Title:	**Charity and Cash Discount Policy**	Policy Number: 11.30	Original Date: 01/99
Scope:	Patient Business Office	Review Date: 04/24	Revision Date: 4/25, 3/26, 10/26
Manual:	Administrative	Approval Date:	**Page** 1

Charity and Cash Discount Policy

Charity Care / Cash Discount Price

PURPOSE:

To establish a policy for care that is rendered free of charge and/or at a discounted price to individuals who, because of their financial status, are unable to pay or partially pay for services provided. This policy extends to all patients accepted by Alhambra Hospital Medical Center.

POLICY:

Alhambra Hospital Medical Center is committed to providing high quality and affordable hospital services to patients who are uninsured or underinsured. This policy establishes the guidelines to follow for communicating our policy to qualify patients for charity care and/or a cash discounted price.

COMPANION POLICIES AND PROCEDURES:

This policy is a companion policy and procedure to the Low-Income Financial Assistance (LIFA) Policy & Procedure and the Self-Pay Policy & Procedure. Employees should be aware of all these policies to ensure the correct process is followed when serving our patients.

DETERMINATION / REVOKABILITY:

Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient's financial status or third-party coverage.

DEFINITIONS:

Charity Care

The term "Charity Care" means the providing of care, free of patient responsibility, to those patients who qualify under the Charity Care Criteria established by Alhambra Hospital Medical Center.

LIFA Patient

A patient whose family income is between 251% - 400% of the FPL qualifies for partial pay for services for services provided.

Other Cash Discounted Patient

A patient whose family income is above 401% of the FPL qualifies for partial pay for services provided.

Charity Care Patient & Cash Discounted Price

A patient whose family income is below or equal to the Charity Care Criteria equal to or less than 250% of the Federal Poverty (FPL) available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 626-458-4779. Financial Assistance is available to uninsured and underinsured patients, as well as the patient responsibility for patients with insurance, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other amounts due for medically necessary hospital services.

Per the Low-Income Financial Assistance (LIFA) section of this policy, qualifying patients at or below 400% of the FPL, are responsible for paying the prevailing Medicare or Medi- Cal rate, whichever is greater. Qualifying patients above 401% of the FPL without insurance are responsible for 40% of the total charges. Patients qualifying for LIFA and above 401% of FPL are responsible for 40% of the total charges. Financial Assistance may apply to the patient responsibility, including non- covered charges for the hospital stay, coinsurance, copayment, deductible amounts, and other charges for medically necessary hospital services. Additionally, other uninsured patients may be eligible a self-pay discount. This determination is made by Alhambra Hospital Medical Center on a case-by-case basis, after evaluation of potential insurance options for the patient.

SCOPE AND RESPONSIBILITIES:

It is the responsibility of the Director of Patient Financial Services and Admitting Manager to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

PROCEDURES:

Notice of Hospital Charity Care Policy

The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. It is the policy of Alhambra Hospital Medical Center to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for Charity Care. A presumptive Medi- Cal screening and Medi-Cal application (SAWS1) form will be distributed to patients who do not indicate coverage by a third-party payer, or who requests a Charity Care application.

Financial information required of the patient to determine Charity Care eligibility:

The information described below assists in that process.

a. A completed financial assistance application (mandatory)
b. Proof of Income:
    i. Three recent pay stubs (must be within 6 months before or after the patient is first billed by the hospital, or in the case of pre-service, when the application is submitted).
    ii. Most recent tax return, if no current pay stub (must be from the same year in which the patient was first billed, or 12 months prior to when the patient was first billed).

If verification is either challenging or impractical, the Hospital shall assign a representative to complete the information through interviews with those who know the patient's financial status best.

Homeless/indigent patients with no insurance are automatically eligible for charity care.

Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of charity assistance and/or cash discounted price as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. The failure to provide information that is reasonable and necessary to make a determination concerning charity care may be considered by Alhambra Hospital Medical Center in making its determination.

Eligibility Disputes

Situations where an applicant disputes the eligibility determination shall be reviewed by the Patient Financial Services Director and / or the Business Office Supervisor. The applicant shall be notified of the review results in writing within 30 days from receipt of the dispute.

Collection Requirements

Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for charity or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient's application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must take into account the patient's family income, as well as essential living expenses and must be provided without interest.

In the event that the Hospital and patient are unable to agree on the payment plan, the Hospital shall create a reasonable payment plan, where monthly payments are not more than 10% of the patient's monthly family income, excluding deductions for essential living expenses. Any account assigned for collection shall not be reported against the patient's credit record, pursuant to SB-1061. If a person knowingly violates that regulation by furnishing information regarding this debt to a consumer credit reporting agency, the debt shall be rendered void and unenforceable.

