Discount Payment Program

I. PURPOSE

This policy defines the process for determining when qualified low income uninsured and underinsured patients of the Contra Costa Regional Medical Center (CCRMC) and Health Centers (HCs) are eligible to receive a partial discount on their medical care.

II. REFERENCES

California Assembly Bill AB 774 – Hospital Fair Pricing Policies
California Assembly Bill AB532 – Fair Billing Policies
California Code of Civil Procedure, Section 685.010
California Health and Safety Code, Sections 127400-127455
California Constitution, Article XV, Section 1

III. POLICY

Contra Costa Health Services operates a number of programs and services to help qualifying individuals minimize the financial burden associated with the cost of obtaining medical treatment.

1. The Financial Counseling Department helps eligible patients gain access to government sources of medical assistance including Medi-Cal, Family PACT, or other health coverage programs, including health insurance through Covered California.

2. The Basic Health Care Program is temporary health coverage program for low-income, uninsured United States citizens or legal permanent residents of Contra Costa County whose household financial resources and/or income does not exceed 300% of the federal poverty level.

3. The Sliding Fee Scale Program allows patients to share in the cost of services based on their ability to pay. This program is offered to uninsured and underinsured patients whose household income does not exceed 200% of the federal poverty level.

Patients who are not eligible for any of these health coverage programs or for free (Charity) care may financially qualify for partially discounted medical care under the Discount Payment Program**.** This policy outlines the process used by CCRMC and HCs to determine a patient's eligibility for the Discount Payment Program.

DEFINITION

Uninsured patients are individuals who do not have third-party coverage from a health insurer, health care service plan, Medicare, Medi-Cal, or Basic Health Care, and whose injury is not compensated under a Worker's Compensation plan, automobile insurance, or other insurance as determined and documented by CCRMC and HCs. Patients who have reached a lifetime limit on their insurance benefits will be considered uninsured for services in excess of that limit.

Underinsured patients are patients who have third party insurance coverage but are considered to have high medical costs because they have 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 twelve months, and their family income does not exceed 400% of the federal poverty level.

IV. AUTHORITY/RESPONSIBILITY

Health Services Administrator – Financial Counseling
Director of Patient Financial Services

V. PROCEDURE

Uninsured or underinsured individuals who do not qualify for government sponsored health benefits, Basic Health Care, Sliding Fee Scale Program, or free (Charity) care may qualify for partially discounted medical care under the Discount Payment Program. Eligibility for this program is based on family income limitations and high out-of-pocket medical expenses.

A. Determining Patient Eligibility

1. The Financial Counseling Department will determine an applicant's eligibility for the Discount Payment Program based on a review of the patient's monetary assets and family income. Documentation of income is limited to recent pay stubs or written self-attestation of earned income if self-employed, and statements from financial institutions.

2. Uninsured patients are financially qualified to obtain a discount on their medical bills when their family income is at or below 400% of the federal poverty level.

3. Underinsured patients are financially qualified to obtain a discount on their medical bills if they do not receive a discounted rate on their medical bill as a result of third-party coverage, if their family income is at or below 400% of the federal poverty level, and if they have out-of-pocket medical expenses in the prior 12 months (whether or not at CCHS) that exceed 10% of the family's current income. Underinsured individuals may be asked to provide documentation for expenses incurred outside of CCHS in the prior twelve months.

4. Patients must apply for Discount Payment eligibility within 180 days of initial billing. Eligibility for partially discounted medical care will be denied if the applicant does not financially qualify or does not provide the required documentation within 180 days of the initial billing. If the patient makes a reasonable effort to obtain documentation but is unable to do so through no fault of his/her own, an attempt will be made to make an eligibility determination without such documentation.

5. Requests initiated beyond 180 days of initial billing will be denied.

6. Applicants will be allowed to appeal any denial of eligibility to the Director of Patient Financial Services.

7. Information concerning income obtained as part of the eligibility process will be maintained in a separate file from the file used to collect the debt. This information will not be used for collection activities.

B. Limitations on Patient Liability

1. Once CCRMC and HCs accepts a patient, all services furnished to that patient during a particular hospital stay or outpatient visit are subject to the Discount Payment Program policy. This includes emergency services provided by an emergency physician and medically unnecessary services or procedures.

2. Patients must apply for Discount Payment Program eligibility within 180 days of initial billing. Requests initiated beyond 180 days of the initial billing will not be considered, and the patient will be fully liable for all charges associated with the services rendered.

   a. Ineligible uninsured patients will be billed for the cost of all medical care received from **CCRMC and HCs**.

   b. Ineligible underinsured patients will be billed for any unpaid balance after their third-party insurance payment has been received.

3. Eligibility for partially discounted medical care will be denied if the applicant does not financially qualify or does not make a reasonable effort to provide the required documentation within 180 days of the initial billing.

