

Stanford Health Care Tri-Valley Hospital Wide Policy	Last Approval Date: January 2025
Name of Policy: Uninsured Patient Discount Policy	Policy Section and Number: Finance 38
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I. **PURPOSE:**

The purpose of this Uninsured Patient Discount Policy (the “Policy”) is to define the eligibility criteria for discounts offered to Patients who receive medically necessary Healthcare Services at Stanford Health Care Tri-Valley (“SHC-TV”) and who are uninsured, but do not qualify for Financial Assistance under the Financial Assistance Policy.

II. **POLICY:**

- A. **Purpose.** This Policy establishes the guidelines for discounts available to certain uninsured Patients. SHC-TV is committed to consistently providing an Uninsured Patient Discount to individuals who are uninsured or are insured but without insurance coverage for certain Medically Necessary Healthcare Services offered by SHC-TV, and are not eligible for the Financial Assistance under SHC-TV’s Financial Assistance Policy. The Uninsured Patient Discount reflects a desire by SHC-TV to respond to the individual financial situations of its Patients, while satisfying its not-for-profit and teaching missions and meeting its strategic, operational, and financial goals.
- B. **Availability of Uninsured Patient Discounts to International Patients.** The Uninsured Patient Discount may be offered to Patients residing in the United States or internationally for hospital services and physician services billed by SHC-TV.
- C. **Not Available to Insured Patients.** Patient balances post-insurance processing are generally excluded from the Uninsured Patient Discount, including co-payments, co-insurance and insurance deductibles, unless specifically noted in this Policy.

III. **DEFINITIONS:**

- A. **Charges:** The total charges at the organization's full established rates for the provision of care services before deductions are applied.
- B. **Healthcare Services:** Medically Necessary Healthcare Services that a hospital or provider is licensed to provide, including emergency and other Medically Necessary care.
- C. **Hospital Services:** Healthcare Service delivered in a hospital or other facility that bills for its services separately from the physician or other provider.

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- D. **Medically Necessary:** Healthcare services, including emergency care, are Medically Necessary when, in the opinion of an SHC-TV treating physician, the service, item, procedure or level of care 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 developmental effects of the Patient's illness, condition, injury or disability; or
- Will assist the Patient to achieve or maintain maximum functional capacity in performing daily activities, taking into account both the functional capacity of the Patient and those functional capacities that are appropriate for the Patient's age.
- E. **Patient:** A Patient is an individual who received Healthcare Services from SHC-TV. All references to a Patient in this Policy shall be deemed to include the Guarantor.
- F. **Payment Plan:** An extended interest free payment plan that is negotiated between SHC-TV 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.
- G. **Professional Services:** Healthcare Services provided to Patients by physicians contracted to provide services at SHC-TV.
- H. **Uninsured Patient:** An individual having no coverage from a commercial third-party insurer or health care service plan, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), TriCare/ChampVA, Worker's Compensation, or other third-party assistance to assist with meeting their payment obligations. Uninsured Patients also include (i) Patients that have third party coverage, but have either exceeded their benefit cap, or their third-party coverage does not provide coverage for the particular Medically Necessary Healthcare Services for which the Patient is seeking treatment from SHC-TV; and (ii) Patients that have third party

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coverage, but does not seek to have a claim for services submitted to their third party coverage, instead opting to pay out-of-pocket.

IV. **Eligibility for Uninsured Patient Discount:**

- A. **Eligibility.** Under the Uninsured Patient Discount, SHC-TV shall limit the expected payment by an Uninsured Patient for Medically Necessary Hospital Services and Professional Services, to an amount determined by SHC-TV to be within a range between the average discount from billed charges for all commercial fee-for-service managed care payers and the least discount extended to any managed care payer. The current SHC-TV Uninsured Patient Discount is set forth in Appendix A. No application is necessary for an Uninsured Patient to receive the Uninsured Patient Discount; the discount shall be applied to qualifying accounts automatically.
- B. **Emergency Physician Services.** In California, an emergency physician, as defined in Health and Safety Code section 127450, who provides emergency services in a hospital is required to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level.
- C. **Review of discount rate.** The Uninsured Patient Discount rate will be reviewed on a quarterly basis and is subject to change at any time.
- D. **Payment Plans.**
 1. **Term of Payment Plans.** Patients shall have the opportunity to negotiate an interest-free payment plan that would allow the Patient to pay their balance over time. If SHC-TV and the Patient are not able to agree on the terms of a payment plan, the default payment plan shall be monthly payments that are not more than 10 percent of a Patient's family income for a month, excluding deductions for essential living expenses. "Essential living expenses" means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, 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.
 2. **Declaring Payment Plan no longer operative.** The extended payment plan may be declared no longer operative after the Patient's

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or Guarantor's failure to make all consecutive payments due during a 90-day period starting with the first day that the Patient misses a payment. Before declaring the hospital extended payment plan no longer operative, SHC-TV shall make a reasonable attempt to contact the Patient or Guarantor by telephone and to give notice in writing at least sixty (60) calendar days after the first missed payment that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the hospital extended payment plan being declared inoperative, SHC-TV shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the Patient or Guarantor. The Patient shall be given at least thirty (30) calendar days, starting from the date the written notice of the missed payment was sent, to make a payment before the extended payment plan is declared inoperative. For purposes of this, the notice and telephone call to the Patient or Guarantor may be made to their last known telephone number and address. If a payment plan is declared inoperative, and the Patient has qualified for Financial Assistance, Hospital or third-party debt recovery services vendor shall limit the amount it seeks from the Patient to the amount the Patient was responsible to pay after any discounts.

