

Status **Active** PolicyStat ID **11374982**



Origination 04/2000  
Last 04/2022  
Approved  
Effective 04/2022  
Last Revised 04/2022  
Next Review 04/2025

Owner [Johnna Mohun-Garvey](#)  
Area [Patient Accounts](#)  
Document [Policy](#)  
Types

## Financial Assistance (Discounted Charity Care, Eligibility Procedures, Review Process)

### COVERAGE:

Individuals eligible to receive financial assistance, charity care or discounts.

### PURPOSE:

Consistent with its Mission, El Camino Hospital ("ECH") strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

### POLICY STATEMENT:

ECH is committed to providing financial assistance to patients who are unable to pay for medically necessary care based on their individual financial situation. ECH offers this assistance to two classes of financially eligible patients based on income: uninsured patients and those patients with high medical cost. This policy encompasses ECH's charity and discount payment policies required pursuant to Health and Safety Code §§127400-127446.

ECH's financial assistance programs are not substitutes for personal responsibility. Patients are expected to cooperate with ECH's procedures for obtaining financial assistance and to contribute to the cost of their care based on their ability to pay. In order to manage its resources responsibly and to allow ECH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors approves these guidelines for the provision of charity care.

This policy will be posted and distributed consistent with the ECH internal procedure document entitled "Distribution of Financial Assistance Procedure".

## REFERENCES:

Patient Protection and Affordable Care Act of 2010 and Hospital Fair Pricing Policies (Health and Safety Code §§127400-127446, 1339.585; California Code of Regulations, Title 22, sections 70959, 96040-96050)

## DEFINITIONS:

For the purpose of this policy, the terms below are defined as follows:

**Eligible Services:** Financial assistance pursuant to this policy is only available for hospital services provided under the authority of ECH's general acute care license. This includes:

- Emergency medical services provided in an emergency room setting
- Services for a condition which, in the opinion of the treating physician or other health care professional, would lead to an adverse change in the health status of an individual if not treated promptly
- Non-elective services provided in response to life-threatening or health-threatening circumstances

The following services are excluded as ineligible for the application of Financial Assistance under this policy, except as required by law:

- Purchases from ECH retail operations, such as gift shops & cafeteria;
- Physician Services that are not billed by Hospital.
- Services that are not licensed hospital services are not covered by this policy.

### **Patient's Family:**

1. For Persons 18 years of age and older: Patient's spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not.
2. For Persons under 18 years of age: Patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

**Family Income:** Family Income is determined using the following sources of income of a patient and the Patient's Family when computing in accordance with federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Disability Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Non-cash benefits (such as food stamps and housing subsidies), Supplemental, Security Income, veteran disability payments, alimony, workers' compensation, and child support do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and

- Includes the income of Patient's Family members as defined above.

**Federal poverty level ("FPL"):** The federal poverty level refers to 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.

**Essential Living Expenses:** Expenses for any of the following: rent, house payment and maintenance, food, household supplies, utilities, telephone, clothing, medical and dental payment, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses

## PROCEDURE:

### A. Eligibility for Financial Assistance (Discounted Charity Care)

ECH offers full charity care to patients whose Family Income is at or below 400% of the federal poverty level. Full charity care means the patient liability after the application of any insurance, other health coverage, or third party assistance will be zero. No account associated with a patient who is determined to be eligible for charity care will be sent to collections. The granting of charity care shall be based on an individualized determination of Family Income, and shall not take into account age, gender, race, health status, social or immigrant status, sexual orientation or religious affiliation.

### B. Medi-Cal (Medicaid) Denials. Non-covered and denied Eligible Services provided to Medi-Cal eligible beneficiaries are considered a form of charity care. Medicaid beneficiaries are not responsible for any forms of patient financial liability, and all charges related to Eligible Services not covered, including all denials, are charity care. Examples may include, but are not limited to:

- Services provided to Medi-Cal beneficiaries with restricted Medi-Cal (i.e., patients that may only have pregnancy or emergency benefits, but receive other hospital care)
- Medi-Cal pending accounts
- Medi-Cal or other indigent care program denials
- Charges related to days exceeding a length-of-stay limit
- Out-of-state Medicaid claims with "no payment"
- Line item denials.