4. Applicants will be allowed to appeal any denial of eligibility to the Director of Patient Financial Services.

C. Providing Notices

1. **Written Notice to Patients:** The initial billing to a patient classified as uninsured or underinsured will be accompanied by:

   a. A statement of charges.

   b. A request that the patient inform the Patient Accounting Department if he/she has health insurance coverage or other coverage.

   c. A statement that the individual may be eligible for Medicare, Medi-Cal, Family PACT, Basic Health Care or Covered California.

   d. Information advising the patient that he/she may qualify for fully discounted medical care or a partial discount on their medical bill based on family income limitations and high out-of-pocket medical expenses.

   e. Information advising the patient on where to call to obtain assistance in applying for these programs.

f. Information on where to access information on Help Paying Your Medical Bill on the Contra Costa Health website (cchealth.org).

g. The Hospital Bill Complaint Program statement to ensure that patients know where to file complaints regarding hospital financial assistance denials to the State of California.

Patients are classified as uninsured if they do not have third-party coverage or have not provided evidence of third-party coverage at the time of service. A patient with third-party coverage will be considered underinsured for billing purposes after the insurance has paid or been denied and the balance becomes the responsibility of the patient.

2. **Posted Notices:** Information about the availability of financial assistance for financially qualified patients of CCRMC and HCs will be posted in locations visible to the public including, but not limited to:

   a. The CCRMC Emergency Department.

   b. The Patient Financial Services Office.

   c. The CCRMC Admissions Office.

   d. Outpatient settings including the Health Centers and ancillary departments furnishing services to outpatients.

3. **Limits on Debt Collection**
   Neither CCRMC and HCs, the assignee of an account, nor a collection agency may, within 180 days of initial billing, report adverse information to a consumer credit reporting agency concerning, or commence a civil action against, a patient who lacks coverage or provides information that he or she may be a patient with high medical costs.

   The expected payment from a patient eligible under the Discount Payment Program is limited to the ***greater*** of the amount of payment the hospital would receive for providing services from Medicare, Medi-Cal, or any other government-sponsored health program in which CCHS participates.

   Medi-Cal has been identified as the highest paying program in which CCRMC and HCs participates. Therefore, qualifying uninsured individuals will have their medical bills discounted to the comparable amount paid by Medi-Cal, which pays 65% of total charges for both inpatient and outpatient services. Therefore, all eligible individuals will receive a 35% discount on their medical bills.

   Qualifying underinsured individuals will also have the applicable Medi-Cal discount applied to their medical bills. These individuals will be liable for the difference between what the individual's insurance pays and the discounted Medi-Cal rate. (For example, if the patient's insurance pays $4,000 on a

$10,000 inpatient medical bill, but the expected Medi-Cal payment is $6,500 for the same service, the initial $6,000 patient liability will be reduced to $2,500 – the difference between the expected Medi-Cal payment and the patient's third-party insurance payment. Conversely, if the insurance payment exceeds the expected Medi-Cal payment, no payment will be sought from the patient).

Unpaid bills will not be sent to a collection agency while the patient is attempting to qualify for eligibility in the Discount Payment Program, or if the patient is attempting in good faith to negotiate a reasonable payment plan.

Individuals qualifying for the Discount Payment Program will be offered interest-free extended payment plans. The terms of the payment plan will be negotiated between CCRMC and HCs and the patient.

CCRMC and HCs can declare the payment plan inoperative if the patient fails to make all consecutive payments during a 90-day period. Prior to doing so CCRMC and HCs must:

a. Attempt to contact the patient by telephone at the patient's last known phone number.

b. Give notice in writing that the plan may become inoperative. This may be sent to the patient's last known address.

c. Inform the patient of the opportunity to renegotiate the payment plan and attempt to do so if requested by the patient.

Until the plan is declared inoperative, no report may be made to a consumer credit reporting agency and no civil action may commence.

CCRMC and HCs will not use wage garnishments or liens on primary residences as a means of collecting the unpaid bills of any individual who qualifies for the Discount Payment Program.

CCRMC and HCs will provide written notice to the patient before beginning collection activity. The assignee of the debt, such as a collection agency, must also provide written notice before it begins collection activity. The notice must include information about debt collection activities including the patient's rights, and a statement about the availability of nonprofit credit counseling services in the area.

Income or asset information obtained during the eligibility process may not be used for collection activities.

D. Reimbursing Overcharges to Patients
Any amount collected from a qualified patient in excess of the amount due under the terms of the Discount Payment Policy will be refunded with interest at the rate provided in Section 685.010 of the California Code of Civil Procedure, currently set at 10 percent annually.

VI. RESPONSIBLE STAFF PERSON

Health Services Fiscal Manager
Health Services Administrator – Financial Counseling

VII. ATTACHMENTS

A. Contra Costa Regional Medical Center and Health Centers Program Eligibility Review Process
B. Notice to Patients – English and Spanish

AUTHORED BY

Health Services Fiscal Manager
Health Services Administrator – Financial Counseling

APPROVED BY

Health Services Fiscal Manager
Health Services Administrator – Financial Counseling
Director of Patient Financial Services
Registration and Staffing Manager
Clinical Practice Committee
Patient Care Policy & Evaluation Committee: 7/2022
Medical Executive Committee

REVIEWED/REVISED

04/2022

Contra Costa Regional Medical Center (CCRMC) and Health Centers (HCs)
Program Eligibility Review Process

CCRMC and HCs has developed an application and eligibility review process that screens all applicants for eligibility in public health coverage programs including Medi-Cal and Family PACT. Applicants who are determined to be ineligible for public health coverage programs are automatically screened for eligibility in the following programs available through Contra Costa Health Services: Basic Health Care, the Sliding Fee Scale Program, the Charity Care Program, and the Discount Payment Program.

