
 Stanford Children's Health  Lucile Packard Children's Hospital Stanford	Valid Through:	September 2024
	Last Revision Date:	September 2021
Departments Affected: All Departments	Page 1 of 11	
Personnel: All Staff		
Name of Policy: Financial Assistance / Charity Care Policy		

I. **PURPOSE**

To define the eligibility criteria and application process for financial assistance for patients who are uninsured or underinsured and receive healthcare services at Lucile Packard Children’s Hospital Stanford (LPCH). The policy also describes the types of financial assistance available and how LPCH seeks to ensure that patients have access to the information about these programs.

II. **POLICY**

LPCH is committed to providing financial assistance in the form of Charity Care or Financial Hardship Discount (each individually or collectively referred to in this Policy as Financial Assistance) to uninsured and underinsured individuals who seek and obtain Medically Necessary services from LPCH but are not able to meet their payment obligations to LPCH without assistance. LPCH desires to provide this assistance in a manner that addresses the patients’ individual financial situations, satisfies the hospital’s not-for-profit and teaching missions, and meets its strategic, operational, and financial goals.

- A. Financial Assistance is not to be considered a substitute for personal responsibility. Patients are expected to cooperate with LPCH’s Financial Assistance requirements, and to contribute to the cost of their care based on their individual ability to pay.
- B. This written Policy:
 - 1. Includes eligibility criteria for Financial Assistance.
 - 2. Includes a link to list of providers who are covered by the Policy and those who are not.
 - 3. Describes the basis for calculating amounts charged to patients eligible for financial assistance under this Policy.
 - 4. Describes the method by which patients may apply for financial assistance.
 - 5. Establishes a methodology for determining 'Amounts Generally Billed' as required under IRC 501(r)
- C. This Policy does not address LPCH’s billing and collection policy, which can be found at our financial assistance webpage <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>
- D. LPCH’s Debt Collection Policy, Financial Assistance Policy, Financial Assistance Plain Language Summary (PLS), Amounts Generally Billed (AGB) Calculation, Financial Assistance Application, Uninsured Patient Discount Policy are readily available on our website under Financial Assistance. <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>

- E. To obtain a free, paper copy of the Debt Collection Policy, Financial Assistance Policy, Financial Assistance Plain Language Summary (PLS), Amounts Generally Billed (AGB) Calculation, List of Participating Physicians and Non-Participating Physicians, and Uninsured Patient Discount Policy, contact our Financial Counseling Department at (650) 498-7003. To pick up these documents in person, our Business Office is located at 4700 Bohannon Drive, Menlo Park, CA 94025-9804.
- F. Translations of all these documents are available on our website and as paper copies, available free of charge, in the primary language spoken by each population with limited English proficiency that constitutes the lesser of 1,000 individuals or 5 percent of the community that LPCH serves.
- G. LPCH will provide, without discrimination, care for Emergency Medical Conditions to individuals regardless of whether they are eligible for Financial Assistance under this Policy. LPCH will not engage in actions that discourage individuals from seeking Emergency Medical care.

III. DEFINITIONS

- A. **Amount Generally Billed (AGB):** The amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care. LPCH's AGB is updated every September 1st of each year.
- B. **Charity Care:** A 100% waiver of patient financial obligation for Medically Necessary services provided by LPCH and included in priority listing (See Section IV.D. below).
- C. **Eligibility Qualification Period:** Patients determined to be eligible may be granted Financial Assistance for a period of twelve (12) months. Financial Assistance will also be applied to eligible accounts incurred for services received prior to the Financial Assistance application date.
- D. **Emergency Medical Conditions:** As defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd), LPCH treats persons from outside of an LPCH service area if there is an emergent, urgent, or life-threatening condition.
- E. **Family:** For patients 18 years or older, 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.
- F. **Family Income:** Family Income is determined using the U.S. Census Bureau definition when determining eligibility based on the Federal Poverty Guidelines.
 - 1. Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, disability payments, pension or retirement income, interest, dividends, rents, royalties, income from estates and trusts, educational assistance, alimony, child support, financial assistance from outside the household, and other miscellaneous sources;
 - 2. Non-cash benefits (i.e., Medicare, Medicaid, and Golden State Advantage card EBT benefits, heat assistance, school lunches, housing assistance, need-based assistance from non-profit organizations, foster care payments, or disaster relief assistance) are not counted as income for making an eligibility

