

**Financial (Patient) Policies**

<b>MANUAL:</b>	<b>ORIGINATION DATE:</b>	<b>REVIEW DATE:</b>	<b>OWNER:</b>
ADMINISTRATIVE	09/01/1980	05/06/2024	Director, Patient Financial Services

**PURPOSE**

To define Redlands Community Hospital’s (“RCH’s”) philosophy and rules governing charitable care, special payment arrangements and general hospital business practices regarding patient financial responsibilities.

**POLICY**

1. RCH recognizes to the extent that it is financially able, a responsibility to provide quality health care services to persons regardless of their source of payment.
2. It is RCH’s philosophy that the need for charitable care or for special payment arrangements should be determined prior to the delivery of that care whenever possible. Early and deliberate efforts of RCH staff to contact the patient, resolve problems, discuss, counsel and make arrangements for payment are encouraged. The intent of this policy to comply with applicable California State laws as well as Section 501(r) of the Internal Revenue Code (the “Code”). Accordingly, this Policy should be read and interpreted in a manner consistent with such laws.
3. The cost of accounts not paid must be borne by the paying patient. Proper business practices blended with the compassion in a charitable institution into patient financial policies will enable RCH to fulfill its responsibilities to those patients and third parties who pay in full for services rendered.
4. RCH has a written Emergency Medical Care Policy (T-140) that provides that all patients will receive care for emergency medical conditions without discrimination or whether or not eligible for financial assistance.
5. Hospital business practices regarding patient financial responsibilities shall be defined as follows:

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### I. General Guidelines for All Patients

The billing of private insurance is considered a courtesy to the patient; however, the patient/guarantor remains responsible for the balance.

- A. RCH will bill secondary and supplemental carriers as a courtesy; however, the patient/guarantor remains responsible for the balance.
- B. New patients are to be pre-registered and receive financial counseling regarding insurance verification and co-payments, coinsurance, and/or deductibles due prior to services being rendered. Description of services and estimated costs of services are to be available to all outpatients from the departments.
- C. Extended Terms - Patients with an outstanding balance post discharge will be referred to the Business Office for counseling.
  1. Payment arrangements without interest can be extended to all Self Pay patients by the department staff not to exceed 6 months from the date of service. Upon a supervisor's review and approval, these payment arrangements without interest can be extended to 12 months. RCH reserves the right to extend payment arrangements beyond these thresholds based on patient circumstances. In addition to the above stated internal payment arrangement plans, RCH also offers its patients the ability to sign up for an Interest Free Loan program offered through Clear Balance for extended repayment periods.
  2. In the event that RCH staff and the patient fail to agree on the terms of a payment plan, the Reasonable Payment Formula as cited in SB 1276 and AB 1020 will be implemented. Monthly payments under this formula will not exceed 10% of the patient's family income for a month, excluding deductions for Essential Living Expenses. Patients will be required to produce written documentation in support of their Essential Living Expenses.
  3. RCH will not revoke a patient's eligibility for extended payment terms unless the patient has failed to make all consecutive payments due in a 90-day period. Before revoking eligibility for extended payment terms, RCH, or any collection agency or other assignee of the patient's account, will make a reasonable attempt to contact the patient by phone and give notice by writing, at least 60 days after the first missed bill, that the extended payment plan may be revoked and the patient has the opportunity to renegotiate the extended payment plan. The notice will provide the patient with at least 30 days to make a payment before RCH revokes the extended payment plan. RCH, the collection agency or other assignee will attempt

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to renegotiate the extended payment plan if requested by the patient. Adverse information shall not be reported to a consumer credit reporting agency and civil action shall not be commenced against the patient or other responsible party prior to the time the extended payment plan is revoked.

4. In the event that the patient has a pending appeal for coverage of services, so long as the patient makes a reasonable effort to communicate with the hospital about the progress of the pending appeal, the 90-day nonpayment period described above shall be extended until a final determination of the appeal is made. "Pending appeal" includes the following:
  - 1) A grievance against a contracting health care service plan, as described in Chapter 2.2 of Division 2 of the Insurance Code, or against an insurer, as described in Chapter 1 of Part 2 of Division 2 of the Insurance Code;
  - 2) An independent medical review, as described in Section 10145.3 or 10169 of the Insurance Code;
  - 3) A fair hearing for review of a Medi-Cal claim pursuant to Section 10950 of the Welfare and Institutions Code;
  - 4) An appeal regarding Medicare coverage consistent with federal law and regulations.

## II. Insurance Coverage

RCH will accept insurance benefits as follows:

- A. Medicare - with proper eligibility.
- B. Medi-Cal - with proper eligibility.
- C. Commercial Insurance - with verified coverage and assignable benefits.
- D. Private Insurance - with verified coverage and assignable benefits.
- E. Workers' Compensation - with verified coverage.
- F. HMO/PPO/Capitation - with verified coverage.

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- G. Other State- or County-funded health coverage - with verified coverage.

