

Washington Hospital Healthcare System Patient Financial Assistance and Charity Care Policy

I. Purpose

The purpose of this Patient Financial Assistance and Charity Care Policy (“Policy”) is to provide guidelines for patient financial assistance and charity care to low income, uninsured or underinsured individuals who receive services at Washington Hospital. This Policy is consistent with Washington Hospital’s mission and reflects Washington Hospital’s commitment to providing assistance to those in the community who are in need of financial assistance. This Policy is intended to comply with California Health & Safety Code section 127400 *et seq.*, Hospital Fair Pricing Policies, and Title 22, California Code of Regulations (CCR) sections 96051 – 96051.37, Hospital Financial Assistance and Debt Collection Requirements, as amended.

II. Limitation

This Policy is not intended to waive or alter any contractual provisions or rates negotiated by and between Washington Hospital and a third-party payer, nor is the policy intended to provide discounts to a non-contracted third-party payer or other entities that are legally responsible to make payment on behalf of a beneficiary covered person or insured.

III. Policy

A. Statement of Policy

1. This Policy is designed to provide assistance to financially qualified patients (as defined below) who require Eligible Hospital Services (as defined below). Patients are granted assistance depending upon their specific circumstances in accordance with this Policy.
2. This Policy permits non-routine waiver of patients’ out-of-pocket medical costs based on an individual determination of financial need in accordance with the criteria set forth below.
3. This Policy excludes routine waiver of deductibles, co-payments and/or co-insurance imposed by insurance companies for patients whose family income is greater than 400% of the federal poverty level.
4. This Policy excludes (i) services which are not medically necessary and (ii) separately-billed physician services.
5. This Policy will not apply if the patient/responsible party provides false or misleading information about financial eligibility or if the patient/responsible party fails to make every reasonable effort to apply for and receive government-sponsored insurance benefits for which he or she may be eligible.
6. This Policy and the financial screening criteria will be consistently applied to all cases throughout Washington Hospital. If application of this Policy conflicts with payer contracting or coverage requirements, consult with Washington Hospital legal counsel.

7. This Policy is required to disclose that emergency physicians (as defined in Health and Safety Code section 127450) who provide emergency medical services at Washington Hospital are required by law to provide discounts to uninsured patients or Patients with High Medical Costs who are at or below four hundred percent (400%) of the federal poverty level. Patients that receive a bill from a contracted emergency department physician or surgeon should contact the billing physician's or surgeon's office to request financial assistance. Inclusion of this statement shall not be construed to impose any additional responsibilities upon Washington Hospital.

B. Definitions

The following definitions apply to this Policy:

1. "Charity Care" means free care.
2. "Discount Payment" means any charge for care that is reduced but not free.
3. "Federal Poverty Level" ("FPL") means the poverty guidelines updated periodically 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.
4. "Financially Qualified Patient" means a patient who is **both** of the following:
 - (a) A patient who is a "Self-Pay Patient" as defined below or a "Patient with High Medical Costs" as defined below; and
 - (b) A patient who has a family income that does not exceed 400 percent of the FPL.
5. "Self-Pay Patient" means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medi-Cal/Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.
6. "A Patient with High Medical Costs" (also referred to in this Policy as "High Medical Cost Patient") means a patient who satisfies any of the following criteria:
 - (a) Annual out-of-pocket costs incurred by the individual at Washington Hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months.
 - (b) Annual out-of-pocket expenses that exceed 10 percent 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.
 - (c) Out of pocket costs and expenses mean any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
7. "Patient's family" means the following:
 - (a) For persons 18 years of age and older, the patient's spouse, domestic partner as defined in

Section 297 of the Family Code, and dependent children of any age, whether living at home or not, or parent when the patient is a dependent child over the age of 18.

- (b) For persons under 18 years of age, the patient's parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

8. "Eligible Hospital Services" means the following performed at Washington Hospital:

- (a) Emergency medical services provided in Washington Hospital's emergency department;
Non-elective services provided in response to a life-threatening circumstance in a non-emergency room setting;
- (b) Medically necessary services (as defined below) provided to Medi-Cal/Medicaid eligible beneficiaries that are not covered under their respective program;
- (c) Services for conditions which if not treated timely would result in an adverse change in the health status of an individual; and
- (d) Other medically necessary services not listed above will be evaluated on a case-by-case basis at Washington Hospital's discretion.