- determination for financial assistance;
3. Capital gains or losses Determined on a before-tax basis; and
 4. A person's family income includes the income of all adult family members. For patients under 18 years of age, family income includes that of the parents and/or stepparents, unmarried or domestic partners, or caretaker relatives.
- G. **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 <http://aspe.hhs.gov/POVERTY/>
- H. **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 LPCH and who meet the eligibility criteria for such assistance. Under this Policy, Financial Assistance is either Charity Care or Financial Hardship Discount.
- I. **Financial Hardship Discount:** A partial waiver of patient financial obligation resulting from medically necessary services provided by LPCH. Uninsured with annualized family incomes not in excess of 400% of the Federal Poverty Guidelines, and insured patients with annualized family incomes not in excess of 400% of the Federal Poverty Guidelines and either (1) annual out-of-pocket costs incurred by the individual at LPCH that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months; or (2) annual out-of-pocket expenses that exceed 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 month, may be eligible for partially discounted care.
- J. **Guarantor:** For the purposes of this Policy, the individual who is financially responsible party for payment of an account balance, and who may or may not be the patient.
- K. **Gross Charges:** The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.
- L. **Healthcare Services:** Medically Necessary (as defined below) hospital and physician services.
- M. **Medically Necessary:** Healthcare services, including services to treat Emergency Medical Conditions, which, in the opinion of a LPCH treating physician, is a service, item, procedure or level of care that is:
1. Necessary for the proper treatment or management of the patient's illness, injury or disability; or
 2. Reasonably expected to prevent the onset of an illness, condition, injury or disability, or is routine, generally accepted preventive care; or
 3. Reasonably expected to reduce or ameliorate the physical, mental or
 4. Developmental effects of the patient's illness, condition, injury or disability; or
 5. Will assist the patient to achieve or maintain maximum functional capacity in performing daily activities, considering both the functional capacity of the patient and those functional capacities that are appropriate for the patient's age.
- N. **Proof of Income:** For purposes of determining Financial Assistance eligibility, LPCH will review annual family income from the prior two (2) pay periods and/or the prior tax year as shown by recent pay stubs or income tax returns and other information. Proof of earnings may be determined by annualizing the year-to-date family income, taking

into consideration the current earnings rate.

- O. **Reasonable Payment Plan:** An extended interest free payment plan that is negotiated between LPCH 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. Patients who qualify for financial hardship discount will be offered a payment plan if patient expresses inability to pay for the balance on the account after discount.
- P. **Uninsured Patient:** An individual having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP and CHAMPUS), Worker's Compensation, or other third-party assistance to assist with meeting his/her payment obligations. An Uninsured Patient also includes patients that have third-party coverage, but have either exceeded their benefit cap, been denied coverage or does not provide coverage for the particular Healthcare Services for which the patient is seeking treatment from LPCH. An individual who has third-party coverage, but such third-party payor has deemed LPCH and/or its physicians not participating providers or "out of network" is not an Uninsured Patient.
- Q. **Underinsured Patient:** An individual, with a private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Healthcare Services provided by LPCH.

IV. **GENERAL GUIDELINES**

- A. Eligible services
 - 1. Financial Assistance under this Policy shall apply to Medically Necessary services in the licensed hospital and affiliated clinics, and to Medically Necessary professional/physician services, delivered on behalf of LPCH by a provider employed by LPCH, Stanford University, Packard Children's Health Alliance, or Packard Medical Group. A list of participating providers can be found at <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>
 - 2. In the event that there is uncertainty as to whether a particular service is Medically Necessary, a determination shall be made by the Chief Medical Officer of LPCH.
- B. Service NOT eligible
 - 1. Services that are generally not considered to be Medically Necessary and are therefore not eligible for Financial Assistance include:
 - a. Reproductive Endocrinology and Infertility services
 - b. Cosmetic or plastic surgery services
 - c. Vision correction services including LASEK, PRK, Conductive, Keratoplasty, Intac's corneal ring segments, Custom contoured C-CAP, and Intraocular contact lens
 - d. Hearing aid and listening assistive devices
 - 2. In rare situations where a physician considers one of the above referenced services to be Medically Necessary, such services may be eligible for Financial Assistance upon review and approval by the Chief Medical Director of LPCH.

