

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
Page 1 of 7	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
ATTACHMENTS: A. Plain Language Summary B. Amounts Generally Billed C. Statement of Certification	

## 1. Purpose

This Policy establishes procedures for identifying, reviewing, and documenting patients who may qualify for Charity Care or Discount Payment Assistance, in compliance with applicable law.

This Policy applies only to hospital charges for Covered Services. It does not apply to charges from physicians or other providers who bill separately from Hospital.

## 2. Policy

Hospital provides Financial Assistance to eligible patients who receive Covered Services. Financial Assistance may include:

1. Charity Care, meaning free care, for eligible low-income Uninsured Patients;
2. Special Circumstances Charity Care, when approved under this Policy; and
3. Discount Payment Assistance, meaning reduced-cost care, for eligible Uninsured Patients and eligible Patients with High Medical Costs.

## 3. Eligibility

### A. Charity Care

Charity Care is a complete, 100% write-off of Hospital's undiscounted charges for Covered Services, minus any payments already made by the patient.

Charity Care is available to patients who received Covered Services, are Uninsured Patients, and have Family Income at or below 200% of the most recent Federal Poverty Guidelines.

### B. Discount Payment Assistance

Discount Payment Assistance is a reduction in the amount owed for Covered Services that does not result in free care.

Discount Payment Assistance may be available to eligible Uninsured Patients and eligible Patients with High Medical Costs whose Family Income is above 200% and at or below 500% of the most recent Federal Poverty Guidelines.

Hospital does not consider monetary assets when determining eligibility.

## 4. Payment Limits

For eligible patients with Family Income above 200% and at or below 400% of the most recent Federal Poverty Guidelines, Hospital shall limit expected payment for Covered Services to the amount Hospital would expect, in good faith, to receive from Medicare or Medi-Cal, whichever is greater, minus any payments already made.

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
Page 2 of 7	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
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ATTACHMENTS: A. Plain Language Summary B. Amounts Generally Billed C. Statement of Certification	

For eligible patients with Family Income above 400% and at or below 500% of the most recent Federal Poverty Guidelines, Hospital shall apply Discount Payment Assistance according to its written discount schedule or calculation worksheet, applied consistently to eligible patients. No patient eligible for Charity Care or Discount Payment Assistance will be personally responsible for more than the Amounts Generally Billed for emergency or medically necessary care. Hospital shall review its Discount Payment Assistance calculations at least annually.

## 5. Patients with High Medical Costs

A Patient with High Medical Costs may qualify for Discount Payment Assistance, even if insured, if the patient:

1. has Family Income at or below 500% of the most recent Federal Poverty Guidelines;
2. is responsible for all or part of the amount owed after insurance or other third-party payments; and
3. meets the High Medical Costs definition below.

High Medical Costs means either:

1. annual out-of-pocket costs incurred by the patient at Hospital 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 medical expenses that exceed 10% of Family Income, if documented by the patient.

## 6. Definitions

**Covered Services:** emergency and medically necessary hospital services provided by Hospital and covered under this Policy.

**Uninsured Patient:** a patient with no source of payment for Covered Services, including commercial insurance, government coverage, third-party liability, or available insurance benefits.

**Family Income:** the income of the Patient's Family used to determine eligibility. Hospital may request only income documentation permitted by law, including recent paystubs or recent tax returns. Hospital does not consider monetary assets.

**Patient's Family:** for patients 18 or older, the patient's spouse, registered domestic partner, and dependent children under 21, or dependent children of any age if disabled. For patients under 18, or dependent children ages 18 to 20, it means the patient's parent or caretaker relatives and their dependent children under 21, or dependent children of any age if disabled.

**Federal Poverty Guidelines:** the poverty guidelines updated periodically by the United States

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
Page 3 of 7	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
ATTACHMENTS: A. Plain Language Summary B. Amounts Generally Billed C. Statement of Certification	

Department of Health and Human Services.

## 7. Special Circumstances

Hospital may approve Charity Care or Discount Payment Assistance in special circumstances, including bankruptcy, homelessness, deceased patients without an estate or coverage, Medicare denials or cost shares, Medi-Cal denied or non-covered services, or when a patient cannot complete the standard application process.

Hospital shall document the reason for any special circumstances' determination. Approval must be made by Hospital's Chief Executive Officer or designee.

## 8. Application and Determination

Patients may apply for Financial Assistance at any time, including before, during, or after receiving care, and after billing or referral to collections.

Hospital shall review each application and provide a written determination. Hospital may request income documentation allowed by law, including recent paystubs or recent tax returns. For Charity Care only, Hospital may require a patient to apply for available government program assistance when appropriate. This requirement does not apply to Discount Payment Assistance.

If a patient disputes a determination, the patient may request review by Hospital's Chief Financial Officer or designee, who will provide a written decision.

## 9. Notice and Availability

Hospital shall provide information about Financial Assistance during preadmission or registration, upon request, on patient bills, in high-volume admitting/registration areas, and on Hospital's website.