C. Notification of Financial Assistance and Charity Care Availability

1. At the time of registration, patients are to be given written notice of this Policy, including eligibility requirements, contact information for our Financial Assistance Coordinator from whom they can obtain further information, a billing overview document, an Application for Financial Assistance, a Medi-Cal application and a Healthy Families application. Notices should be provided in English and in languages as determined by Washington Hospital's geographical area. The notice shall satisfy the requirements of Health and Safety Code section 127410(a).
2. The notice shall be provided to the patient at the time of service if the patient is conscious and able to receive notice at that time. If the patient is not able to receive the notice at the time of service, then the notice shall be provided as part of the discharge process. If the patient is not admitted, the notice shall be provided when the patient leaves Washington Hospital. If the patient leaves Washington Hospital without receiving the notice, then the notice shall be mailed to the patient within 72 hours of providing services.
3. Notice of the Patient Financial Assistance and Charity Care Policy is to be posted in locations visible to the public, including but not limited to: the Emergency Department, Billing office, Admissions office, Outpatient Registration areas, Cashiers Office (Business Office), and in observation units.
4. In the event Washington Hospital has determined that the patient is a Self-Pay Patient (i.e., lacks third party insurance coverage), Washington Hospital shall provide the patient with an estimate of the cost for the services (including the cost of supplies) received by the patient based on an average length of stay and services provided based on the patient's diagnosis and any past or planned procedures. This estimate may be provided during normal business hours. This estimate may be provided within the notice described in this Section C or after discharge, depending on the timing

of the determination that the patient is a Self-Pay Patient.

D. Charity Care Eligibility

1. A patient who satisfies all the following criteria shall receive a 100% charity discount on all Eligible Hospital Services provided by Washington Hospital:
 - (a) The patient received Eligible Hospital Services, as defined above;
 - (b) The patient's family income does not exceed 400% of the FPL; and
 - (c) The patient is a Self-Pay Patient or High Medical Cost Patient.
2. If a patient applies or has a pending application for another health coverage program at the same time that he or she applies for charity care, the patient's application for the other program(s) shall not preclude eligibility for charity care.

E. Application Procedure

1. Patient Financial Services will make every effort to screen all patients who may be eligible for financial assistance at admission or as soon thereafter as possible under the circumstances. Patient Financial Services will assist patients it has identified as candidates for coverage (including private insurance, California Health Benefit Exchange, Medicare, Medi-Cal, the Healthy Families Program, the California Children's Services Program, or any other third-party coverage) apply for coverage.
2. Patients without third-party coverage will be financially screened for potential eligibility for state and federal governmental programs as well as charity care at the time of service or as near to the time of service as possible. If the patient does not indicate coverage by a third-party payer, or requests a discounted price or charity care, Patient Financial Services will provide the patient with an application for the Medi-Cal program, the Healthy Families Program, California Children's Services, or state funded governmental program before the patient leaves Washington Hospital, emergency room, or other outpatient setting.
3. Patient Financial Services will screen low-income patients with third-party coverage for high medical costs. Patient Financial Services will review such patients' prior billings at Washington Hospital to determine eligibility as a High Medical Cost Patient based on past payments to Washington Hospital. Patient Financial Services shall also inform such patients of the criteria of qualification as a High Medical Cost Patient and provide the patient with a charity care application if one has not already been provided. The patient is responsible for applying for charity care if claiming high medical costs based on amounts paid to other providers.
4. All patients whom Patient Financial Services determines may be eligible for health coverage or assistance are expected to apply for and pursue such coverage or assistance. If an application is denied, the patient must provide a copy of the denial to Patient Financial Services as part of the application for charity care. In the event a patient fails to apply for health coverage, fails to pursue an application to completion, or claims that his or her application was denied and fails to provide proof of the denial, then Patient Financial Services may deem the patient to be insured and that the charges issued by Washington Hospital will not be counted by the patient for purposes of determining the patient's out of pocket medical costs in making the determination that the patient

is a Self-Pay Patient or a High Medical Cost Patient.

5. Each patient who requests charity care shall complete the Application for Financial Assistance. The form is available in English and in languages as determined by Washington Hospital's geographical area.

F. Review Process

1. The Financial Assistance Coordinator will perform the initial review an applicant's Application for Financial Assistance for completeness and send any needed follow up requests to the application.
2. An application for financial assistance shall provide the following information to Washington Hospital for the purposes of establishing the following: (i) family income is at or below 400% of the FPL; (ii) the patient is a Self-Pay Patient; and/or (iii) the patient is a High Medical Cost Patient.
 - (a) To verify income, the patient shall provide Washington Hospital with (i) the patient's most recent tax return(s); and (ii) recent pay stubs. If used to document income, a tax return must be a United States income tax return signed by the taxpayer and filed with the IRS. If used to verify income, pay stubs must be recent and include (i) the name of the patient, (ii) the name of the employer, (iii) the pay period, and (iv) the amount paid, and the patient must provide the name and contact information of a supervisor who can verify the amount paid.
 - (b) To verify the absence of medical coverage, the patient shall provide a copy of a denial from Medi-Cal and/or other state and federal programs for which Patient Financial Services determined the patient may be eligible.
 - (c) All documents submitted to establish eligibility that are issued by an entity or government outside of the United States must be authenticated or apostilled before they can be considered.
 - (d) A patient need not provide all of the above documentation in order to be eligible under this Policy, however, Washington Hospital may consider the failure to provide any of items listed in this Section in making a final determination of eligibility under this Policy.
3. In the event that the necessary documentation is not included with the application, the Financial Assistance Coordinator will notify the patient by mail or phone, if available, requesting additional documentation.
4. The patient's signature on the Application for Financial Assistance will certify that the information contained in the application, which shall be deemed to include any and all documents submitted in connection with the application, is accurate and complete.
5. Patients who have been recognized as homeless and deceased patients with no estate may be deemed eligible without having to meet the documentation requirements. Under these circumstances, the Director of Revenue Cycle Management will give the approval to waive these requirements.