3. Professional/physician services delivered by a provider not employed by LPCH. A list of community providers NOT covered by this policy can be found at <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>
 4. LPCH reserves the right to change the list of services deemed to be not eligible at its discretion.
- C. Patient Eligibility for Financial Assistance – General Provisions
1. All patients who receive Healthcare Services at LPCH may apply for Financial Assistance.
 2. All individuals applying for Financial Assistance are required to follow the procedures outlined in section IV.F. - Applying for financial assistance and provide necessary financial documents.
 3. LPCH shall determine eligibility for Charity Care or a Financial Hardship Discount 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, sexual orientation or religious affiliation.
 4. 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 LPCH. The patient's, or a 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.
 5. Patients, or patient's guarantors, who do not cooperate in applying for programs that may pay for their Healthcare Services, will be denied Financial Assistance. LPCH shall make affirmative efforts to help a patient or patient's guarantor, apply for public and private programs.
 6. In accordance with Federal Emergency Medical Treatment and Labor Act (EMTALA) regulations, no patients shall be screened for Financial Assistance or payment information prior to the rendering of services to resolve Emergency Medical Conditions.
 7. 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.
 8. The Internal Revenue Service requires LPCH 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, LPCH will use the "look-back method" based on Medicare rates. For details regarding LPCH's current AGB percentage, and how it is calculated please visit <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>. You may also request a copy to be mailed free of charge by calling our Financial Counseling Department at (650) 498-7003. To pick up these documents in person, our Business Office is located at 4700 Bohannon Drive, Menlo Park, CA 94025-9804.
 9. LPCH may employ reasonable collection efforts to obtain payment from patients. General collection activities may include issuing patient statements,

phone calls, and referral of statements that have been sent to the patient or guarantor. LPCH or collection agencies will not engage in any extraordinary collection actions (as defined by the LPCH Debt Collection Policy). Copies of the LPCH Debt Collection Policy may be obtained free of charge on the LPCH billing website at <https://www.stanfordchildrens.org/en/patient-family-resources/financial-assistance-english>. You may also request a copy to be mailed free of charge by calling our Financial Counseling Department at (650) 498-7003. To pick up these documents in person, our Business Office is located at 4700 Bohannon Drive, Menlo Park, CA 94025-9804.

10. Medically Necessary services that are denied by an insured patient's health plan as not covered or that are otherwise not allowed due to insurance benefit limitations are eligible for Financial Assistance.

D. Charity Care

1. LPCH shall grant Charity Care to those patients who apply for Financial Assistance and whom LPCH determines as eligible. LPCH shall make that determination subject to the following priorities:
 - a. **First Priority:** Patients who receive emergency services are LPCH's first priority for Charity Care. (Consistent with EMTALA, LPCH's determination of eligibility for Financial Assistance cannot be made until the patient has received legally required screening and any necessary stabilizing treatment.)
 - b. **Second Priority:** Patients who have had or will have other Medically Necessary services and for whom LPCH is the closest hospital to the individual's home or place of work. (In general, if there is a county hospital in the county in which the patient lives or works, and the county hospital can provide the non-emergency service that the patient needs, the patient will be directed to that county hospital.)
 - c. **Third Priority:** Patients who have had or will have other Medically Necessary services and for whom LPCH is not the closest hospital to the patient's home or place of work, but for whom one or more of the following factors applies are LPCH's third priority for Charity Care:
 - 1) the patient has a unique or unusual condition which requires treatment at LPCH as determined by the Chief Medical Director;
or
 - 2) the patient presents a teaching or research opportunity that will further LPCH's teaching missions, as determined by the Chief Medical Director and either the Chief Financial Officer or Chief Revenue Officer
2. LPCH may grant Charity Care for specialized high-cost services subject to the review and approval of the Chief Medical Officer and Chief Financial Officer.
3. LPCH reserves the right to change the list of services deemed to be not eligible at its discretion.

- E. Under the Financial Hardship Discount, LPCH shall limit the expected payment for Healthcare Services to a patient who does not qualify for Charity Care, as described above, but otherwise qualifies for Financial Assistance, as defined above, to a discounted rate comparable to LPCH's government payer.

