Plumas DISTRICT HOSPITAL	**TITLE: Discount Payment Policy and Procedure**
	DEPARTMENT/COMMITTEE: Patient Financial Services
	Effective Date: November __, 2025

Policy Purpose:

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

PDH complies with the Hospital Fair Pricing Policies Act and ensures that patients with family income between 139% and 400% of the federal poverty level, or those with high medical costs who meet income-based criteria, are eligible to apply for the Discount Payment Policy program. Providing patients with opportunities for financial assistance coverage for healthcare services is also an important part of fulfilling the PDH mission and vision.

Definitions:

Charity Care: Free care, with no charge to the patient. Under California law, as updated by Assembly Bill 2297 (AB 2297), charity care can only be provided to patients who qualify for completely free services.

Charity Care Patient: A patient who qualifies for free care because:

- They are a Self-Pay Patient with Family Income at or below 138% of the Federal Poverty Level; or
- They are an insured patient who meets the definition of High Medical Cost Patient and whose Family Income is at or below 138% of the Federal Poverty Level.

Discount Payment: A reduced charge for medically necessary care, provided to eligible patients who do not qualify for free care but have limited financial resources. Under AB 2297, a Discount Payment refers to care that is not free, but offered at a lower cost based on the patient's income and medical expenses.

Discount Policy Patient: A patient who qualifies for a Discount Payment because:

- Their Family Income is between 139% and 400% of the Federal Poverty Level, or

- They are a High Medical Cost Patient with income at or below 400% of the Federal Poverty Level, as defined in this policy**.**

Discount Policy Patients may be offered interest-free payment plans and will not be charged more than what PDH would expect to receive from Medicare or Medi-Cal, whichever is greater, for the same services.

Family Income: The total annual earnings of all members of the Patient Family from the prior twelve (12) months or previous tax year, based on recent pay stubs or tax returns, before taxes and deductions. This includes income from employment, investments, real estate, and businesses.

Federal Poverty Level: The income guidelines published by the U.S. Department of Health and Human Services to determine eligibility for financial assistance. PDH will use the Federal Poverty Level guidelines in effect for the calendar year in which the applicable hospital services were provided.

High Medical Cost Patient: A patient who:

- Has some form of insurance (not a Self-Pay Patient);
- Has Family Income at or below 400% of the Federal Poverty Level; and
- Has paid out-of-pocket medical expenses in the past 12 months (whether at PDH or other providers) that are greater than 10% of the patient's current or prior-year income.

High Medical Cost Patients with income at or below 138% of the Federal Poverty Level may qualify for Charity Care. Those with income between 139% and 400% of the Federal Poverty Level may qualify for Discount Payment.

Patient Family: For patients 18 years of age and older: the patient's spouse, domestic partner, and dependent children under 21 years of age, or any age if disabled, whether living at home or not. For patients under 18 years of age, or for a dependent child 18 to 20 years of age, inclusive: the patient's parent, caretaker relatives, and the parent's or caretaker relatives' other dependent children under 21 years of age, or any age if disabled.

Self-Pay Patient: A patient who does not have insurance for the healthcare services received. This includes:

- patients who qualify for a government program but the services are not covered under the program; and
- patients whose insurance benefits have been used up before or during the services provided**.**

Policy:

This policy applies to all patients receiving hospital (not clinic) services who meet the criteria of a Discount Policy Patient or a High Medical Cost Patient, as defined in this policy. PDH will use the Federal Poverty Level Guidelines ("FPL") in effect for the calendar year in which the applicable hospital services were provided to determine the patient's qualifying income level. If an application covers services provided in more than one calendar year, PDH will apply the FPL guidelines applicable to each year of service.

Discount Payment under this policy will be offered to patients whose Family Income is between 139% and 400% of the FPL applicable to the calendar year in which the hospital services were provided, including patients who meet the definition of a High Medical Cost Patient within that income range.

An emergency physician, as defined in California Health and Safety (H&S) Code section 127450, who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400% of the Federal Poverty Level. This statement does not impose any additional responsibilities on PDH.

Patients whose income is at or below 138% of the FPL may be eligible for Charity Care under the Charity Care Policy. Patients who do not qualify for Discount Payment or Charity Care may be referred to the Prompt Payment Policy.

For example, patients eligible for Discount Payment will receive the discounts shown in **Attachment A**.