### III. Bad Debt/Collection Policy

When required insurance coverage documentation and/or patient balance payments per agreement are not provided, RCH will transfer the account to a Bad Debt file and the reserve for Bad Debt will be charged. Solely in a manner consistent with Section 501(r) of the Code and applicable state laws, Bad Debt accounts may be referred to a collection agency at the discretion of the Collection Supervisor and Director of Patient Financial Services; *provided* that Bad Debt accounts will not be referred to a collection agency unless RCH has found the patient ineligible for financial assistance or the patient has not responded to any attempts to bill or offer financial assistance for 180 days.

- A. RCH will recognize any account as a Bad Debt when the account is older than 120 days except as follows:
1. The account is pending insurance payment for a known reason.
  2. Extended payment terms have been authorized. Payment arrangements can be extended to all Self-Pay patients by department staff not to exceed 6 months from the date of service. Upon a supervisor's review approval these payment arrangements without interest can be extended to 12 months. RCH reserves the right to extend payment arrangements beyond these thresholds based on patient circumstances.
  3. The Director of Patient Financial Services or Collection Supervisor has documented a good reason for maintaining the account.
  4. The account has been recognized and documented as "high risk" and a prior determination made by the Director of Patient Financial Services or Collection Supervisor that the account should be aggressively followed by an outside agency.
  5. The patient applies for financial assistance under the FAP within the Application Period as defined in Attachment A to this Policy.
- B. RCH and its assignees of any patient Bad Debt, including collection agencies, will not report adverse information to any consumer credit reporting agency until RCH has made reasonable efforts, which efforts shall be documented, to notify the patient as to the availability of financial assistance and the actions that may be taken in the event of nonpayment. Notwithstanding the forgoing, the earliest under any circumstance that such actions may be taken is the date that is 180 days from initial billing.

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- C. RCH will require all assignees of any patient Bad Debt, including collection agencies, to agree to comply with the AB 774, SB 350, SB 1276 and AB 1020 requirements regarding all collection activity. A written agreement requiring compliance with AB 774, SB 350, SB 1276, AB 1020, IRS 501r and RCH's standards and scope of practice will be required on all collection agency agreements.
- D. RCH and its assignees of any patient Bad Debt, including collection agencies, will not use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills for patients whose income is below 400% of the Federal Poverty Level.
- E. A collection agency, or other assignee that is not an affiliate or subsidiary of RCH, shall not use sale of the patient's primary residences as a means of collecting unpaid hospital bills of patients whose income is below 400% of the Federal Poverty Level unless both the patient and his or her spouse have died, no child of the patient is a minor and no adult child of the patient who is unable to take care of himself or herself is residing in the house as his or her primary residence.
- F. Bad Debt approval thresholds:

Account Balances between 0.01 - 999.99	Patient Account Rep.
Account Balances between 1,000.00 - 9,999.99	Supervisors
Account Balances between 10,000.00 - 19,999.99	PFS Manager
Account Balances between 20,000.00 - 99,999.99	Director of PFS
Account Balances over \$100,000.00	Vice President/Chief Financial Officer or President/CEO

- G. Prior to commencing collection activities against a patient, RCH and its assignees of any patient Bad Debt, including collection agencies, shall provide the patient with a clear and conspicuous notice containing all of the following items:
- 1) A plain language summary of the patient's rights pursuant to AB 774 and SB 350, the Rosenthal Fair Debt Collection Practices Act, and the federal Fair Debt Collection Practices Act of Chapter 41 of Title 15 of the United States Code, and a statement that the Federal Trade Commission enforces the federal act.
  - 2) A statement that nonprofit credit counseling may be available.
  - 3) The Date of service of the bill that is being assigned to collections.
  - 4) The name of the Collection Agency that the account is being assigned to.
  - 5) Notice on how to obtain an Itemized bill from the hospital.
  - 6) The name and type of health coverage plan for the patient on record with the hospital at the time of services or a statement that the hospital does not have that information.

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- 7) An application for the hospital's Financial Assistance program.
- 8) The date or dates that the patient was originally sent a notice about applying for financial assistance.
- 9) The date or dates that the patient was sent a Financial Assistance Application and if applicable, the date a decision on the application was made.

IV. Charity Care, AB 774, SB 350, SB 1276, Prop 99 and AB 1020

Application for Self-Pay/Charity Care/Prop 99 Funds see **Attachment A**.

V. Employment and Medical Staff Courtesy Allowances

No courtesy allowances for RCH employees, medical staff or their dependents are allowed except as otherwise provided in this policy and Attachments.