1. LPCH will extend to the qualified patient a Reasonable Payment Plan.
 2. LPCH shall determine a patient's income and eligibility for a Financial Hardship Discount according to the process for applying for financial assistance noted on this policy.
 3. No patient found eligible for Financial Hardship Discount will be billed Gross Charges nor more than AGB for Emergency or other Medically Necessary services covered under this Policy, including any patient copay, deductible, or coinsurance obligation.
 4. A discount based on AGB will be granted to patient who qualify for a Financial Hardship Discount. The discount will be applied to gross charges for Medically Necessary services rendered to uninsured patients, or to gross charges for Medically Necessary services that are not covered by the insured patient's benefit plan. LPCH's AGB is calculated annually and published in a separate attachment titled "Amounts Generally Billed Calculation", which is available as detailed in Section III.A and IV.C.8 of this policy. The AGB percentage is calculated by using claims allowed by Medicare for services with a discharge date from the previous fiscal year. For these claims, the sum of all allowable reimbursement amounts is divided by the associated gross charges. At its discretion, LPCH may apply the Financial Hardship Discount to a qualifying insured patient's copay, deductible, or coinsurance, or other patient liability after insurance benefits are applied.
 5. Amounts charged to Uninsured Patients are subject to the principles and procedures of the LPCH Uninsured Patient Discount Policy and are distinct from the AGB calculation and this Financial Assistance Policy. Additional information regarding the Uninsured Patient Discount Policy can be obtained by contacting LPCH Financial Counseling Department at the phone number and address set forth in Section II.C.
- F. Applying for financial assistance:
1. Any patient who indicates an inability to pay an LPCH bill for Healthcare Services shall be evaluated for Charity Care, other sources of funding, or a Financial Hardship Discount by LPCH Financial Counseling Team.
 2. Any LPCH employee who identifies 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 that applications are available in Patient Financial Services, Patient Admitting Services, the Emergency Department, all clinics, Customer Service, Financial Counseling, Patient Relations and Social Services. Financial Assistance information and applications are available in English and in each languages spoken by LPCH's community where the relevant population constitutes the lesser of 1000 individuals or 5 percent of the community that LPCH serves.
 3. A patient may be screened initially by an LPCH 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. If the Healthcare Service has not yet been provided and is not an emergency, the financial counselor will also help the patient determine whether there is a county hospital in the county in which the patient works or resides that can provide the services.
 4. LPCH expects patients to cooperate fully in providing information necessary to

- apply for governmental programs for which the patient may be eligible, such as Medicare or Medi-Cal, or through the California Health Benefit Exchange. In addition, the patient will be asked to fill out a Financial Assistance Application.
5. Any patient who applies for Financial Assistance must make every reasonable effort to provide LPCH Proof of Income and health benefits coverage in accordance with the list of required information as set forth in the Financial Assistance Application. If a patient files an application and fails to provide information that is reasonable and necessary for LPCH to make a determination as to eligibility for Financial Assistance, LPCH may consider that failure in making its determination. The LPCH Financial Counseling Team will inform patients of the consequences of failure to provide complete information on a timely basis.
 6. In the event LPCH denies Charity Care or a Financial Hardship Discount 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 LPCH Financial Counseling Team.
 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, LPCH reserves the right to reevaluate a patient's eligibility for Financial Assistance during that one year time period if there is any change in the patient's financial status.

Mail completed application and all required documents to:
Financial Assistance
4700 Bohannon
Drive Menlo Park, CA
94025
 8. For questions or inquiries about financial assistance application, including assistance with completing the application, or obtain paper copies of any financial assistance documents, please contact (650)498-7003 or email PFA@stanfordchildrens.org
- G. Notification about Financial Assistance. To make information readily available about its Financial Assistance policy and program, LPCH will do the following:
1. Post this policy, a Plain Language Summary, Amounts Generally Billed (AGB) Calculation, and the LPCH Financial Assistance Application on the LPCH website
 2. Conspicuously post notices on the availability of Financial Assistance in emergency departments, urgent care centers, admitting and registration departments, Patient Financial Services, and at other locations that LPCH deems appropriate.
 3. Make paper copies of the Financial Assistance Policy (FAP), Financial Assistance application form, Amounts Generally Billed (AGB) Calculation, and the plain language summary of the FAP available upon request and without charge both by mail and in public locations.
 4. Notifying patients by offering a paper copy of the summary as part of intake or discharge process.
 5. Including conspicuous written notice on billing statements about the availability of financial assistance including the phone number of the LPCH office that can provide information about the FAP and application process, and the website address where the FAP is posted.