### C. Process to Determine Eligibility for Charity Care. The cooperation of the patient and/or the Patient's Family is necessary in order for ECH to determine eligibility. A patient, or patient's legal representative, who requests charity care or other assistance in meeting their financial obligation to ECH shall make every reasonable effort to provide ECH with documentation of income and health benefits coverage.

#### 1. **Application.** Eligibility will be determined in accordance with the following procedures to ensure an individual assessment of Family Income. The application process will require the following information from the patient submitted by e-mail, fax, or mail as specified in the application:

- Completed signed application and

- Proof of Income Tax return or most recent payroll stub. A patient who does not have an income tax return may submit SSA 1099 to qualify for charity care.

Information obtained pursuant to this application shall not be used for collections activities

2. **Eligibility.** In determining eligibility, ECH will:

- Document reasonable efforts by ECH to explore appropriate alternative sources of payment and coverage from public and private health insurance or sponsorship, such as Covered California plans, Medicare, or Medi-Cal, and to assist patients to apply for such programs. However, if the patient applies, or has a pending application for another health coverage program at the same time that he or she applies for ECH's charity care, neither application shall preclude eligibility for the other program.
- Review the patient's outstanding accounts for any open accounts that may also be eligible for charity care for the approval timeframe.

3. **Presumptive Eligibility.** ECH reserves the discretion to grant presumptive charity care for individuals who are unable to complete the application or provide financial information by making a good faith effort to determine income from the patient's address, based on Experian presumptive eligibility tool.

4. **Circumstantial Eligibility.** ECH reserves the discretion to grant circumstantial eligibility based on an objective, good faith determination of financial need, taking into account the individual patient's circumstances, the local cost of living, a patient's income, a patient's family size, and/or the scope and extent of a patient's medical bills, based on reasonable methods to determine financial need. The Chief Executive Officer, the Chief Financial Officer, or his/her/their designees shall be authorized to approve patients for circumstantial eligibility for charity or discounted care, and must ensure documentation of the basis upon which circumstantial eligibility was granted.

5. **Changed Circumstances.**

- a. If at any time information relevant to the eligibility of the patient changes, the patient may update the documentation related to income and provide to ECH with the updated information. ECH will consider the patient's changed circumstances in determining eligibility for charity care.
- b. Eligibility for financial assistance shall be reevaluated every 12 months or at any time additional information relevant to the eligibility of the patient becomes known. If such information does change, it is the patient's responsibility to notify ECH of the updated information.
- c. ECH's values of respect and integrity shall be reflected in the application process, eligibility determination and granting of charity care write-off. Requests for Charity Care shall be processed promptly, and ECH shall notify the patient or applicant in writing of its decision on a completed application.
- d. ECH may deny an application for Financial Assistance and/or may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate. In addition, ECH may elect to pursue legal actions against persons who it believes knowingly misrepresented their financial condition, including those who accept financial assistance after an improvement in their financial circumstances which was not made known to ECH.

## 6. Timeline for Application for Financial Assistance

- a. ECH shall accept and process a financial assistance application at any time, but will provide a minimum of 240 days after initial billing for a patient to submit the application.
- b. When a patient submits an incomplete application, ECH shall notify the individual about how to complete the application and give the patient a reasonable opportunity to do so.
- c. When a patient submits a complete application during the 240-day application period, ECH shall determine whether the individual is eligible for financial assistance.
- d. Eligibility determination may be done at any point.
- e. ECH shall notify the patient in writing of the determination and the basis for the determination.

7. **Review of Determination of Application.** In the event of a dispute, a patient may seek review from the Chief Financial Officer by submitting an appeal by e-mail, fax, or mail to the address/ phone number specified in the application.

## D. Other Provisions

1. Any contracted emergency department physician or surgeon who provides emergency medical services at ECH is also required by law to provide discounts to uninsured patients or Patients with High Medical Costs who are at or below 400 percent of the federal poverty level. Patients who receive a bill from a contracted emergency department physician or surgeon should contact that physician's office and request financial assistance. This statement shall not be construed to impose any additional responsibilities upon ECH.
2. ECH shall provide, without discrimination, care for emergency medical conditions to patients regardless of their eligibility under this policy.
3. A patient shall not be denied financial assistance that would be available pursuant to the ECH policy published on the HCAI's internet website at the time of service.