VI. Other Courtesy / Administrative Allowances

From time to time, it is necessary to adjust patient accounts on case by case based on a patient's financial ability, physical ability, mental capability or other related circumstances to make payment, as a courtesy. Approvals are as follows:

Allowance amount 0.01 - 499.99	Patient Accounting Rep.
Allowance amount 500.00 - 1,499.99	Supervisor
Allowance amount 1,500.00 - 4,999.99	PFS Manager
Allowance amount 5,000 - 99,999.99	PFS Director
Allowance amount => 100,000.00	Vice President/ Chief Financial Officer or President/CEO

- A. Small balance allowances of \$14.99 and under that have been billed at least once may be written off by the Patient Financial Services Department.
- B. OB Cost-Saver Package Plan, see **Attachment B**.
- C. Self-Pay and Charity Care Discounts see **Attachment A**.
- D. Perinatal Services, Center for Surgical and Specialty Care, Redlands Family Clinic and Yucaipa Family Clinic, see **Attachment C**.

IX. Overpayment on Patient Accounts

A. Insurance Overpayments

RCH will refund insurance overpayments in a reasonable manner, after review and a determination that refund is appropriate. Interest will be applied at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date of the verified credit balance.

B. Patient Overpayment

RCH will refund overpayments of \$5.00 or more to the responsible party after determining that no accounts for which the party is responsible have an outstanding balance. Interest will be applied at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date of the patient's payment that created a credit balance. For patients retroactively presenting valid Medi-Cal cards, patient payments may be refunded after all retroactive documentation has been approved by the Department of Health Services. RCH reserves the right not to accept retroactive Medi-Cal. In the event that a patient applies for Financial Assistance and is approved for Financial Assistance, any payments made by the patient will be reviewed and processed within 30 days of the approval date.

C. Deviations from Policy

The President/CEO, Vice President/CFO or designee may authorize a deviation from any of the above policies.

Responsibility for review and maintenance of this policy is assigned to Vice President/Chief Financial Officer.

Attachments:

- A. Self-Pay and Charity Care Discounts
- B. OB Cost Saver Package Plan
- C. Service / Location Specific Policies

## ATTACHMENT A

## SELF-PAY AND CHARITY CARE DISCOUNTS

The Self-Pay and Charity Care Discount policies provided herein is intended to comply with California Assembly Bill 774 (Health and Safety Code § 127400 *et seq.*) and California Senate Bill 350 (Chapter 347, Statutes of 2007) effective January 1, 2008, SB 1276 (Chapter 758) effective January 1, 2015, AB 1020 (Chapter 473) effective 1/1/2020 and Section 501(r) of the Code.

A. DEFINED TERMS

1. “*Amounts Generally Billed*” (“AGB”). Charges for emergency and medically necessary services shall be limited to no more than amounts generally billed (“AGB”) to individuals who have insurance covering such care. In calculating AGB, RCH has selected the “prospective” method, which is one of the two permissible methods identified by the IRS, whereby the AGB is determined based on a percentage of the applicable Medicare reimbursement for the services provided. Following a determination of approval for financial assistance, a FAP-eligible individual may not be charged more than the amounts generally billed for emergency or medically-necessary care. In addition, RCH will not charge FAP eligible individuals gross charges (or higher) for any medical care (that is not emergency or medically necessary care).
2. “*Application Period*” means the time period in which patients may submit an application for financial assistance under this Policy by completing a FAP Application. The Application Period begins on the date on which care was rendered to the patient and continues until the 240<sup>th</sup> day after the patient receives his or her first post-discharge billing state for the care provided at RCH.
3. “*Bad Debt*” means an account of a patient who demonstrates an ability to pay but who has not done so after repeated requests for payment.
4. “*Charity Care*” means any emergency or medically necessary inpatient or outpatient hospital service provided to a patient whose responsible party has an income does not exceed 400% of the “*Federal Poverty Level*” or “*FPL*” (as defined below).
5. “*Federal Poverty Level*” or “*FPL*” means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.
6. “*Financially Qualified Patient*” means a patient who is: (1) a “*Self-Pay Patient*” (as defined below) or a “*Patient with High Medical Costs*” (as defined below), and (2) a patient who has a family income that does not exceed 400% FPL.



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7. “*High Medical Costs*” means: To include annual out of pocket costs at the hospital that exceed the lesser of 10% of the patient’s current family income or the family income in the prior 12 months.
8. “*Patient’s Family*” for the purpose of determining family income and size, means, for persons 18 years of age or older: spouse, domestic partner and dependent children under 21 years of age, whether living at home or not, and for persons under the age of 18: parent or caretaker and other children under 21 years of age.
9. “*Patient with High Medical Costs*” means a patient with High Medical Costs whose family income does not exceed 400% FPL.
10. “*RCH*” means Redlands Community Hospital.
11. “*Self-Pay Patient*” means a patient who does not have third-party health coverage.
12. “*Self-Pay Discount*” means a discount applied by RCH for any medically necessary inpatient or outpatient hospital service provided to a patient with High Medical Costs who is uninsured or whose documented income exceeds 400% FPL.
13. “*Reasonable Payment Formula*” means monthly payments that are not more than 10% of a patient’s family income for a month, excluding deductions for essential living expenses.
14. “*Essential Living Expenses*” means 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.
15. “*Underinsured Patient*” means a patient with insurance coverage who has charges for services not covered by their health care coverage.