Eligibility Procedures and PDH's Review Processes:

1. **Enrollment Process:**

    a. An informal review of Discount Payment Policy eligibility will be completed by the Patient Financial Counselor. The counselor may recommend the patient complete an application, but a recommendation is not required in order to apply.

    b. Once the application packet is submitted, all properly completed applications will be reviewed and a decision made within 10 business days.

    c. A patient requesting Discount Payment must make every reasonable effort to provide PDH with documentation of income and health benefits coverage. For income documentation, PDH will require only recent pay stubs or income tax returns. PDH may accept other forms of income documentation but will not require them. Monetary assets will not be considered when determining eligibility under this policy.

    d. PDH may verify the accuracy of application information.

    e. Applicants will receive either an approval or denial letter. The letter will include:

i. The approved discount percentage

ii. The adjusted balance (if more than one account, balances may be combined)

iii. The monthly payment amount due

iv. A payment schedule and discount card (included in the envelope)

f. If a patient disagrees with the decision, they may submit a written appeal to the PDH Revenue Cycle Director. This appeal should include the reason for the disagreement and any supporting documents.

g. For approved applicants, the maximum amount owed for PDH services will not exceed what PDH would expect to receive from Medicare or Medi-Cal, whichever is greater, for the same services.

i. Applicants must reapply at the end of each calendar year or if there are changes to their account or information.

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

a. All accounts will be billed after insurance and other payers have processed the claim and any approved discounts have been applied.

b. Participants are expected to stay current on their payments. This means paying the balance due within 30 days of the statement date. If you are unable to meet this requirement, you must contact the Billing Office or a Patient Financial Counselor to make arrangements.

c. If your contact or financial information changes, you must notify the Billing Office or Patient Financial Counselor to update your application or complete a new one.

d. If you cannot make a scheduled payment, you must contact the Billing Office or Financial Counselor to make other arrangements. If you do not, your account may be marked as past due and may be subject to the procedures in Section (e) below.

e. If a patient does not make payments under the agreed plan for 90 consecutive days and has not made other arrangements, the payment plan may be terminated. Before terminating the plan, the hospital (or its representative) will attempt to contact the patient by phone and will send a written notice explaining:

i. That the plan may be ended;

ii. That the patient has an opportunity to renegotiate the plan terms; and

iii. That financial assistance may still be available.

If the plan is terminated, the patient's amount due will not exceed the previously approved discounted amount, and the patient will receive credit for all payments already made. The hospital will not reinstate the original full amount owed. The patient may reapply for a new Discount Payment plan if financial circumstances change or if new accounts are added.

f. Patients may submit a new application for new accounts after the grace period.

g. Accounts removed from the program for non-payment and not resolved within a 6-month grace period may be referred to an outside collection agency. However, under no circumstances will the hospital or any of its agents report any patient information, including payment status or balance information, to a consumer credit reporting agency. This prohibition applies to all patients, whether or not they qualify for financial assistance.

3. **Payment Plan:**

a. Patients who qualify for Discount Payment but still owe a balance can set up an extended payment plan. These payment plans will be interest-free.

b. If the hospital (or its representative) and the patient cannot agree on payment terms, the default monthly payment will not exceed 10% of the patient's Family Income, after subtracting essential living expenses. "Essential living expenses" include.

i. Rent or mortgage

ii. Food and household supplies

iii. Utilities and phone

iv. Clothing

v. Medical and dental costs

vi. Insurance

vii. School or childcare

viii. Child or spousal support

ix. Transportation and auto expenses (including insurance, gas, and repairs)

x. Laundry and cleaning

xi. Other necessary expenses

c. A payment plan may be declared inactive if the patient fails to make all scheduled payments for 90 consecutive days. Before doing so, the hospital, collection agency, or other representative will attempt to contact the patient by phone and will send a written notice explaining that the payment plan may be ended and offering a chance to renegotiate. This contact may be made using the last known phone number and address.

d. If a payment plan is declared inactive, the patient's amount due will not exceed the discounted rate the hospital would expect to receive from Medicare or Medi-Cal, whichever is greater, for the same services. Credit will be given for any payments already made.

