



**POLICY:** Financial Assistance Charity Care    **Department:** Organization Wide

**Effective Date:** 9/2004

**Revision Date(s):** 9/2004, 8/2010, 3/2019,  
3/2022, 7/2025, 8/2025, 9/2025

**Signature:** \_\_\_\_\_

**Review Date(s):** 7/2014, 9/2025

## **I. Purpose**

The purpose of this Financial Assistance Charity Care Policy is to define the eligibility criteria and application process for financial assistance for patients who receive healthcare services at Mad River Community Hospital (MRCH). The policy also describes the types of financial assistance available and how MRCH seeks to ensure that patients have access to information about these programs.

## **II. Policy**

- A. It is the policy of MRCH to provide a process for financial assistance. MRCH is committed to providing financial assistance in the form of charity care to individuals who seek and obtain healthcare services from MRCH but are not able to meet their payment obligations to MRCH without assistance.
- B. Financial Assistance is not to be considered a substitute for personal responsibility. Patients are expected to cooperate with MRCH's Financial Assistance Charity Care requirements as outlined in sections IV and V below, including applying for public programs, pursuing health insurance options, and seeking care within their existing health insurance's provider network whenever possible.

## **III. Definitions**

- A. Charity Care: A 100% waiver of patient financial obligation for Medically Necessary services provided by MRCH. Patients with annualized family incomes not in excess of 400% of the Federal Poverty Guidelines may be eligible for fully discounted care.

- B. Eligibility Qualification Period: Patients determined to be eligible shall be granted Financial Assistance for a period of up to twelve (12) months. Financial Assistance will also be applied to eligible accounts incurred for services received prior to the Financial Assistance application date.
- C. Family: For patients 18 years or older, family includes the patient's spouse, registered domestic partner, and dependent children under 21 whether living at home or not. For patients under 18 years of age, family includes patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker. If a patient claims a dependent on their income tax return, according to the Internal Revenue Service rules, that individual may be considered a dependent for the purposes of determining financial assistance eligibility. Any and all resources of the household are considered together to determine eligibility under this Policy.
- D. Federal Poverty Guidelines: Federal Poverty Guidelines are updated annually in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current guidelines can be referenced at <https://aspe.hhs.gov/POVERTY/>
- E. Financial Assistance: Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by MRCH and who meet the eligibility criteria for such assistance. Under the Policy, Financial Assistance is charity care.
- F. Guarantor: An individual other than the patient who is responsible for payment of the patient's bill.
- G. Special Circumstances Financial Assistance: Financial assistance that provides a discount to eligible patients with annualized family income in excess of 400% of the Federal Poverty Guidelines and financial obligations resulting from medical services provided by MRCH that exceed 10% of the annualized family income.
- H. Medically Necessary: Healthcare services, including emergency care, which, in the opinion of an MRCH treating physician, is a service, item, procedure or level of care that is necessary for the proper treatment or management of the patient's illness, injury or disability.

- I. Presumptive Charity: Determination of eligibility for Financial Assistance based upon socioeconomic information specific to the patient that is gathered from market sources.
- J. Proof of Income: For purposes of determining Financial Assistance eligibility, MRCH will review annual family income. Proof of earnings may be determined by annualizing the year-to-date family income, taking into consideration the current earning rate.
- K. Reasonable Payment Plan: An extended interest-free payment plan that is negotiated between MRCH and the patient for any patient out-of-pocket fees. The payment plan shall take into account the patient's income, essential living expenses, assets, the amount owed, and any prior payments.
- L. Uninsured Patient: An individual having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program including, but not limited to, Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), Tricare/Champ VA, Worker's Compensation, or other third-party support to assist with meeting their payment obligations. It also includes patients that have third-party coverage, but have either exceeded their benefits cap, or their third-party coverage does not provide coverage for the particular Medically Necessary services for which the patient is seeking treatment from MRCH.
- M. Underinsured Patient: An individual, with private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by MRCH.

#### **IV. Patient Eligibility for Financial Assistance**

- A. All patients who receive healthcare services at MRCH may apply for Financial Assistance.
- B. All individuals applying for Financial Assistance are required to follow the procedures in Procedure section below.
- C. MRCH shall determine eligibility for charity care based on an individual determination of financial need in accordance with this Policy, and shall not take into account an individual's age, gender, race, immigration status, sexual orientation or religious affiliation.

- D. Applicants for Financial Assistance are responsible for applying to public programs for available coverage. They are also expected to pursue public or private health insurance payment options for healthcare services provided by MRCH. The patient's, or patient's Guarantor's, cooperation in applying for applicable programs and identifiable funding sources, including COBRA coverage (a federal law allowing for a time-limited extension of health care benefits), is required for services scheduled in the future.
- E. Patients who have out-of-network insurance coverage should seek care within their network. Out-of-network patients must secure authorization/approval for in-network reimbursement from their insurance for services at MRCH to be eligible for Financial Assistance.
- F. Patients, or patients' Guarantors, who do not cooperate in applying for programs that may pay for their healthcare services will be denied Financial Assistance. MRCH shall make affirmative efforts to help a patient or patient's Guarantor apply for public and private programs.
- G. The Internal Review Service requires MRCH to establish a methodology by which patients eligible for Financial Assistance will not be charged more than the Amounts Generally Billed (AGB) for Emergency and other Medically Necessary services to individuals who have insurance covering such care. For purposes of this requirement, MRCH will use a prospective method based on Medicare rates. Per the terms of this Policy however, no patients found eligible for Financial Assistance will be billed for Eligible Services while covered under this Policy.
- H. Patients or patients' Guarantor that directly receive reimbursement through out-of-network insurance, legal settlement, judgment or award that includes payment for healthcare services or medical care related to services rendered at MRCH are required to reimburse MRCH for the related health care services up to the amount reasonably awarded for that purpose.
- I. The Federal Poverty Guidelines shall be used for determining a patient's eligibility for Financial Assistance. Eligibility for Financial Assistance will be based on Family Income.
- J. MRCH may employ reasonable collection efforts to obtain payment from patients. General collection activities may include issuing patient statements, written correspondence, phone calls, and referral of statements that have been sent to the patient or guarantor. Copies of the MRCH Bad Debt Collections Policy may be obtained free of charge by calling 707-826-8260 or

