



**TITLE: Discount Payment Policy and Procedure**

**DEPARTMENT/COMMITTEE: Patient Financial Services**

### **Policy Purpose:**

Plumas District Hospital is committed to providing outstanding compassionate care with exceptional customer service. This policy demonstrates Plumas District Hospital's commitment to our mission and vision by helping to meet the needs of the low income, uninsured patients and underinsured patients in our community. The purpose of this policy is to define the eligibility criteria for discount payment of services and to provide administrative and accounting guidelines for the identification, classification and reporting of patient accounts as eligible for discount payment.

### **Definitions:**

**High Medical Cost Patient:** A patient who:

1. Is not a Self-Pay Patient; (the patient has a third-party source of payment); and
2. Has Family Income at or below the 400% of the Federal Poverty Level; and
3. Has out-of-pocket medical expenses in the prior twelve (12) months (whether incurred at Plumas District Hospital or at other medical providers) that exceeds the lesser of 10% of the patient's current family income or family income in the prior twelve (12) months.

### **Policy:**

This policy applies to all uninsured or underinsured patients receiving hospital (not clinic) services who meet the guidelines of this policy and who agree to its terms. A sliding fee schedule based on the annual HHS Poverty Guidelines is used to determine the qualifying income levels of applicants. Guidelines are subject to change annually based on the HHS Poverty Guidelines. Understanding this need, the hospital has chosen to fulfill their responsibility to the community by adopting the following Discount Payment Policy.

### **Procedure:**

#### **1. Enrollment Process:**

- a. In determining the extent of the Discount Payment Policy discount, the Patient Financial Counselor shall make all reasonable efforts to obtain from the patient or his or her representative information about whether private or

- public health insurance or sponsorship may either; fully or partially cover the charges for care rendered by Plumas District Hospital.
- b. An informal determination of Discount Payment eligibility will be determined by the Patient Financial Counselor; and the applicant may choose to fill out an application based on the recommendation of the Patient Financial Counselor; however, the recommendation of the Patient Financial Counselor is not required in choosing to fill out the Financial Assistance Application.
  - c. Upon submission of the application packet for consideration by the Patient Financial Counselor, all properly submitted applications will be reviewed and a determination made within 10 business days.
  - d. All applications must be filled out completely and accurately with one of the following required documentation attached, to be considered:
    - i. Current W-2 withholding form or Income Tax statement form from the previous year, **or**
    - ii. Pay stubs from the previous three months
  - e. Verification of accuracy of application information, including contacting employers for verification of employment, will be made.
  - f. A letter of either approval or denial will be submitted to each applicant. The letter will contain: the percent discount; adjusted balance (if more than one account, each will be combined into one account for accounting and billing/statement purposes); and the required monthly payment due each month. Also included in the envelope will be a payment schedule and a discount card.
  - g. Applicants will need to reapply at the end of each calendar year for continued eligibility, or as needed with updated information/changes to guarantor accounts.

## **2. Discount Payment Account Billing Process, Terms and Settlement:**

- a. All accounts will be billed upon discharge or upon satisfaction of all third party payers, and approved discounts.
- b. Participants are requested to remain current on their outstanding balances. In order to remain current, participants must pay the balance due by 30 days of statement date. If unable to meet these requirements, prior arrangements must be made with the Billing Office / Patient Financial Counselor.
- c. If participant information changes, the participant shall submit changes to the Billing Office / Patient Financial Counselor to update their applications or to complete/submit a new application.
- d. If participant does not pay within 15 days past due, without prior arrangements with the Billing Office / Patient Financial Counselor, he/she will be removed from the program.
- e. Upon removal from the program, a 6-month grace period will be enforced where all amounts will be due and the patient will not be eligible for the program. Accounts on the program will have the discounted amount removed, original balance reinstated minus any payments, and prepared for

collections. These accounts will not be considered a part of the new application once the participant is eligible for the program again.

- f. A new application on new accounts may be submitted after the grace period for consideration.
- g. Accounts that are removed from the program and that still contain a positive balance after the 6-month grace period will be forwarded to an outside collection agency who will, at their discretion and in accordance with rules and regulations put forth by California Assembly Bill 774, notify credit reporting bureaus. Under no circumstances will an account be reported to a credit reporting bureau under 150 days from the first bill date.

### **3. Participant Accounts Maintenance:**

- a. All accounts will be reviewed monthly for fee adjustments, monthly payments and co-payments.
- b. Notices will be sent for all accounts which are non-compliant.
- c. Collections efforts may be pursued for accounts that violate the terms set herein.
- d. In the folder for each application the following items are required:
  - i. Patient information and application
  - ii. A copy of every correspondence between Plumas District Hospital and the participant
  - iii. Detailed bills on all accounts to be included in the application
  - iv. Adjustment form with adjustments taken on accounts
  - v. Any additional notations and pertinent information
  - vi. Charity Care and Financial Discount Calculation Worksheet

### **References:**

Pursuant to AB 1020 Sect. 127405(2), Plumas District Hospital has established eligibility levels for financial assistance and charity care at less than 400 percent of the federal poverty level as appropriate to maintain its financial and operational integrity. Plumas District Hospital is a rural hospital as defined in Section 124840.

The processes and procedures described above are designed to comply with CA SB 1276 (Chapter 758, Statutes of 2014), CA AB 774 (Statutes of 2006), SB 350 (Chapter 347, Statutes of 2007) and AB 1020 (Statutes of 2021). Questions regarding SB 1276, AB 774, SB 350, and AB 1020 can be addressed by the Patient Financial Counselor(s) or by California's Department of Health Care Access and Information (HCAI) website, at

<https://hcai.ca.gov/hid/products/hospitals/fairpricing/index.html>

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