- E. **Disputes regarding eligibility for Uninsured Patient Discount.** In the event SHC-TV determines that a Patient is not eligible for an Uninsured Patient Discount, the Patient may seek review of that determination by contacting the Customer Service Billing department at (800) 549-3720 or other number indicated at Stanford Health Care Billing website (<https://stanfordhealthcare.org/for-Patients-visitors/financial-assistance.html>) and request review by Manager of Self Pay Resolution.

- F. **Services not eligible for the Uninsured Patient Discount.**

The following services are not eligible for the Uninsured Patient Discount:

1. **Patients treated by physician not affiliated with Stanford.** Patients who are treated by a non-Stanford physician may contact their physician directly to inquire about available discounts for the services provided (non-Stanford physicians are not covered by this Policy.)
2. **Cash Price Services.** Services that are considered Cash Price Services as defined in the Eligible Services and Criteria for Cash Price Services Policy are not eligible under the Uninsured Patient Discount program or any further discounts. Cash Price Services can

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be identified by their Code Description prefix “PSA” or “Cash Pay” and are maintained in unique Cash Price Epic Fee Schedules.

3. Second Opinions. Second opinions are not considered to be Medically Necessary services and are not eligible for the Uninsured Patient Discount.
4. Special Pricing Program. Services that are identified in an SHC-TV special pricing program (see Appendix B) are not eligible for the Uninsured Patient Discount.
4. Other Exclusions. SHC-TV reserves the right to change the list of services deemed to be not eligible for the Uninsured Patient Discount at its discretion, subject to applicable law.

In rare situations where a Stanford physician considers non-eligible services to be Medically Necessary, requests will be reviewed and approved by SHC-TV's office of the Chief Medical Officer. SHC-TV reserves the right to change the list of services deemed to be not Medically Necessary services at its discretion.

G. Eligibility Determination.

1. A Patient who has third-party coverage shall provide coverage information to SHC-TV.
2. Patients shall cooperate fully with providing information SHC-TV requires to determine eligibility. Failure to do so may affect SHC-TV's ability to provide the Uninsured Patient Discount.

H. Public Notice regarding Uninsured Patient Discount.

1. Public notice concerning the availability of the Uninsured Patient Discount under this Policy shall be by the following means:
 - a. Posted notices shall explain that SHC-TV has a variety of options available including discounts and Financial Assistance to financially qualified Patients.
 - b. Notices include a contact telephone number a Patient can call to obtain more information about such discounts and financial assistance.
2. SHC-TV billing statements shall inform the Patient that the Uninsured Patient Discount is provided to Uninsured Patients.

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V. COMPLIANCE:

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at Stanford Health Care (SHC-TV) 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 SHC-TV policy. Violations will be investigated to determine the nature, extent, and potential risk to SHC-TV. Workforce members who violate this Policy will be subject to the appropriate disciplinary action up to and including termination.

VI. APPENDICES:

- A. **Appendix A.** Current Uninsured Discount Rate Information

VII. RELATED DOCUMENTS:

- A. **Financial Assistance Policy**
- B. **Debt Collection Policy**

VIII. DOCUMENT INFORMATION:

- A. **Legal Authority/References.**
 - 1. California Hospital Fair Pricing Act of 2006, California Health and Safety Code 127400-127462 as applicable.
 - 2. Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations thereunder.
 - 3. American Hospital Association Patient Billing Guidelines (2020)
 - 4. Department of Health Care Access and Information (HCAI), 22 CCR 96051.1.Document Accessibility.
 - (a) Subdivision (a)(2) explains all hospital documents must use a sans serif font (such as Arial) in at least 12-point size, with section headings in a larger font size or bold/underlined font style to distinguish different sections of the document.
- B. **Policy Owner.**
 - 1. 10/2008, policy origination date, author unknown
 - 2. 3/2020, Kristine Grajo, Director, Self-Pay Management Office

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C. **Review and Renewal Requirements.**

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

D. **Review and Revision History.**

1. June 2019, Kristine Grajo, Director, Self-Pay Management Office
2. June 2019, Noel Juare, Interim Executive Director, Patient Financial Services
3. June 2019, Sarah J. Diboise, Office of General Counsel
4. December 2024, Kathy Zhang, Office of General Counsel, Kristine Grajo, Director Self Pay Management Office, Alicia Perrone, Senior Manager Self Pay Management Office

E. **Approvals.**

1. June 2019, Kristine Grajo, Director, Self-Pay Management Office
2. June 2019, Noel Juare, Interim Executive Director, Patient Financial Services
3. June 2019, Sarah J. Diboise, Office of General Counsel
4. June 2020, Policy Steering Committee
5. Kyle Wichelmann, CFO, 1/3/2025
6. Policy Steering Committee, 1/9/2025
7. Committee of the Chair of the Stanford Health Care Tri-Valley Board of Directors, 1/29/2025

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Appendix A

Current Uninsured Patient Discount Rate Information as of January 1, 2025

Pursuant to this Policy, Uninsured Patients receiving Medically Necessary services shall receive an Uninsured Patient Discount. Discounts for 340B drugs are only for 340B eligible Patients and are not applicable to this Policy. The Uninsured Patient Discount shall be as follows:

1. A **fifty percent (50%) discount** off charges for Professional Services billed by SHC-TV (as defined in Part IV, Section B(1) of the Policy).
2. A **sixty percent (60%) discount** off Charges for Hospital Services charged by SHC-TV for domestic Patients.
3. A **sixty percent (60%) discount** off Charges for Hospital Services charged by SHC-TV for international Patients.

Additionally, the cost of select outpatient drugs, device and supplies will be charged to the Uninsured Patient at SHC-TV's cost plus five percent (5%).

The discount amounts are reviewed on a quarterly basis and are subject to change at any time without notice.