4. **Participant Accounts Maintenance:**

   a. An electronic folder will be created for each Discount Payment applicant. The folder will include the following:

      i. The patient's information and application

      ii. Copies of all correspondence between PDH and the participant

      iii. Detailed bills for all accounts included in the application

      iv. The adjustment form showing discounts applied

      v. Any additional notes or relevant information

      vi. Charity Care and Financial Discount Calculation Worksheet

   b. All accounts will be reviewed monthly to track payments, fee adjustments, and co-payments

   c. Notices will be sent to participants whose accounts are not current.

   d. Collections efforts may begin if payment is not received within 15 days of the due date on the statement sent after discounts have been applied.

5. **Availability of the Discount Payment Policy:**

   a. Notice of PDH's Discount Payment Policy will be posted in the following locations:

      i. Emergency Department

      ii. Patient Financial Services offices

      iii. Admissions office

      iv. Laboratory

      v. Imaging

      vi. Hospital website

   b. If a patient receives services and has not shown proof of insurance or other coverage at the time of care or at discharge, the hospital will provide the patient with:

      i. A statement of charges for the services provided

      ii. A request that the patient let PDH know if they have private insurance, Medicare, Medi-Cal, or other coverage – and information that the patient may be eligible for coverage and can get an application from PDH

      iii. A statement that the patient may qualify for financial assistance under PDH's Charity Care or Discount Payment Policies, along with a copy of the Financial Assistance Application

      iv. The name and phone number of a Patient Financial Counselor who can provide more information about financial assistance programs and help

with the application process.

c. **Electronic Notice Option (effective January 1, 2026):** For non-emergency department encounters, PDH may provide the written financial assistance notice described above by separate email if the patient has previously consented to receive hospital communications electronically. The subject line of the email will clearly indicate that the notice relates to PDH's Charity Care and Discount Payment policies. For emergency department visits, PDH will continue to provide a hard-copy notice at the time of billing.

References:

This policy is based on the Hospital Fair Pricing Policies Act (California Health and Safety Code Sections 127400 through 127446). Under H&S Code Section 127405, PDH has set financial assistance eligibility at under 400% of the Federal Poverty Level, consistent with maintaining its financial and operational integrity. PDH is a rural hospital as defined in H&S Code Section 124840.

The procedures described above are designed to comply with the Hospital Fair Pricing Policies Act (H&S Code Sections 127400 through 127446) and the Hospital Fair Billing Program regulations in Title 22 of the California Code of Regulations, Chapter 9.2.

Questions about the Hospital Fair Pricing Policies Act can be directed to a Patient Financial Counselor or the California Department of Health Care Access and Information (HCAI) at:

https://hcai.ca.gov/affordability/hospital-fair-billing-program/

https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

Attachment A:

Financial Assistance Income Reference Table – 2026 Federal Poverty Guidelines

Note for Charity Care Policy: Only patients with income at or below 138% FPL are eligible for Charity Care. Patients with higher income may qualify for Discount Payment under the Discount Payment Policy.

Note for Discount Payment Policy: Patients with income between 139% and 400% FPL may be eligible for Discount Payment. Patients with income above 400% FPL do not qualify for financial assistance under these policies.

Household Size	Up to 138% FPL (Charity Care – 100% Write-off)	139%–175% FPL (Discount – 50%)	176%–225% FPL (Discount – 40%)	226%–400% FPL (Discount – 30%) Above 400% FPL – No Discount
1	$0 – $22,025	$22,026 – $27,930	$27,931 – $35,910	$35,911 – $63,840
2	$0 – $29,863	$29,864 – $37,870	$37,871 – $48,690	$48,691 – $86,560
3	$0 – $37,702	$37,703 – $47,810	$47,811 – $61,470	$61,471 – $109,280
4	$0 – $45,540	$45,541 – $57,750	$57,751 – $74,250	$74,251 – $132,000
5	$0 – $53,378	$53,379 – $67,690	$67,691 – $87,030	$87,031 – $154,720
6	$0 – $61,217	$61,218 – $77,630	$77,631 – $99,810	$99,811 – $177,440
7	$0 – $69,055	$69,056 – $87,570	$87,571 – $112,590	$112,591 – $200,160
8	$0 – $76,894	$76,895 – $97,510	$97,511 – $125,370	$125,371 – $222,880
Each additional person	Add $7,838	Add $9,940	Add $12,780	Add $22,720

This table applies only to services provided during calendar year 2026. For services provided in another calendar year, PDH will use the Federal Poverty Level Guidelines in effect for the calendar year in which the services were provided.