### B. SELF-PAY POLICY

All Self-Pay Patients or Underinsured Patients who have ability to pay and whose income exceeds 400% FPL will receive the standard Self-Pay Discount. All Self-Pay Patients and Underinsured Patients whose documented income falls below the 400% FPL threshold will be considered for Charity Care. All Self-Pay Patients will be screened for linkage to and provided with an application (or instructions on how to obtain an application) for any appropriate form of assistance, including but not limited to California Health Benefit Exchange, Medi-Cal, Healthy Families, San Bernardino Medically Indigent Adult program, Section 1011 or, any 3<sup>rd</sup> party liability insurance (Automobile Insurance, Workers’ Compensation, Home Owners Insurance, etc.). Any such linkage that is not pursued by the patient or if the patient is denied eligibility for

failure to comply may result in the patient not being eligible for RCH's Charity Care / Self-Pay Discount programs. RCH reserves the right to review these instances on a case by case basis. A pending application for another health coverage program shall not preclude eligibility for RCH's Charity Care or Self-Pay Discount programs.

C. STANDARD SELF-PAY DISCOUNT

For qualifying Self-Pay and Underinsured Patients who receive medical procedures (excluding implants and high cost drugs, which are billed at cost plus 5%) a 76% discount will be applied to charges at the time of final billing. Additional Self-Pay Discounts offered by RCH may be provided based on financial ability, mental capability, physical ability, or other related reasons. An additional prompt-pay discount of 10% may also be provided if full payment is made promptly. Any Self-Pay Discounts that exceed the standard Self-Pay Discount and prompt-pay discount must be approved by the Business Services management team.

D. CHARITY CARE / PROP 99

RCH is committed to providing appropriate medical care to patients in its service area to ensure that a patient in need of non-elective care will not be refused treatment because of his or her inability to pay. Therefore, it is the policy of RCH to provide charity care for those who demonstrate an inability to pay.

E. CHARITY CARE

1. Services Eligible under this Policy

The following healthcare services are eligible for Charity Care:

- a. Emergency medical services provided in an emergency room setting;
- b. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
- c. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
- d. Other medically necessary services, evaluated on a case-by-case basis at RCH.
- e. Non-covered and denied medically necessary services for all payors.

## 2. Eligibility Criteria for Charity Care

Self-Pay Patients, Underinsured Patients and Patients with High Medical Costs will be considered for Charity Care.

- a. The granting of Charity Care shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
- b. In determining eligibility for Charity Care, RCH may consider income and monetary assets of the patient and/or family. The assets include bank accounts and assets readily convertible to cash including stocks. Monetary assets shall not include retirement or deferred compensation plans. The first \$10,000 for patient monetary assets shall not be counted in determining eligibility, nor shall 50% of the patient's monetary assets exceeding the first \$10,000. Waivers or releases from the patient and/or the patient's family authorizing RCH to obtain account information from financial institutions or other entities that hold monetary assets may be required. Information obtained shall not be used in collection activities.

### Charity Care for Insured patients

Financial Assistance may be applied to uninsured patients, as well as the patient liability for patients with insurance, including charges determined uninsured for the hospital stay, coinsurance, copayment, deductible amounts, and other liabilities for medically necessary hospital services.

Eligibility for this form of charity is determined according to the patient's income in relation FPL requirements in Section H.

## 3. Method by Which Patients May Apply for Charity

- a. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need. Such procedures will include:
  - i. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need. Required documents include: Proof of identity, (Driver's License, ID card, US Citizenship, Passport, or Social Security Card), Proof of Income (Pay stubs, Social security, unemployment, disability, child support, alimony or other payments) Tax Return, W2 form, Bank statements. Financial assistance may

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not be denied based on failure to provide information or documentation not specified in this policy or on the FAP Application. Information obtained during the collection of Eligibility documents (including, without limitation, pay stubs, tax returns, and bank statements) shall not be used in Collection Activities.

- ii. Reasonable efforts by RCH to verify information submitted and explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs. Whether such reasonable efforts have been made shall be determined by the Patient Financial Service Department;
  - iii. The use of external publicly available data sources that provide information on a patient's or a patient guarantor's ability to pay (such as credit scoring) to verify financial information provided;
  - iv. A review of the patient's and/or family's available assets, and all other financial resources available to the patient; and
  - v. A review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history. If approved upon a manual submitted application, all prior accounts will be evaluated for possible charity reclassification.
- b. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than 6 months prior, or at any time additional information relevant to the eligibility of the patient for Charity Care becomes known.
  - c. RCH may deny Charity Care on the grounds of failure to provide required requested information. In the event the patient or the patient's representatives provide the requested information at a later date, RCH shall reopen their applications. Patients who have had their Charity Care application denied for any reasons have the right to appeal the denial and can do so by submitting their appeal in writing to the attention of the Director of Patient Financial Services (PFS) or the PFS Manager at RCH at any time. If denied, the patient will be informed as to the basis for the denial of Charity Care.
  - d. RCH values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and RCH shall notify the patient or applicant in writing once the application has been approved or denied.