6. The Financial Assistance Coordinator and Patient Accounting Manager shall be responsible for reviewing the Application and the documentation provided by the patient to determine eligibility for charity care under Section D above. The recommendation shall include the following findings: (i) the patient's family income does not exceed 400% of the FPL; and (ii) the patient is either a Self-Pay Patient or a High Medical Cost Patient. The recommendation shall also describe any Eligible Hospital Services provided to the patient.
7. The Financial Assistance Coordinator and Patient Accounting Manager shall make a recommendation to approve or deny an Application. The Director of Revenue Cycle Management, Chief of Revenue Cycle Management and as applicable, the Chief Financial Officer shall render the final decision to approve or deny an Application.
8. The Director of Revenue Cycle Management, Chief of Revenue Cycle Management and as applicable the Chief Financial Officer shall have the authority to waive the requirements above on a case-by-case basis due to extenuating circumstances.
9. Patient Financial Services shall approve or deny an Application for Financial Assistance within 30 days of receipt of the Application and all necessary documents. Any patient, or patient's legal representative, who requests charity care under this policy shall make every reasonable effort to provide Washington Hospital with documentation of income and all health benefits coverage. For those applications where Washington Hospital has requested further documentation, Washington Hospital allows 60 days for return of additional requested documentation. The failure to provide such documentation within 60 days will result in the denial of charity care and the account shall begin following normal collection practices. Patient can reapply for charity care or financial assistance at any time.
10. The Financial Assistance Coordinator shall notify the applicant patient in writing of approval or denial of the applicant's Application. If the Application has been denied, then the written notice shall include the reason for denial. The notice shall be sent in languages as determined by Washington Hospital's geographical area.
11. A patient must complete a new Application for Financial Assistance each time the patient is admitted, which will be valid for the current admission plus any other outstanding patient liability at Washington Hospital at the time of determination. The Application for Financial Assistance is valid for outpatient services for 6 calendar months starting with the month of eligibility determination and any other patient financial liability at Washington Hospital at the time of determination. High Medical Cost Patients will be evaluated monthly for eligibility, and their status will be valid for the current month or most current service month retroactive to 12 months of service.
12. In the event of a dispute regarding this Policy or a decision resulting in the denial of charity care, a patient may seek review from either the Director or Chief of Revenue Cycle Management within 30 days of the date the notice of denial. This shall be the patient's only right to appeal a determination under this Policy.

G. Patient Billing and Collection Process

1. Patients who have not provided proof of coverage by a third-party at or before care is provided will be sent a clear and conspicuous notice that includes the following:

- (a) A statement of charges for services rendered by Washington Hospital;
 - (b) A request that the patient inform Washington Hospital if the patient has health insurance coverage, Medicare, Medi-Cal, or other coverage;
 - (c) A statement that, if the patient does not have health insurance coverage, the patient may be eligible for Medicare, Medi-Cal, coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage, or charity care;
 - (d) A statement indicating how patients may obtain applications for the Medi-Cal program, coverage offered through the California Health Benefit Exchange, or other state- or county-funded health coverage programs and that the hospital will provide these applications. Washington Hospital shall also provide patients with a referral to a local consumer assistance center housed at legal services offices. If the patient does not indicate coverage by a third- party payer or requests a discounted price or charity care, then the hospital shall provide an application for the Medi-Cal program or other state- or county-funded health coverage programs. This application shall be provided prior to discharge if the patient has been admitted or to patients receiving emergency or outpatient care.
 - (e) Information regarding the financially qualified patient and charity care application, including the following:
 - (1) 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 discounted payment or charity care;
 - (2) The name and telephone number of the Financial Assistance Coordinator from whom or which the patient may obtain information about this Policy; and
 - (3) If a patient applies, or has a pending application, for another health coverage program at the same time that the patient applies for a hospital charity care or discount payment program, neither application shall preclude eligibility for the other program.
2. A patient may request an Application for Financial Assistance verbally or in writing, and it is to be given or mailed to the patient or guarantor at the address provided. Written correspondence to the patient shall also be in the languages as determined by Washington Hospital's geographical area.
 3. All bills for patients who have submitted an Application for Financial Assistance and necessary documentation will be placed on hold from any collection activity until such time as the final determination, including any appeal, has been made.
 4. Patients are required to report to Washington Hospital any change in their financial information promptly.