- E. **Exceptions and Limitations** This policy is intended to be a statement of general intent, setting forth the basic principles to be followed by the organization in administration of its programs to provide financial assistance and charity care to its patients. However, because the complexities of human existence can present myriad possible individual circumstances, and because of the challenges present in managing a health care organization, it is recognized that some degree of flexibility is appropriate in administering these programs. Accordingly, the Chief Executive Officer and Chief Financial Officer of ECH or his/her/their designees are granted the authority to provide exceptions to these policies and procedures as appropriate to grant financial assistance based on an individual patient's circumstances and as appropriate to the financial ability and needs of ECH. The Chief Executive Officer and Chief Financial Officer of ECH are also each granted the authority to amend this policy to adjust the parameters of the financial assistance program in order to ensure the total amount of financial assistance provided is consistent with the organization's financial ability and to ensure ECH is able to meet its financial obligations.

In implementing this policy, ECH shall comply with all federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy, including Health and Safety Code sections 127400-127446 and 1339.585.

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## Approval Signatures

| Step Description               | Approver   | Date    |
|--------------------------------|--|---------|
| Publish                        | Patrick Santos: Policy and Procedure Coordinator | 04/2022 |
| Board                          | Stephanie Iljin: Manager Administration          | 04/2022 |
| ePolicy Committee              | Patrick Santos: Policy and Procedure Coordinator | 04/2022 |
| CFO                            | Carlos Bohorquez: CFO                            | 03/2022 |
| Senior Director, Revenue Cycle | Brian Fong: Sr Dir Revenue Cycle                 | 03/2022 |
|                                | Johnna Mohun-Garvey: Director Patient Accounts   | 03/2022 |

## Older Version Approval Signatures

|                                |   |         |
|--------------------------------|---|---------|
| Publish                        | Jeanne Hanley: Policy and Procedure Coordinator | 04/2021 |
| Board                          | Jeanne Hanley: Policy and Procedure Coordinator | 04/2021 |
| ePolicy Committee              | Jeanne Hanley: Policy and Procedure Coordinator | 03/2021 |
| CFO                            | Carlos Bohorquez: CFO [JH]                      | 03/2021 |
| Senior Director, Revenue Cycle | Brian Fong: Sr Dir Revenue Cycle                | 02/2021 |
|                                | Brian Fong: Sr Dir Revenue Cycle                | 02/2021 |

Status **Active** PolicyStat ID **11375055**



Origination 08/2014  
Last Approved 04/2022  
Effective 04/2022  
Last Revised 04/2022  
Next Review 04/2025

Owner [Johnna Mohun-Garvey](#)  
Area [Patient Accounts](#)  
Document Type [Procedure](#)

## Collection Practices and Collection Agency Management

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### COVERAGE:

El Camino Hospital ("ECH") Patient Accounting Employees, Patient Access, Managers, Supervisors, Outside Collection Agencies and Early Out Vendors

### PURPOSE:

To ensure that consistent collection practices are followed with respect to both patients and payers and that the collection agencies and Early Out Vendors acting on behalf of ECH comply with all applicable ECH policies and procedures as well as applicable provisions of California Law and regulations issued by the United States Department of the Treasury under section 501r of the Internal Revenue Code. This policy applies to El Camino Hospital and any outside agencies working on our behalf.

### REFERENCE:

- Patient Protection and Affordable Care Act of 2010 and Hospital Fair Pricing Policies (Health and Safety Code §§ 127400-127446; California Code of Regulations, Title 22, sections 70959, 96040-96050)

### PROCEDURE:

- A. ECH and those agencies acting on our behalf will bill all patients and applicable third party payers accurately, timely fairly and consistent in accordance with all contractual obligations, laws and regulations including without limitation California Health and Safety Code and regulations issued by the United States Department of the Treasury under section 501(r) of the Internal Revenue Code. ECH will not threaten or treat our patients or payers with disrespect or with an aggressive tone or behavior.
- B. Extraordinary Collection Action: An Extraordinary Collection Action is any of the following:

1. Any action to obtain payment from a Patient that requires a legal or judicial process, including the filing of a lawsuit.
  2. Selling a Patient's debt to another party including a Collection Agency
  3. Reporting adverse information about a Patient to a credit agency or or credit bureau.
  4. Seizing a bank account
  5. Lien on a residence or other personal or real property
  6. Foreclosure on real or personal property
  7. Actions that cause a Patient's arrest
  8. Wage garnishment
  9. Delay or denial of medically necessary care based on the existence of an outstanding balance for prior service
  10. Obtaining an order for examination
  11. Causing an individual's arrest
  12. Causing an individual to be subject to a writ of body attachment
- C. Extraordinary Collection Action does not include referral to a debt collection agency.
- D. Prohibition on Extraordinary Collection Action: ECH and Collection Agencies and Early Out Vendors shall not employ Extraordinary Collection Action to attempt to collect from a Patient, including reporting to consumer credit agencies.
- E. Billing Third Party Payers:
1. ECH shall diligently pursue all amounts due from third party payers, including contracted and non-contracted payers, and any other HMO, PPO Group Health Plans, Indemnity Insurers, or government program payers that may be financially responsible for a patient's care.
- F. Billing Patients:
1. Billing Insured patients: ECH shall promptly bill Insured patients for the Patient Responsibility amount as computed by the Explanation of Benefits (EOB) and directed by the third-party payer. ECH defines promptly billing as six months from the time of the last payment by the payer. If this time has passed, ECH will consider the amount not billable to the patient.
  2. Billing Uninsured Patients: ECH shall promptly bill Uninsured Patients for items and services provided using its billed charges after the application of the Financial Assistance (Discounted Charity Care, Eligibility Procedures, Review Process) Policy or any other discounts. ECH will include the billing notice described in section 2(c) of its internal procedural document entitled Distribution of Financial Assistance Procedure with all bills to Uninsured Patients.
  3. ECH shall include the notice described in section 2(b) of its internal procedural document entitled Distribution of Financial Assistance Procedure with all bills to patients.
- G. Itemized Statements: A patient may request an itemized statement for their account at any time
- H. Disputes: Any patient may dispute an item or charge on their bill. Patients may initiate a dispute in writing or over the phone with a customer service representative or with Patient Experience. Refer to Dispute Procedure for more guidance
- I. Collection Practices:



1. General Collection Practices - ECH may employ reasonable collection efforts to obtain payment from Patients. General collection activities may include: issuing patient statements, phone calls, and referral of statements to early-out or collections vendor. ECH has a procedure to ensure that patient questions and complaints about bills are researched and corrected where appropriate, with timely follow up with the patient. ECH does not sell patient debt to debt buyers.
2. Billing communications to patients must include a phone number the patient can call with questions regarding obtaining government program coverage, commercial insurance coverage, charity care and uninsured patient discounts.
3. No Collection during Financial Assistance Application process. ECH and Collection Agencies shall not pursue collection from a Patient who has submitted an application for Financial Assistance for 30 days and shall return any amount received from the Patient at the time the patient qualifies for Financial Assistance. Patients shall not be sent to a collection agency if they have been approved to receive charity care under the ECH Financial Assistance Policy. ECH will not turn an account over to a collection agency without applying the uninsured patient discount for self-pay patients.

#### J. Payment Plans:

1. ECH and any Collection Agency acting on its behalf shall offer Uninsured Patients and insured patients with a patient responsibility portion the option to enter into an agreement to pay their Patient Responsibility portion and any other amounts due over time. ECH will also offer extended payment plans for those Patients who indicate an inability to pay a Patient Responsibility amount in a single installment.
2. Terms of Payment Plans: All payment plans shall be interest-free. ECH will negotiate an extended payment plan (to allow payments over time) that is agreed upon between ECH and the patient, based on the patient's ability to pay.
3. Declaring Payment Plan Inoperative: An extended payment plan may be declared no longer operative after the patient's failure to make all consecutive payments due during a 90-day period. Before declaring the payment plan no longer operative, ECH or the Collection Agency shall make a reasonable attempt to contact the Patient by phone and to give notice in writing that the extended payment plan may become inoperative and that the Patient has the opportunity to renegotiate the extended payment plan. After a payment plan is declared inoperative, ECH or Collection Agency may commence collection activities.