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- e. The emergency physician who provides emergency medical care at RHC is also required by California law section 127450 to provide discounts to Self Pay Patients and Patients with High Medical Costs who are at or below 400 percent of the federal poverty level. The processing, determination and application of discounts for emergency physician services is the sole responsibility of the providing emergency physician and shall not be construed to impose any additional responsibilities upon the hospital. RCH shall provide contact information for the treating emergency room physician to each Self Pay Patient and Patient with High Medical Costs.

#### 4. Presumptive Financial Assistance Eligibility

There are instances when a patient may appear eligible for Charity Care, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with Charity Care. In the event there is no evidence to support a patient's eligibility for Charity Care, RCH reserves the right to use outside agencies in determining estimated income amounts as the basis of determining charity care eligibility and potential discount amounts. Any patient approved for Charity Care on a presumptive basis shall receive free care (100% discount). Examples of these exceptions where documentation requirements are waived include, but are not limited to:

- An independent credit-based financial assessment tool indicates indigence;
- An automatic financial assistance determination of 100% assistance is applied in the following situations provided other eligibility criteria are met:
  - Patient has an active Medicaid plan.
  - Patient is eligible for Medicaid or patients with current active Medicaid coverage will have assistance applied for past dates of service.
  - Patient is deceased.
- Determination of patient financial assistance eligibility by director of patient financial services

Presumptive eligibility tools may not be used for indigent Medicare patients

#### 5. Non-Covered/Denied Medicaid or Indigent Care Program Service

Non-covered and denied services provided to Medicaid 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 services not covered, including all denials, are charity care. Examples may include, but are not limited to:

- Services provided to Medicaid beneficiaries with restricted Medicaid (i.e., patients that may only have pregnancy or emergency benefits, but receive other hospital care)

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- Medicaid-pending accounts
- Medicaid or other indigent care program denials
- Charges related to days exceeding a length-of-stay limit
- Medicaid claims (including out of state Medicaid claims) with “no payment”
- Any service provided to a Medicaid eligible patient with no coverage and no payment

### 6. Non-Covered/Denied Charges for all Payors

Any unreimbursed charges from non-covered or denied services from any payor, such as charges for days beyond a length-of-stay limit, exhausted benefits, balance from restricted coverage, Medicaid-pending accounts, and payor denials are considered a form of patient financial assistance at RCH. Charges related to these denials/non-covered amounts written off during the fiscal year are reported as uncompensated care.

### 7. Examples of Intended Beneficiaries

- a. The following are examples of patients intended to benefit from RCH’s Charity Care policy:
  - i. Uninsured or underinsured patients who do not have ability to pay and have income at 400% or lower of the FPL based on means testing according to RCH’s Charity Care policy.
  - ii. Patients with High Medical Costs
  - iii. Patients who qualify for the Medically Indigent Adult program through the State of California or the County of San Bernardino.
  - iv. Patients who have applied to the Medi-Cal program and have been denied for reasons other than failure to comply or noncompliance with requested information.
  - v. Patients who have been referred to outside collection agencies and who are later determined to be unable to pay according to RCH’s Charity Care eligibility guidelines.
  - vi. Patients who are undocumented aliens from other countries who have demonstrated no ability to pay or who did not or were not able to provide RCH adequate demographic information.

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- vii. Patients who have a green card or other Immigration Department issued Identification (“ID”) Card allowing them to be in this country legally but who have demonstrated no ability to pay or who did not or were not able to provide RCH adequate demographic information, provided that the patient complies with all Section 1011 requirements and applications.
- viii. Patients who are homeless.
- ix. Patients who, due to their condition, are unable or unwilling to provide adequate demographic information for billing.
- x. Patients who are able to pay a portion but not all of their outstanding balance due to financial constraints.

b. Proposition 99 (Prop 99) Charity:

- i. Prop 99 Charity includes individuals listed in subsection E.4.a (above) with the exception of patients whose accounts have been partially paid by other insurance or partially paid by the patient. The State of California requires the following information for filing Prop 99 funds:
  - (1) Name, Address, Social Security Number, Sex, Age, Race, and diagnosis for both inpatients and outpatients.
- ii. A log will be kept on all Prop 99 and non-Prop 99 charity writeoffs by the Business Office.
- iii. Prop 99 accounts will be reviewed for approval by either the Director of Business Office or the Vice President of Finance.

F. IRS Section 501(r) Compliance

In order to meet the Section 501(r) of the Code and the regulations thereunder, RCH has implemented the following practices:

- i. A plain language summary of our Financial Assistance Program (FAP) will be issued to all patients. The summary document will include information on how to apply, eligibility requirements and whom to contact for assistance.
- ii. A conspicuous statement identifying the fact that RCH has a FAP will be included on all billings and statements. The statement will identify that financial assistance is available to our patients and whom to contact for assistance.