within the Hospital Admitting Department, Credit and Collections Department or by emailing [collections@madriverhospital.com](mailto:collections@madriverhospital.com)

- K. Documentation of income or assets obtained from a Guarantor during the process of determining their eligibility for Financial Assistance shall not be used for collections activities.

## **V. Procedure**

- A. Procedure for Applying for Financial Assistance
  - 1. Any patient who indicates an inability to pay an MRCH bill for healthcare services shall be evaluated for charity care or other sources of funding by MRCH Credit and Collections staff.
  - 2. Any MRCH employees who identified a patient whom the employee believes does not have the ability to pay for healthcare services shall inform the patient that Financial Assistance may be available and applications are available in the Hospital Admitting Department, Financial Counseling, Patient Accounts, and Social Services.
  - 3. A patient may be screened initially by an MRCH Financial Counselor prior to receiving non-emergent services to determine whether or not the patient or family can be linked to any public or private payer source.
  - 4. MRCH expects patients to cooperate fully in providing information necessary to apply for governmental programs, such as Medicare or Medi-Cal, or through the California Health Benefit Exchange, for which the patient may be eligible. In addition, the patient will be asked to fill out a Financial Screening Application.
  - 5. Any patient who applies for charity care must make every reasonable effort to provide MRCH proof of income and health benefits coverage. If patient files an application and fails to provide information that is reasonable and necessary for MRCH to make a determination as to eligibility for charity care, MRCH may consider that failure in making its determination. The Patient Accounts department will inform patients of the consequences of failure to provide complete information on a timely basis.
  - 6. In the event MRCH denies charity care to a patient who has fulfilled the application requirements set forth in this Policy, the patient may seek review of that determination by contacting the Patient Accounts

department, Revenue Enhancement Manager or Chief Financial Officer.

7. Unless a patient is informed otherwise, Financial Assistance provided under this Policy shall be valid for the Eligibility Qualification Period as defined above. However, MRCH reserves the right to reevaluate a patient's eligibility for Financial Assistance if there is any change in the patient's financial status.
8. A patient can obtain additional information about Financial Assistance or request assistance with the application process at 3800 Janes Rd, Arcata, CA, 95521 or by calling 707-826-8260 or emailing [collections@madriverhospital.com](mailto:collections@madriverhospital.com)

B. Presumptive Eligibility for Charity Care

1. MRCH recognizes that not all patients or patients' Guarantors, are able to complete the Financial Assistance application or provide required documentation.
2. For patients, or patients' Guarantors, who are unable to provide required documentation but meet certain financial need criteria, MRCH may nevertheless grant Financial Assistance. In particular, presumptive eligibility may be determined on the basis of individual life circumstances that may include:
  - a. State-funded prescription programs
  - b. Homelessness
  - c. Participation in Women, Infants and Children programs (WIC)
  - d. Supplemental Nutrition Assistance Programs (SNAP) (e.g. food stamps eligibility)
  - e. Eligibility for other state or local assistance programs
  - f. Deceased patient with no known estate
3. Patient accounts that have not received payment within 12 months of placement with collection agency will be recalled and presumed eligible for charity care.
4. Patient accounts granted presumptive eligibility status will be adjusted accordingly.

## **VI. Notices**

- A. **Help Paying Your Bill:** There are free consumer advocacy organizations that will help you understand the billing and payment process. You may call the Health Consumer Alliance at [888-804-3536](tel:888-804-3536) or go to [healthconsumer.org](http://healthconsumer.org) for more information.
- B. **The Hospital Bill Complaint Program:** The Hospital Bill Complaint Program is a state program, which 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. Go to [www.HospitalBillComplaint.hcai.ca.gov](http://www.HospitalBillComplaint.hcai.ca.gov) for more information and to file a complaint.
- C. **ATTENTION Language Assistance:** If you need help in your language, please call 1-800-272-7442 Access Code 4791 or visit Mad River Community Hospital Admitting Office. The office is open from 7:30 am to 5:30 pm Monday through Friday. Our Switchboard is 24 hours. We are located at 3800 Janes Road, Arcata, CA, 95521. Aids and services for people with disabilities, like documents in braille, large print, audio, and other accessible electronic formats may also be available. These services are free.

Policy Author: Gordon Bigham

Original Date: 9/2004

References: California Health and Safety Code, Section 127400-127446, as applicable  
California Code of Regulations, Title 22  
Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations thereunder

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