

**TITLE: Charity Care and Financial Assistance****DEPARTMENT: Business Office****PAGE 1 OF 3****SCOPE: FINANCIAL PERSONNEL****POLICY:**

The Business Office will maintain an understandable, written financial assistance policy for low income uninsured and underinsured patients, addressing the KVHD's Charity Care and Financial Assistance Policy.

Kern Valley Healthcare District (KVHD) offers charity care and financial assistance through its Charity Care and Financial Assistance Policy to patients who are uninsured, underinsured, or insured patients with high medical costs. Our Financial Counselor will review individual cases and will decide on the financial assistance that may be offered prior to, during, or after services are provided. Upon verifying eligibility for financial assistance, An individual who qualifies for a financial assistance discount will not pay more than Medicare or Medi-Cal would pay for the same service, whichever is greater. KVHD shall offer hospital inpatients and hospital outpatients discounted care in accordance with the KVHD Financial Assistance Policy for Medically Necessary Services and Emergency Services including the professional emergency room physician fees. An emergency room physician, is a physician who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350% of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

A patient who is 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 decision, the hospital may consider that grounds for disqualification.

The policy will state the process used to determine whether a patient is eligible for charity care or financial assistance.

**PROCEDURE:**

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

To be considered, a submitted application must include supporting financial documentation for either charity care or a financial assistance discount. For patients applying for charity care the hospital will request paystubs or current W2. For patients applying for a financial discount only the hospital will request the same information, recent paystubs or current W2. The hospital may accept other forms of documentation of income but shall not require such other forms. Please note that those patients who are approved for Charity Care will receive their services for free care and patient that are approved for Financial Assistance will receive a discount on services.

The Financial Counselor will review all Financial Statements submitted for eligibility determination for financial assistance 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.

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Business services staff will provide patients with a written notice about the availability of the financial assistance program. 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**

Criteria for both the charity care discount and financial assistance discount are the same. The patient must complete a financial assistance application and provide income information. In determining eligibility for financial assistance for either charity care or a financial assistance discount, the Financial Counselor reviews all documentation and will use the current year's published Federal Poverty Guidelines to determine the patient's family income level. Patient's family means the following:

- For people 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not.
- For people under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

For patients whose income is at or below 100% of the federal poverty level will qualify for Charity Care which is free care. For patients whose income is between 101% and 400% will qualify for a financial assistance discount (90%-55% discount of total charges).

**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, Covered CA, Medicare, Medi-Cal, 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:

1. A statement of charges for services rendered.
2. A statement that, if the consumer does not have health insurance coverage, the consumer may be eligible for Medicare, Medi-Cal, Covered CA or financial assistance.
3. A statement indicating how patients may obtain information for the Medi-Cal and Covered CA.
4. Information regarding the financially qualified patient and financial assistance 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.
  - B. The name and number of the then-current patient financial counselor and the business office for further information about the hospital's Financial Assistance Policy, and how to apply for assistance

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**Payment Plan**

If a patient tries to qualify for KVHD’s charity care or financial assistance 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, KVHD will not send the bill to a collection agency.

KVHD 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.

KVHD offers payment plans that allow you to pay your balance over time. The hospital shall negotiate the terms of the payment plan with the patient taking into consideration the family’s income and essential living expenses. If the hospital and patient cannot agree on the payment plan, the hospital shall create a reasonable payment plan, where monthly payments are not more than 10% of the family’s monthly income, excluding deductions for essential living expenses.

Before commencing collection activities, KVHD 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. Any financial information given to determine a patient’s eligibility for either a charity care discount or a financial assistance discount cannot be used for collection activity if a patient account is referred to an outside collection agency.

**Disputes**

Any disputes regarding the Financial Counselors’ decision about eligibility for Charity Care or Financial Discount will be referred to and reviewed by the current CFO and Revenue Cycle Manager.

Attachments:  
Federal Poverty Guidelines

APPROVAL	DATE	APPROVAL	DATE
Department/Division Manager	9/09/25	Interdisciplinary Team	N/A
Unit Medical Director (if applicable)	N/A	Governing Board	10/09/25
Medical Staff Committee (if applicable)	N/A	Administration	9/22/25
Reviewed By:		Reviewed By:	
Reviewed By:		Reviewed By:	

Federal Poverty Guidelines: The measure of income levels published annually by the United States Department of Health and Human Services and is used by hospitals to determine eligibility for financial assistance. These guidelines are available at

<https://aspe.hhs.gov/topics/poverty-economicmobility/poverty-guidelines>

	100 % Full Charity Care	90 % Discount	80 % Discount	70 % Discount	60 % Discount	55 % Discount
Family Size (Household)	Annual 100% FPL	Annual 200% FPL	Annual 250% FPL	Annual 300% FPL	Annual 350% FPL	Annual 400% FPL
1	\$15,060	\$30,120	\$37,650	\$45,180	\$52,710	\$60,240
2	\$20,440	\$40,880	\$51,100	\$61,320	\$71,540	\$81,760
3	\$25,820	\$51,640	\$64,550	\$77,460	\$90,370	\$103,280
4	\$31,200	\$62,400	\$78,000	\$93,600	\$109,200	\$124,800
5	\$36,580	\$73,160	\$91,450	\$109,740	\$128,030	\$146,320
6	\$41,960	\$83,920	\$104,900	\$125,880	\$146,860	\$167,840
7	\$47,340	\$94,680	\$118,350	\$142,020	\$165,690	\$189,360
8	\$52,720	\$105,440	\$131,800	\$158,160	\$184,520	\$210,880
For each additional member	\$5,380	\$10,760	\$13,450	\$16,140	\$18,830	\$21,520

Effective 01/2024