Discovery of Patient Financial Assistance Eligibility During Collections

While Alhambra Hospital Medical Center strives to determine patient financial assistance as close to the time of service as possible, in some cases further investigation is required to determine eligibility. Some patients eligible for financial assistance may not have been identified prior to initiating external collection action. Alhambra Hospital Medical Center collection agencies shall be made aware of this possibility and are requested to refer-back patient accounts that may be eligible for financial assistance. When it is discovered that an account is eligible for financial assistance, Alhambra Hospital Medical Center will reverse the account out of bad debt and document the respective discount in charges as charity care.

Charity & Cash Discount Write-off Account

Qualified patients receiving Charity Care will have 100% of their bill written off to the facility's Charity Care

Transaction Code – ASPCHARITY (Below 250% FPL)
LIFA (251%-400% FPL) Transaction Code – ASPLIFA
Cash Discounted Price (Above 401% FPL) Transaction Code - ASPPRICE

Presumptive Charity

Financial assistance may be granted in the absence of a completed application in situations where the patient does not apply but other available information substantiates a financial hardship such as homelessness. The reason for presumptive eligibility may be reflected in the transaction code used to finalize the patient's claim. Additional patient notes may also be included. Examples of exceptions where documentation requirements are waived include, but are not limited to:

- An independent credit-based financial assessment tool indicates indigence.
- An automatic financial assistance determination of 100% assistance is applied in the following situations provided other eligibility criteria are met:
    - Patient has an active Medicaid plan
    - Patient is eligible for Medicaid
    - Patients with current active Medicaid coverage will have assistance applied for past dates ofservice.
    - Patient is Homeless
    - Patient is deceased
- Determination of patient financial assistance eligibility by the Director of Patient Financial Services.
- Presumptive eligibility tools may not be used for Medicare Fee for Service patients (as required by Centers for Medicare and Medicaid Services' bad debt regulations)

Non-Covered / Denied Medicaid or Indigent Care Program Services

Non-covered and denied services provided to Medicaid or other indigent care program eligible beneficiaries are considered a form of charity care. Medicaid beneficiaries are not responsible for any forms of patient financial liability and all charges related to

services not covered, including all denials, are charity care. Examples may include, but are not limited to:

- Services provided to Medicaid beneficiaries with restricted Medicaid (i.e., patients that may only have pregnancy or emergency benefits, but receive other hospital care)
- Medicaid-pending accounts.
- Homeless / Indigent accounts
- Medicaid or other indigent care program denials
- Charges related to days exceeding a length-of-stay limit
- Claims (including out of state Medicaid claims) with “no payment”.
- Any service provided to a Medicaid eligible patient with no coverage and no payment.

Access to Healthcare during a Public Health Emergency

A Healthcare Crisis may be related to an emergent situation whereby state / federal regulations are modified to meet the immediate healthcare needs of Alhambra Hospital Medical Center and the community it serves. The Healthcare Crisis must be declared by the executive management at Alhambra Hospital Medical Center. During a Healthcare Crisis Alhambra Hospital Medical Center may provide a more generous discount or charity policy. These changes will be included in the patient financial assistance policy as an addendum. Patient discounts related to the Healthcare Crisis may be provided at the time of the crisis, regardless of the date of this policy, as hospital leadership may not be able to react quickly enough to update policy language in order to meet more pressing needs during the Healthcare Crisis.

Emergency Physician

An emergency physician, as defined in Section 127450, 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 400 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

Low Income Financial Assistance (LIFA)

PURPOSE

To establish an Alhambra Hospital Medical Center policy for care that is rendered at a reduced fee for those who qualify for Low Income Financial Assistance (LIFA).

POLICY

Alhambra Hospital Medical Center is committed to providing high quality, affordable healthcare services to patients who are uninsured / underinsured. This policy establishes the guidelines to follow and to communicate to our patients with low-income needing financial assistance.

COMPANION POLICIES AND PROCEDURES

This policy is a companion policy and procedure to the Charity Care Policy & Procedure and the Self-Pay Policy & Procedure. Employees should be aware of all these policies to ensure the correct process is followed when serving our patients.

DETERMINATION / REVOKABILITY

LIFA eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient's financial status or third- party coverage.

DEFINITIONS:

Low Income Financial Assistance

The term "Low Income Financial Assistance" means the providing of care at a reduced fee to those patients who qualify under the low-income financial assistance criteria established by Alhambra Hospital Medical Center.

Low Income Financial Assistance Patient

Defined as a patient whose family income is above the Charity Care threshold but equal to or below 400% of the Federal Poverty Level (FPL) (available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 626.457.7997) and has High Medical Costs. High Medical Costs is defined as Annual out-of-pocket medical expenses that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months.

SCOPE AND RESPONSIBILITIES

It is the responsibility of the Director of Patient Financial Services and Admitting manager to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

PROCEDURES:

Notice of Hospital's LIFA Policy

The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. A Medi-Cal presumptive eligibility application or Medi-Cal form will be distributed to patients who do not indicate coverage by a third-party payer, or who requests a Low-Income Financial Assistance application.

Financial information required of the patient:

The information described below assists in that process.