6. Provide notices and other information on Financial Assistance in the primary language spoken by each population with limited English proficiency constituting the lesser of 1,000 individuals or of 5 percent of the community that LPCH serves.
7. Make available its Financial Assistance Policy or a program summary to appropriate community health and human services agencies and other organizations that assist people in financial need.
8. Include information on Financial Assistance, including a contact number, in patient bills and through oral communication with uninsured and potentially underinsured patients.
9. Provide financial counseling to patients about their LPCH bills and make the availability of such counseling known. (NOTE: it is the responsibility of the patient or the patient's Guarantor to schedule assistance with a financial counselor.)
10. Provide information and education on its Financial Assistance and collection policies and practices available to appropriate administrative and clinical staff.
11. Encourage referral of patients for Financial Assistance by LPCH representative or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.
12. Encourage and support requests for Financial Assistance by a patient, a patient's Guarantor, a family member, close friend or associate of the patient, subject to applicable privacy laws.
13. Respond to any oral or written requests for more information on the Financial Assistance Policy made by a patient or any interested party.
14. Include information about Financial Assistance in LPCH's newsletter.

V. **COMPLIANCE**

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at SHC are responsible for ensuring that individuals comply with this policy.
- B. Violations of this policy will be reported to the Department Manager and any other appropriate Department as determined by the Department Manager or in accordance with hospital policy. Violations will be investigated to determine the nature, extent, and potential risk to the hospital. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

VI. **RELATED DOCUMENTS**

- A. LPCH Financial Assistance Application
- B. LPCH Federal Poverty Guideline
- C. LPCH Uninsured Discount Policy
- D. LPCH Debt Collection Policy
- E. LPCH/SHC EMTALA Policies

VII. **DOCUMENT INFORMATION**

A. References

Reference	Level of Evidence	Review Date
California Health and Safety Code Sections 127400 to 127446, as amended.		
California Code of Regulations, Title 22		
Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations promulgated thereunder.		

B. Author/Original Date

October 2004, David Haray, Vice President, Patient Financial Services

C. Distribution and Training Requirements

This policy resides in the Patient Care Manual of Lucile Packard Children's Hospital Stanford.

D. Review and Renewal Requirements

This policy will be reviewed and/or revised every three years or as required by change of law or practice.

E. **Review and Revision History**

October 2004, Shoshana Williams, Director, Patient Financial Services
 October 2004, David Haray, Vice President, Patient Financial Services
 April 2005, David Haray, Vice President, Patient Financial Services
 January 2007, Office of General Counsel
 January 2007, T. Harrison, Director of Patient Representatives
 June, 2007, Sarah DiBoise, Chief Hospital Counsel, Gary May, VP Managed Care SUMC, David Haray, VP Patient Financial Services, SUMC
 February 2011, B.Bialy (PFS) and S.Shah (Clinical Accreditation)
 March 2013, M. Miller (PASC Dir), B. Kelsey (PFS CRO)
 December 2014, Andrea M. Fish, Office of General Counsel
 March 2015, Andrea M. Fish, Office of General Counsel
 July 2016, Andrea M. Fish, Office of General Counsel, S. Tienken (PFS Dir), B. Kelsey (CRO)
 August 2018, Office of General Counsel

F. **Approvals**

September 2005, David Haray, VP Patient Financial Services
 January 2007, S. DiBoise, Chief Hospital Counsel
 September 2007, LPCH Board of Directors Public Policy and Community Service Committee
 January 2011, LPCH VP Ops
 April 2011, LPCH Board of Directors Public Policy and Community Service Committee
 March 2013, LPCH VP Ops
 January 2015, LPCH VP Ops
 April 2015, LPCH Finance Committee
 July 2016, LPCH VP Ops
 September 2018, LPCH Board of Directors Public Policy and Community Service Committee, LPCH Finance Committee, LPCH VP Ops
September 2021, LPCH Board of Directors Public Policy and Community Service Committee, LPCH Finance Committee, LPCH Ops

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