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- iii. RCH will widely disseminate its FAP, FAP Application and plain language summary through a variety of means including, but not limited to: posting the FAP, FAP Application and a plain language summary of the FAP on an RHC's website dedicated to financial assistance (all downloadable in pdf or equivalent format). The website will also provide a link to download a PDF application along with information on whom to contact for assistance
- iv. RCH will ensure that all vendors and collections agencies are in full compliance with the Section 501(r) of the Code, Health and Safety Codes 127010, 127436, and the regulations thereunder.
- v. At least thirty (30) days prior to initiating Extraordinary Collections Actions (ECA's) RCH's Patient Financial Services staff will ensure that reasonable efforts were made to notify the patient/guarantor of our FAP and how to apply. These efforts will include letters, statements and phone attempts.
- vi. RCH's FAP only pertains to the services provided by RCH employed staff. All Physicians and other non RCH Medical Professionals are not employed by RCH and have not adopted RHC's FAP. Accordingly, patients who receive financial assistance under this policy may still have financial obligations to RCH Medical Professionals and physicians for the care provided. A list of providers (listed by individual or by group name) who are covered under this policy and those that are not covered under this policy is contained at [www.redlandshospital.org](http://www.redlandshospital.org).

### G. ADMINISTRATIVE MATTERS

1. Questions about this Financial Assistance Policy may be directed to Patient Financial Services, (909) 335-5534.
2. Administrative or courtesy write-offs are the sole discretion of RCH and are not included in this policy.
3. Accounts which develop a credit balance due to a Charity Care or a Self-Pay Discount write-off and a subsequent payment from any source must have the Charity Care or Self-Pay Discount write-off reversed before any refunds are disbursed.
4. RCH will make available a plain language summary of our Charity Care policy that is clear, concise and easy to understand at the time of all registrations or admissions. This information will also be made available on the hospital's web site. The summary will include basic eligibility guidelines, instructions on how to obtain an application for financial assistance and who to contact for assistance as well instruction on how to access it on the website. In the case that the



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patient does not speak English, we will have this contact information available in fifteen different languages.

5. When RCH bills a patient that has not provided proof of coverage by a third-party at the time care is provided or upon discharge, as a part of that billing, RCH will provide the patient with a written notice in hardcopy format, which shall include the following:
  - A. A statement of charges for services rendered by RCH.
  - B. A request that the patient inform RCH if the patient has third party health coverage.
  - C. A statement that if the patient does not have health insurance coverage the patient may be eligible for California Health Benefit Exchange, Medicare, Healthy Families, Medi-Cal, other State- or County-Funded Health Coverage Programs, Charity Care or Self-Pay discount.
  - D. A statement indicating how a patient may obtain an application for the California Health Benefit Exchange, Medicare, Healthy Families, Medi-Cal, or other State- or County-Funded Health Coverage Programs and that RCH will provide such applications;
  - E. Information on where the patient may access RCH's discount payment and charity care policies;
  - F. The internet address for RCH's list of shoppable services;
  - G. Information on the Hospital Bill Complaint Program, including the following statement:
    - i The Hospital Bill Complaint Program is a state program, which reviews hospital decisions about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Go to [HospitalBillComplaintProgram.hcai.ca.gov](http://HospitalBillComplaintProgram.hcai.ca.gov) for more information and to file a complaint.
  - H. Information on the Health Consumer Alliance, including the following statement:
    - i Help Paying Your Bill: There are free consumer advocacy organizations that will help you understand the billing and payment process. You may call the Health Consumer Alliance at 888-804-3536 or go to [healthconsumer.org](http://healthconsumer.org) for more information.
  - I. A referral to a local consumer assistance center housed at legal services offices; and

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- J. Eligibility information for RCH's Self-Pay Discount and Charity Care programs and who to contact for assistance is given to patients at time of service (if the patient is conscious and able to receive the written notice at that time) and at time of first billing to uncompensated patients.
6. If a patient does not provide information indicating coverage by a third-party payor or request a discounted price or charity care, prior to discharge (if the patient has been admitted) or when receiving emergency or outpatient care, RCH shall provide the patient with an application for the Medi-Cal program, the Healthy Families Program, or other State- or County-Funded Health Coverage Programs.
7. RCH will provide posted written notice of its Charity Care / Self-Pay Discount policy in all areas that are visible to the public including:
- A. The ER department.
  - B. The Admissions department.
  - C. The Cashier and Business Office.
  - D. Other outpatient settings, including observation units as applicable.
  - E. RCH's internet website, with a link to the policy itself.
8. RCH will provide all required written notices, FAP application determinations, and correspondence, including the FAP, FAP Application and plain language summary of the FAP, to patients related to the Self-Pay Discount and Charity Care programs in English and in any language that exceeds 5% of our patient population. Required written correspondence includes: requests for information to determine eligibility for the Self-Pay Discount, Charity Care, or insurance programs; information concerning potential eligibility for the Self-Pay Discount, Charity Care, and public insurance programs and how to apply for such programs; statements of estimated or actual charges; notice of expiration of an extended payment plan; notice of intent to commence collection activities; and notice of collection policies.
- H. CHARITY CARE / SELF PAY DISCOUNT METHODOLOGY
- 1. Documented income for all Charity Care must be at or below 400% of the FPL.
  - 2. Discounted amounts will be based on the government fee schedules from Medicare or Medi-Cal, whichever is greater. At no time will a patient with documented income at or below 400% of the FPL be charged for any amounts in excess of the Medicare or Medi-Cal fee schedule, whichever is greater.