1. A completed financial assistance application (mandatory with limited exceptions as described in the Presumptive Charity section of this policy).
2. Proof of Income:
    - Three recent pay stubs (must be within 6 months before or after the patient is first billed by the hospital, or in the case of pre-service, when the application is submitted).
    - Most recent tax return, if no current pay stub (must be from the same year in which the patient was first billed, or 12 months prior to when the patient was first billed).

If verification is either impossible or impractical a delegated Manager may complete the information with information received through interviews with those who know the patient's financial status.

Uninsured Adjustments to Accounts

Qualified patients WITHOUT INSURANCE receiving LIFA will pay the prevailing Medicare or Medi-Cal rate, whichever is greater, for inpatient or outpatient services provided. The facility's Low-Income Financial Assistance Transaction Code will be used to adjust the balance remaining.

Underinsured Adjustments to Accounts

Qualified patients WITH INSURANCE receiving LIFA will be responsible for paying the prevailing Medicare or Medi-Cal rate, whichever is greater, and the rest to be written off to the facility's Low Income Financial Assistance djustment Transaction Code. Eligibility is determined according to the patient's family income at or below 400% of the Federal Poverty Level, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 626-458-4779.

LIFA for Insured Patients: A Financial Assistance adjustment may be applied to the patient liability portion for patients with insurance, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other liabilities for medically necessary hospital services.

Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of financial assistance as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. Failure to provide information that is reasonable and necessary to make a determination concerning financial assistance may adversely impact the decision Alhambra Hospital Medical Center will make.

Collection Requirements

A patient account may not be sent to a collection agency if the patient is attempting to qualify for financial assistance or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient's application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest.

Emergency Physician

An emergency physician, as defined in Section 127450, 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 400 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

Eligibility Procedures

Low-Income Financial Assistance Application

- A notice regarding financial assistance is included in all patient packets.
- A LIFA application is distributed to all uninsured patients at registration or by collectors after patient is discharged.
- Uninsured patients will be provided an application for Medi-Cal or other governmental programs.
- Uninsured patients whose total family income is less than or equal to 400% of the federal poverty level will be eligible for charity care or low-income financial assistance.
- For purposes of determining eligibility, a patient's family means the following: for persons 18 years or older, spouse, domestic partner, dependent children under age 21 or any age if disabled (living at home or not); or for persons under the age of 18, or for a dependent child 18 to 20 years old, inclusive, parent, caretaker relatives and parent's or caretakers relatives other dependent children under 21years old, or any age of disabled.
- A complete application must be submitted (limited exceptions as disclosed in another Section of this policy).
- Proof of income is required for validation if no income patient must sign an attestation of unemployment.

Guidelines for Reviewing Low Income Financial Assistance Applications:

- Upon receipt, the application is reviewed by Patient Financial Services (PFS) Staff to determine if the application has been completed and the supportive documents are attached.
- The patient will continue to receive statements but will not be sent to a collection agency during the review process.
- If the application is incomplete, the patient is sent a letter requesting the missing information.
- The patient is given 15 days to return the requested documents.

- If the requested information is not received within 15 days, the patient will be called before canceling application.
- Once the application is complete, the application is forwarded to the PFS Director for determination.
- Once the application is approved, the patient will be sent an approval letter.
- The financial class will be updated, and adjustment form submitted.
- If the application is denied, the patient will be sent a denial letter with explanation.
- The PFS Director will make every reasonable effort to make the low-income financial assistance determination as soon as possible.

Cash Discounted Price

PURPOSE

To establish an Alhambra Hospital Medical Center policy for care that is rendered at a reduced fee for those who qualify for cash discounted price.

POLICY

Alhambra Hospital Medical Center is committed to providing high quality, affordable healthcare services to patients that are uninsured / underinsured. This policy establishes the guidelines to follow and to communicate to our patients with low-income needing financial assistance.

COMPANION POLICIES AND PROCEDURES

This policy is a companion policy and procedure to the Charity Care Policy & Procedure and the Self-Pay Policy & Procedure. Employees should be aware of all these policies to ensure the correct process is followed when serving our patients.

DETERMINATION / REVOKABILITY

Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient’s financial status or third-party coverage.

DEFINITIONS:

Cash Discounted Price

The term "Cash Discounted Price" means providing of care at a reduced fee for those patients who have no health insurance, and with family income above 401% of the FPL established by Alhambra Hospital Medical Center.

Cash Discounted Price Patient

A Cash Discounted Price Patient is any uninsured patient whose family income is above 401% of the FPL. The Federal Poverty Level (FPL) available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines or by calling Patient Financial Services at 626 458 4779.

High Medical Costs are defined as Annual out-of-pocket medical expenses that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months. Or annual out-of-pocket expense that exceeds 10% of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

Contact Person for charity policy and application status for discharged patients:

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Contact Person for charity policy and application status for in-house patients:

Annie Chang
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