schedule. (attached)

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In determining eligibility for charity care, the financial counselor will require all relevant income information from the patient to verify possible eligibility. (This includes, but is not limited to Income Tax Returns, W-2's, recent pay stubs and bank statements) This information may not be used for collection activities.

Notice

Business services staff will provide patients with a written notice about the availability of the discount payment and charity care policy. This notice will be clearly and conspicuously posted in locations that are visible to the public, including, but not limited to, the emergency department, billing office, admitting office, rural health clinic, retail pharmacy and other outpatient locations. This notice will be in English and other languages as required by Insurance Code 12693.30.

Eligibility

In determining eligibility for charity care, business services staff will consider the income and monetary assets of the patient. However, they will not include any of the various retirement or deferred-compensation plans that an applicant may have, the first \$10,000 of an applicant's monetary assets, and 50 percent of any amount over the first \$10,000 in determining eligibility.

Billing Requirements

Business services staff will make all reasonable efforts to obtain information from the patient about whether private or public health insurance might fully or partially cover the charges for care, including private health insurance, Medicare, Medi-Cal, Healthy Families, or other state or federally funded programs.

When a patient is billed who has not provided proof of coverage by a third party at the time the care was rendered or upon discharge, the business services staff will include as part of that billing process a "clear and conspicuous" notice of the following:

- A statement of charges for services rendered;
- A statement that, if the consumer does not have health insurance coverage, the consumer may be eligible for Medicare, Healthy Families Medi-Cal or charity care;
- A statement indicating how patients may obtain applications for the Medi-Cal and the Healthy Families Program and that the Hospital will assist in obtaining these applications;
- Information regarding the financially qualified patient and charity care application process, including the following:
 - A. A statement that indicates that, if the patient lacks or has inadequate insurance and meets certain low and moderate-income requirements, the patient may qualify for a discounted payment or charity care.

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- B. The name and number of the then current patient financial counselor and the business office for further information about the hospital's discount payment and charity care policy, and how to apply for assistance.

Payment Plan

If a patient tries to qualify for the SIHD charity care or discount payment and attempts in good faith to settle an outstanding bill by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, SIHD will not send the bill to a collection agency unless that agency agrees to comply with the requirements of AB 774.

SIHD will not use wage garnishments or liens on primary residences as a means of collecting debt from eligible patients. However, an unaffiliated collection agency may obtain a court order authorizing wage garnishment.

Any extended payment plan offered by SIHD to assist patients eligible under the charity care and deposit and discount payment policy, or any other policy adopted by SIHD for assisting low-income patients will be interest free.

Before commencing collection activities, SIHD will provide the patient with a clear and conspicuous written notice regarding the patient's rights under state and federal fair debt collection rules. The notice must include a statement that the Federal Trade Commission enforces these requirements.

Attachments: Charity Criteria
Sliding Scale
Deposit Schedule

Reference: AB 774

APPROVAL	DATE	APPROVAL	DATE
Department/Division Manager		Interdisciplinary Team	N/A
Unit Medical Director (if applicable)	N/A	Governing Board	10-7-19
Medical Staff Committee (if applicable)	N/A	Administration	10-7-19
Reviewed By:		Reviewed By:	
Reviewed By:		Reviewed By:	