**Financial (Patient) Policies**

3. If there is no established government fee schedule amount for a service provided to a patient eligible for Charity Care, RCH shall establish an appropriate discount on a case-by-case basis.
4. Reimbursement to be applied is as follows:

**FEDERAL POVERTY LEVELS**

Family Size	100%	200%	300%	350%	400%
1	A	A	B	C	D
2	A	A	B	C	D
3	A	A	B	C	D
4	A	A	B	C	D
5	A	A	B	C	D
6	A	A	B	C	D
7	A	A	B	C	D
8	A	A	B	C	D

Federal Poverty Levels are available at:

<https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>

Income must be equal to or below the amount in each column.

Family Size is defined as:

For persons 18 years of age and older, the patient’s spouse, domestic partner and dependent children under 21 years of age, whether living at home or not.

For persons under 18 years old, a parent, caretaker relatives and other children under the age of 21 that belong to the parent or caretaker.

**REIMBURSEMENT MATRIX**

INCOME INDICATOR	REIMBURSEMENT
<b>A</b>	Free Care - Charity Care
<b>B</b>	50% of Medicare Fee Schedules
<b>C</b>	75% of Medicare Fee Schedules
<b>D</b>	100% of Medicare Fee Schedules

## Financial (Patient) Policies

### I. ELIGIBILITY DETERMINATION LETTERS

Upon determination of a patient's eligibility for a Self-Pay Discount and/or Charity Care, RCH will issue a letter to the patient, which includes all of the following information:

1. A clear statement of RCH's determination of the patient's eligibility for a Self-Pay Discount and/or Charity Care.
2. If the patient was denied eligibility for a Self-Pay Discount and/or Charity Care, a clear statement explaining why the patient was denied a Self-Pay Discount, Charity Care, or both.
3. If the patient was approved for a Self-Pay Discount and/or Charity Care, a clear explanation of the reduced bill and instructions on how the patient may obtain additional information regarding a reasonable payment plan, if applicable.
4. Name of the hospital office, contact name, and contact information where the patient may appeal RCH's decision.
5. Information on the Hospital Bill Complaint Program, including the following statement:
  - a The Hospital Bill Complaint Program is a state program, which reviews hospital decision about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Go to [HospitalBillComplaintProgram.hcai.ca.gov](http://HospitalBillComplaintProgram.hcai.ca.gov) for more information and to file a complaint.
6. Information on the Health Consumer Alliance, including the following statement:
  - a Help Paying Your Bill: There are free consumer advocacy organizations that will help you understand the billing and payment process. You may call the Health Consumer Alliance at 888-804-3536 or go to [healthconsumer.org](http://healthconsumer.org) for more information.

ATTACHMENT B

OB COST-SAVER PACKAGE PLAN

REQUIREMENTS FOR ELIGIBILITY:

The entire cost must be paid on or before discharge. Please be advised that prices will apply to the date of admission, not the date of payment. The Cost-Saver Package Plan applies to patients having normal vaginal deliveries or Cesarean section patients, with no complications. Should either the mother or baby become ill, regardless of whether payment has been made or not, the discount will be nullified and the patient's financial class reverts to self-pay. Patients covered under insurance plans with **NORMAL MATERNITY COVERAGE** are **not eligible** for the OB Cost-Saver Package Plan. **No itemized billing will be provided.**

- Charges incurred for conditions unrelated to the maternity visit are not included in the original OB Cost-Saver Package Plan, *i.e.*, Tubal Ligations and OBSERVATION visit.
- The hospital does not bill for, or include in its charges, fees for professional services rendered by independent contractors and more specifically those physicians and surgeons furnishing professional services to the patient, including the radiologist, pathologist, emergency room physicians, anesthesiologist, dentist, hearing screenings, podiatrist, and the like. **The undersigned understands that all such professional services will be billed separately.**

SUMMARY OF ELIGIBILITY REQUIREMENTS:

- Payment in full on or before discharge. (Cash, Check, Cashier's Check, Money Order, Visa, MasterCard or American Express).
- Normal delivery and a well-baby, or Cesarean section and a well-baby.
- No insurance involved.