#### K. Collection Agency Rules.

1. A collection agency's performance and its functions must be consistent with ECH's mission, core values, and policies, including but not limited to the Financial Assistance Policy and the Collection Practices and Collection Agency Management Policy.
2. The contract with the collection agency must state whether or not ECH has authorized the collection agency to file negative credit reports against patients for non-payment. ECH does not file negative credit reports to any reporting agencies for its patients.
3. The collection agency must have processes in place to identify patients who may qualify for charity care, communicate the availability and details of the charity care program to these patients, and refer patients who qualify and are seeking charity care consideration back to the Patient Accounts Department.

4. The collection agency is to have a monitoring process in place to catch any occurrences where a self-pay account was referred to collections without the uninsured patient discounts and will notify ECH if that occurs.
5. The Collection Agency shall not seek any payment from a Patient who has submitted an application for Financial Assistance or is eligible for Financial Assistance pursuant to the Financial Assistance Policy.
6. ECH will refund any amount (in excess of \$5.00) received from the patient during any period for which the patient is determined eligible for Financial Assistance if approved for Financial Assistance within 30 days. Interest owed by ECH to the patient shall accrue at the rate set forth in section 685.010 of the Code of Civil Procedure (10% annum), beginning on the date payment by the patient is received by ECH.
7. After 150 days from initial billing, subject to the conditions below, a patient debt is advanced to an external collection agency, based on the authority granted to the Chief Financial Officer or his/her/their designee by the Hospital Board of Directors. For multiple episodes of care that are aggregated for the purposes of billing, the 150 days period will start after the initial billing of the most recent episode of care included in the aggregated bill.
8. Before assigning a bill to collections, ECH shall send a patient a notice with all of the following information:
  - a. The date or dates of service of the bill that is being assigned to collections.
  - b. The name of the entity the bill is being assigned.
  - c. A statement informing the patient how to obtain an itemized hospital bill from ECH.
  - d. The name and plan type of the health coverage for the patient on record with ECH at the time of services or a statement that ECH does not have that information.
  - e. An application for the ECH's charity care and financial assistance.
  - f. The date or dates the patient was originally 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.
9. Prior to commencing collection activities against a patient, ECH or its designated collection agency shall provide the patient with a clear and conspicuous written notice containing both of the following:
  - a. The following statement: "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at [www.ftc.gov](http://www.ftc.gov)."
  - b. A statement that nonprofit credit counseling services may be available in the area. This notice shall also accompany any document indicating that the commencement of collection activities may occur.

10. Collection Actions by Collection Agency

- a. The collection agency may only attempt to collect the amount outstanding after application of the Financial Assistance Policy and any discounts.
- b. The collection agency may not file a lien against a patient's residence, personal or real property.
- c. The collection agency shall not foreclose on a patients personal or real property.
- d. A collection agency shall not garnish a patient's wages
- e. A collection agency will never serve a patient with an arrest warrant.
- f. A collection agency will never threaten a patient with any of the above comments in an effort to collect the debt.
- g. The Collection agency must agree that it will not engage in any Extraordinary Collection Actions to collect a patient debt.

L. Evaluate Agency Performance:

- 1. ECH will periodically evaluate the performance of each collection agency as appropriate. Items to consider in this evaluation are the collection experience compared to other years and other agencies, and comparison to established goals. ECH will also consider patient reactions and patient complaints. The evaluation will be documented in the form of a memo with recommendations to retain or eliminate the agency. This evaluation should be supplied to and reviewed by the appropriate management team.
- 2. ECH will periodically evaluate the collection agencies business ethics and methods of operations and their compliance with ECH policies.

M. Assignments of accounts to collection agencies

- 1. ECH will review collection agencies form letters and scripts to ensure they are compatible with ECH mission statement and core values and this policy.
- 2. ECH will investigate and analyze patient complaints about the activities of collection agency and promptly and thoroughly make and document all necessary corrections.

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| Step Description  | Approver   | Date    |
|-------------------|--|---------|
| ePolicy Committee | Patrick Santos: Policy and Procedure Coordinator | 04/2022 |
| CFO               | Carlos Bohorquez: CFO                            | 03/2022 |

Senior Director, Revenue Cycle

Brian Fong: Sr Dir Revenue  
Cycle

03/2022

Johnna Mohun-Garvey:  
Director Patient Accounts

03/2022

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