5. Washington Hospital shall limit expected payment for services it provides to a patient at or below 400 percent of the FPL eligible under this Policy to the amount of payment Washington Hospital would expect, in good faith, to receive for providing services from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program of health benefits in which Washington Hospital participates, whichever is greater.
6. Prior to commencing collection activities against a patient, Washington Hospital and its agents will provide a notice containing the statements required by subdivision (a) of section 127430 of the Health & Safety Code, which includes a statement that nonprofit credit counseling may be available and containing a summary of the patient's rights. The statements required by subdivision (a) of section 127430 shall also accompany any document indicating that the commencement of collection activities may occur.
7. Patients who have been denied financial assistance will be sent a written notification of denial. Following this notification, normal collection practices will commence. This includes additional letters and statements sent from Washington Hospital in addition to pre-collection letters sent by a non-credit reporting collection agency.
8. If a patient does not respond to the additional collection efforts being made, the account will be referred to an external collection agency. Final approval for accounts to be referred to a collection agency will be made by either the Chief or Director of Revenue Cycle Management. For those accounts exceeding \$50,000, the Chief of Revenue Cycle Management or Chief Financial Officer will approve.
9. Before assigning a bill to collections or to an external collection agency, Washington Hospital will send a patient a written notice containing the following:
 - (a) The date or dates of service of the bill that is being assigned to collections or sold;
 - (b) The name of the entity the bill is being assigned or sold to;
 - (c) A statement informing the patient how to obtain an itemized hospital bill from Washington Hospital;
 - (d) The name and plan type of the health coverage for the patient on record with Washington Hospital at the time of services or a statement that Washington Hospital does not have that information;
 - (e) An application for this Policy; and
 - (f) The date or dates the patient was originally provided or sent a notice about applying for financial assistance, the date or dates the patient was sent a financial assistance application, and, if applicable, the date a decision on the application was made.
10. Washington Hospital, or its contracted collection agencies, will undertake reasonable collection efforts to collect amounts due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for charity care, offers of no-interest

payment plans, and offers of discounts for prompt payment. Neither Washington Hospital nor its contracted collection agencies will impose wage garnishments or liens on primary residences except as provided below. This requirement does not preclude Washington Hospital from pursuing reimbursement from third-party liability settlements or other legally responsible parties.

11. Agencies that assist Washington Hospital and send a statement to the patient must sign a written agreement that it will adhere to Washington Hospital's standards and scope of practices. The agency must also agree to:
 - (a) Not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 180 days after initial billing.
 - (b) Not use wage garnishments, except by order of the court upon noticed motion, supported by a declaration filed by the movant identifying the basis for which it believes that the patient has the ability to make payments on the judgment under the wage garnishment, which the court shall consider in light of the size of the judgment and additional information provided by the patient prior to, or at, the hearing concerning the patient's ability to pay, including information about probable future medical expenses based on the current condition of the patient and other obligations of the patient.
 - (c) Not place liens on primary residences.
 - (d) All legal actions such as liens or garnishments taken by a collection agency must be approved in writing by the Director of Patient Financial Services or the Patient Accounting Manager.
 - (e) Not use information obtained from a patient pursuant to a request from that patient to determine eligibility for charity care under this policy for collection activities. This shall not prohibit the agency from using information obtained by Washington Hospital, agency, or other third-party independently of the eligibility determination process.
12. Washington Hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due under this policy, including interest, at the rate set forth in section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by Washington Hospital, to the extent required by section 127440 of the Health and Safety Code.

H. Contact Information

Questions about the implementation of this policy should be directed to the Director of Revenue Cycle Management at (510) 818-7448. Questions about financial assistance and charity care eligibility should be directed to the Financial Assistance Coordinator at (510) 818-7448.

I. Other Matters

1. The Financial Assistance Coordinator shall work with the Compliance department to submit a copy of this Policy to the Department of Health Care Access and Information as required under section 127435 of the Health and Safety Code.

2. Washington Hospital maintains a separate discount policy entitled *Cash Discount Policy for Uninsured and Underinsured Patients*. Patients may obtain a copy of this policy from Patient Financial Services. This policy provides a discount of hospital-billed charges to uninsured and certain underinsured patients for certain services. Patients under that policy are expected to pay for emergency services within thirty (30) days of receiving a bill or pre-pay for scheduled elective procedures.