CASH PAYMENT SCHEDULES (Mother and baby charges combined):

		<b>Mom &amp; Baby</b>
1 Day	Normal Delivery	\$4,200
2 Days	Normal Delivery	\$5,850
3 Days	Normal Delivery	\$7,425
2 Days	Cesarean Section	\$8,450
3 Days	Cesarean Section	\$10,500

## Financial (Patient) Policies

**NOTE:** Patients who elect to have tubal ligation must pay for this service on or before discharge along with the OB Cost-Saver Package Plan discount.

**Any payment made by check written to Redlands Community Hospital and returned unpaid by the bank will void the OB Cost-Saver Package Plan discount. Prices are subject to change without notice. If you have any questions, please call (909) 335-6414.**

**ATTACHMENT C****PERINATAL SERVICES**

1. Administrative Policy A.F2 (Financial (Patient) Policies) does not apply to the Perinatal Services program because the Perinatal Services program provides professional services only.
2. Lactation services are provided and billed using a fee-for service flat rate fee schedule. No self-pay discount is available for the professional fees for lactation services. Diabetes education and comprehensive perinatal education is provided using a hospital approved fee schedule. Self-Pay Patients with incomes at or below 400% FPL receiving diabetes education may receive a 50% self-pay discount. Comprehensive perinatal services are provided for Medi-Cal patients only and therefore do not qualify for a self-pay discount. When supplies are purchased as a self-pay/cash-pay, a 50% self-pay discount may apply.
3. Patients indicating they qualify for and request a self-pay discount shall provide documentation of income as requested prior to service being rendered. Pay stubs and income tax returns, or other forms of income verification shall be provided to RCH as requested. In the event that the required documentation is not provided by the patient or patient representative, the discount may be denied on the grounds of failure to provide the requested information.

**CENTER FOR SURGICAL AND SPECIALTY CARE**

1. Administrative Policy A.F2 (Financial (Patient) Policies) applies to the Center for Surgical and Specialty Care, except as described below.
2. Self-Pay patients with incomes at or below 400% FPL may receive a 50% discount off of hospital charges related to services furnished at the Center for Surgical and Specialty Care. RCH does not establish the professional fees or discount policies related such professional fees.
3. At no time will a Financially Qualified Patient be charged for any amounts in excess of the Medicare fee schedule. If there is no established government fee schedule amount for a service provided to a Financially Qualified Patient, RCH will establish an appropriate discount on a case-by-case basis.
4. Patients indicating they qualify for and request a self-pay discount shall provide documentation of income as requested prior to service being rendered. Pay stubs and income tax returns, or other forms of income verification shall be provided to RCH as requested. In the event that the required documentation is not provided by the patient or patient representative, the discount may be denied on the grounds of failure to provide the requested information.

**REDLANDS FAMILY CLINIC & YUCAIPA FAMILY CLINIC**

1. Administrative Policy A.F2 (Financial (Patient) Policies) applies to the Redlands Family Clinic and Yucaipa Family Clinic, except as described below.

**Financial (Patient) Policies**

2. Financially Qualified Patients are eligible for sliding-scale discounts based on the matrix below. Some professional services and/or supplies may not be discounted and include, for example: a) the cost for external laboratory testing services, b) vaccines, c) immunizations, and d) tuberculosis screening and testing.
3. Documented income must be at or below 400% of the most current Federal Poverty Guideline (maintained at the clinic and available at: <https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>.) to qualify for a discount. A patient with reported and/or verified income higher than 400% of the guideline would not qualify for a discount.
4. At no time will a Financially Qualified Patient be charged for any amounts in excess of the Medicare fee schedule. If there is no established government fee schedule amount for a service provided to a Financially Qualified Patient, RCH shall establish an appropriate discount on a case-by-case basis.

**SLIDING-SCALE DISCOUNT MATRIX**

Family Size	100%	200%	300%	350%	400%
1	1	1	1	2	3
2	1	1	2	2	3
3	1	1	2	2	3
4	1	2	2	3	4
5	1	2	3	3	4
6	1	2	3	3	4
7	1	3	3	3	4
8	1	3	3	3	4

- Federal Poverty Levels are available at: <https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>
- Income must be equal to or below the amount in each column.
- Family Size is defined as:
  - For persons 18 years of age and older, the patient’s spouse, domestic partner and dependent children under 21 years of age, whether living at home or not.
  - For persons under 18 years old, a parent, caretaker relatives and other children under the age of 21 that belong to the parent or caretaker.

**DISCOUNT MATRIX** - Income for all family members included in the family size (per above definitions). Apply the appropriate discount percentage based on the patient's income and family size using the sliding-scale discount matrix above.



## Financial (Patient) Policies

### PERCENTAGE DISCOUNT LEVELS

Discount Level	Discount Percent
1	Eighty Percent (80%) Discount Applied
2	Seventy Percent (70%) Discount Applied
3	Sixty Percent (60%) Discount Applied
4	Fifty Percent (50%) Discount Applied

### REFERENCE(S)

California Administrative Code, Title 22, Section 707179(a)