This review process is designed so that one application form can be used to determine eligibility for applicable program coverage. Program eligibility is based on a combination of family size, income, assets, and residency requirements. The eligibility requirements of the various programs are summarized in the table below.

Program Name / ***Eligibility Requirements***	**Basic Health Care Program (BHC)**	**Sliding Fee Scale Program**	**Charity Care Program**	**Discount Payment Program**
County Resident	Yes	No	Yes	No
Citizenship	Adults must be US Citizens or legal permanent residents. Children under age 19 may apply regardless of immigration status.	None	None	None
Income	Maximum 300% of FPL	Maximum 200 % of FPL	Maximum 400% of FPL	Maximum 400% of FPL
Assets Test	$2,000 individual; $3,000 family	None	$2,000 individual; $3,000 family	None
Age Restriction	None	None	None	None
Other			Out of pocket medical expenses in the prior 12 months exceed 10% of family income	Out of pocket medical expenses in the prior 12 months exceed 10% of family income

Basic Health Care (BHC): Basic Health Care is a temporary health coverage program for low-income, uninsured United States citizens or permanent legal residents of Contra Costa County. Eligible applicants must be a legal permanent resident of Contra Costa whose household financial resources and/or income does not exceed 300 percent of the federal poverty level, and whose liquid assets including retirement accounts do not exceed $2000 for an individual or $3000 for a family.

Sliding Fee Scale Program: This program is intended to minimize financial barriers for homeless individuals and families with incomes at or below 200% of the federal poverty level. This allows individuals and families to receive health care services for a fee that is adjusted based on their ability to pay.

Charity Care Program: Uninsured or underinsured individuals who do not qualify for government sponsored health benefits or Basic Health Care programs may qualify for fully discounted (free) medical care under the Charity Care Program. This program is only available to residents of Contra Costa County.

Uninsured patients are financially qualified to receive fully discounted (free) medical care when their family income is at or below 150% of the federal poverty level and their net allowable assets do not exceed $2,000 for an individual or $3,000 per family.

Underinsured patients are financially qualified to receive fully discounted (free) medical care if they do not receive a discounted rate on their medical bill as a result of third-party coverage, if their family income is at or below 150% of the federal poverty level, if their net assets do not exceed $2,000 for an individual or $3,000 per family, and if they have out-of-pocket medical expenses in the prior 12 months (whether or not at CCRMC and HCs) that exceeds 10% of the family income.

Discount Payment Program: Uninsured or underinsured individuals who do not qualify for government sponsored health benefit, Basic Health Care, or the Charity Care programs may qualify for partially discounted medical care under the Discount Payment Program. There is no assets test and no residency or citizenship requirement.

Uninsured patients are financially qualified to receive a discount on their medical bills when their family income is at or below 350% of the federal poverty level.

Underinsured patients are financially qualified to receive a discount on their medical bills if they do not receive a discounted rate on their medical bill as a result of third-party coverage, if their family income is at or below 350% of the federal poverty level, and if they have out-of-pocket medical expenses in the prior 12 months (whether or not at CCRMC and HCs) that exceeds 10% of the family income.

Contra Costa Health website: The above information, plus resources on *Help Paying Your Medical Bill* and *Hospital Price Transparency,* may be accessed on Contra Costa Health's webpage: **https://www.cchealth.org/home.**

Hospital Bill Complaint Program: The Hospital Bill Complaint Program is a state program that reviews hospital decisions about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Visit the State's Hospital Fair Billing Program website for more information, including how to file a complaint.

NOTICE TO PATIENTS:

This medical facility serves all patients regardless of ability to pay. Financial Counseling Department helps eligible patients gain access to government sources of medical assistance including Medi-Cal, Family PACT, or other health coverage programs including health insurance through Covered California. Discounts for essential services are offered based on family size and income.

For more information, please *contact a Financial Counselor at (800) 771-4270.*

For questions about the billing and payment process, contact the Health Consumer Alliance https://healthconsumer.org

Thank you.

AVISO A LOS PACIENTES:

Este centro médico sirve a todos los pacientes, independientemente de la capacidad de pago.

El Departamento de Consejeros Financieros ayuda a los pacientes que sean elegibles a obtener acceso a fuentes gubernamentales de asistencia médica, incluyendo Medi-Cal, Family PACT y otros programas de cobertura médica, incluyendo el seguro médico a través de Covered California.

Se ofrecen descuentos para los servicios esenciales dependiendo del tamaño de la familia y de los ingresos.

Para más información, por favor contactar a
Los Consejeros Financieros llamando al (800) 771-4270.

Si tiene preguntas sobre el proceso de facturación y pago, comuníquese con Health Consumer Alliance https://healthconsumer.org

Gracias.