Hospital shall make this Policy, the Plain Language Summary, the Financial Assistance Application, and debt collection policy available free of charge in the primary languages of Hospital's service area and in accessible formats as required by law.

Hospital shall submit its Charity Care Policy, Discount Payment Assistance Policy, eligibility procedures, review process, application, and debt collection policy to HCAI at least biennially on January 1 and whenever a significant change is made.

## 10. Collection Activities

Hospital shall not refer an account to collections until the Business Office or designee has reviewed and approved the referral.

Hospital shall not refer an unpaid bill to collections while the patient is applying for Financial Assistance, appealing a determination, attempting to negotiate a reasonable payment plan, or

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
<b>Page 4 of 7</b>	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
ATTACHMENTS: A. Plain Language Summary B. Amounts Generally Billed C. Statement of Certification	

making regular payments under a reasonable payment plan.

Any extended payment plan shall be interest free. If Hospital and the patient cannot agree on a payment plan, Hospital shall establish a reasonable payment plan with monthly payments that do not exceed 10% of the patient's monthly Family Income, excluding deductions for essential living expenses, as required by law.

Before declaring a payment plan inoperative, Hospital or its collection agency shall make reasonable efforts to contact the patient and allow renegotiation.

Hospital shall require any collection agency, debt buyer, assignee, affiliate, or other entity collecting patient debt on Hospital's behalf to comply with this Policy and all applicable laws. Hospital and its collection agencies shall not commence civil action, sell patient debt, or take other collection action unless permitted by this Policy and applicable law.

Hospital and any collection agency, debt buyer, assignee, affiliate, or other entity collecting patient debt on Hospital's behalf shall not report adverse information to a consumer credit reporting agency or credit bureau.

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
<b>Page 5 of 7</b>	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
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### **Attachment A - Plain Language Summary**

L.A. Downtown Medical Center offers financial assistance to eligible patients who cannot afford to pay for Covered Services.

Charity Care, meaning free care, may be available to eligible Uninsured Patients who receive Covered Services and whose Family Income is at or below 200% of the most recent Federal Poverty Guidelines.

Discount Payment Assistance, meaning reduced-cost care, may be available to eligible Uninsured Patients and Patients with High Medical Costs whose Family Income is above 200% and at or below 500% of the most recent Federal Poverty Guidelines.

Hospital does not consider monetary assets when determining eligibility.

No patient eligible for Charity Care or Discount Payment Assistance will be personally responsible for more than the Amounts Generally Billed for emergency or medically necessary care.

Patients may apply at any time by completing a Financial Assistance Application and submitting income documentation permitted by law.

Free copies of this Summary, the Policy, the application, and the debt collection policy are available at the Business Office, by calling 213-314-1492, and at [www.ladowntownmc.com](http://www.ladowntownmc.com).

Patients may file a complaint with the State of California's Hospital Bill Complaint Program at [HospitalBillComplaint.hcai.ca.gov](http://HospitalBillComplaint.hcai.ca.gov).

Free help is also available through the Health Consumer Alliance at 888-804-3536 or [healthconsumer.org](http://healthconsumer.org).

Language assistance is available free of charge. Call 213-314-1492 for help.

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
<b>Page 6 of 7</b>	
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EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
ATTACHMENTS: A. Plain Language Summary    B. Amounts Generally Billed C. Statement of Certification	

### **Attachment B - Amounts Generally Billed**

Amounts Generally Billed, or AGB, means the maximum amount Hospital will charge an eligible patient for emergency or medically necessary care, as determined under applicable federal and California law.

Hospital uses the Look-Back Method to determine its AGB percentage based on Medicare fee-for-service and commercial insurer payments over the most recently completed 12-month period.

Hospital shall review and update its AGB calculation at least annually.

DEPARTMENT: Business Office <input checked="" type="checkbox"/> Downtown Campus <input checked="" type="checkbox"/> Rosemead Campus <input checked="" type="checkbox"/> West Covina Campus	POLICY TITLE:  <b>CHARITY CARE &amp; DISCOUNT PAYMENT</b>
<b>Page 7 of 7</b>	
APPROVED BY: Governing Board	APPROVAL/EFFECTIVE DATE: 3/2019
EFFECTIVE DATE/REVISED DATE (S): 1/2021, 1/2022, 1/2024, 1/2025, 5/2026	
NEXT REVIEW DATE: 5/2027	<input type="checkbox"/> RETIRED DATE:
ATTACHMENTS: A. Plain Language Summary B. Amounts Generally Billed C. Statement of Certification	

### Attachment C - Statement of Certification

This Policy will be submitted to the Department of Health Care Access and Information and made available on Hospital's website.

Hospital attests under penalty of perjury that:

The individual submitting this Policy is authorized to submit policies on behalf of Hospital; and This submitted Policy is a true and correct copy of the Policy for which this certification is included.

Authorized Signatory:  Date: May 25, 2026

Pedro Mercado, Business Manager