Financial Assistance Charity Care

Policy	Financial Assistance Charity Care	**Department**	Organization Wide
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I. Purpose

The purpose of this Financial Assistance Charity Care Policy is to define the eligibility criteria and application process for financial assistance for patients who receive healthcare services at Mad River Community Hospital (MRCH). The policy also describes the types of financial assistance available and how MRCH seeks to ensure that patients have access to information about these programs.

II. Policy

A. It is the policy of MRCH to provide a process for financial assistance. MRCH is committed to providing financial assistance in the form of charity care to individuals who seek and obtain healthcare services from MRCH but are not able to meet their payment obligations to MRCH without assistance.

B. MRCH may help patients identify and apply for public or private health coverage. A patient is not required to apply for other health coverage, seek care within an insurance network, or obtain out-of-network authorization as a condition of receiving charity care or discount payment for which the patient otherwise qualifies.

III. Definitions

A. Charity Care: A 100% waiver of the patient financial obligation for Medically Necessary services provided by MRCH. Self-pay patients and patients with High Medical Costs whose Family Income is at or below 400% of the Federal Poverty Level are eligible for Charity Care under this Policy when the applicable eligibility requirements are met.

B. Eligibility Qualification Period: Patients determined to be eligible shall be granted Financial Assistance for a period of up to twelve (12) months. Financial Assistance will also be applied to eligible accounts incurred for services received prior to the Financial Assistance application date.

C. Family: For a patient 18 years of age or older, family includes the patient's spouse, domestic partner as defined in Section 297 of the California Family Code, and dependent

children under 21 years of age, whether living at home or not, and dependent children of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act. For a patient under 18 years of age, or a dependent child 18 to 20 years of age, inclusive, family includes the patient's parent, caretaker relatives, and the parent's or caretaker relative's other dependent children under 21 years of age, or dependent children of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act.

D. Federal Poverty Guidelines: Federal Poverty Guidelines are updated annually in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current guidelines can be referenced at https://aspe.hhs.gov/POVERTY/

E. Financial Assistance: Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by MRCH and who meet the eligibility criteria for such assistance. Under the Policy, Financial Assistance is charity care.

F. Guarantor: An individual other than the patient who is responsible for payment of the patient's bill.

G. Special Circumstances Financial Assistance: Financial assistance that provides a discount to eligible patients with annualized family income in excess of 400% of the Federal Poverty Guidelines and financial obligations resulting from medical services provided by MRCH that exceed 10% of the annualized family income.

H. Medically Necessary: Healthcare services, including emergency care, which, in the opinion of an MRCH treating physician, is a service, item, procedure or level of care that is necessary for the proper treatment or management of the patient's illness, injury or disability.

I. Presumptive Charity: Determination of eligibility for Financial Assistance based upon socioeconomic information specific to the patient that is gathered from market sources.

J. Proof of Income: For purposes of determining Financial Assistance eligibility, MRCH will review annual family income. Proof of earnings may be determined by annualizing the year-to-date family income, taking into consideration the current earning rate.

K. Reasonable Payment Plan: An extended interest-free payment plan negotiated between MRCH and the patient for patient out-of-pocket amounts. The payment plan will take into account the patient's Family Income, Essential Living Expenses, the amount owed, and prior payments. Monetary assets will not be considered in determining eligibility for financial assistance.

L. Self-Pay Patient: A patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid. A Self-Pay Patient also includes a patient

whose injury or services are not covered by workers' compensation, automobile insurance, or other insurance, as determined and documented by MRCH.

M. Patient with High Medical Costs: An insured patient whose annual out-of-pocket costs incurred at MRCH exceed the lesser of 10% of the patient's current Family Income or Family Income in the prior 12 months; or whose annual out-of-pocket medical expenses exceed 10% of Family Income, if the patient provides documentation of medical expenses paid by the patient or the patient's family in the prior 12 months; or who meets a lower threshold established by MRCH in this Policy.

IV. Summary of Financial Assistance and other discounts:

Category of Financial Assistance	**Criteria for Eligibility**	**Charity Care or Discount Amount**
Charity Care for Self-Pay Patients	1. Patient is a Self-Pay Patient. 2. Family Income is at or below 400% of the Federal Poverty Level in effect at the time the patient was first billed. 3. Patient submits an application or qualifies through Presumptive Eligibility.	100% waiver of patient financial obligation
Charity Care for Patients with High Medical Costs	1. Patient has insurance and High Medical Costs. 2. Family Income is at or below 400% of the Federal Poverty Level in effect at the time the patient was first billed. 3. Patient submits an application or qualifies through Presumptive Eligibility.	100% waiver of patient financial obligation
Discount Payment for Self-Pay Patients and Patients with High Medical Costs	Patient is a Self-Pay Patient OR a Patient with High Medical Costs. Patients at or below 400% FPL are eligible for the statutory Discount Payment if they are not receiving the more generous Charity Care benefit.	Expected payment is limited to the amount MRCH would reasonably expect to receive from Medicare or Medi-Cal, whichever is greater, unless a more generous MRCH discount applies. See MRCH Discount Payment Policy.

V. Patient Eligibility for Financial Assistance

A. All patients who receive healthcare services at MRCH may apply for Financial Assistance.

B. All individuals applying for Financial Assistance are required to follow the procedures in Procedure section below.

C. MRCH shall determine eligibility for charity care based on an individual determination of financial need in accordance with this Policy, and shall not take into account an individual's age, gender, race, immigration status, sexual orientation or religious affiliation.

D. MRCH may assist patients with applications for public programs or other coverage that may be available. Applying for other coverage is not a condition of receiving charity care or a discount payment for which the patient otherwise qualifies.

E. Patients with out-of-network insurance coverage may be informed about available network benefits, but out-of-network status or failure to obtain authorization will not by itself disqualify an otherwise eligible patient from Charity Care or Discount Payment under this Policy.

F. Patients are expected to provide information reasonably necessary for MRCH to determine eligibility. MRCH will not deny otherwise available Charity Care or Discount Payment solely because a patient did not apply for another health coverage program.

G. The Internal Revenue Service requires MRCH to limit charges for emergency and other Medically Necessary services provided to patients eligible for Financial Assistance so that eligible patients are not charged more than Amounts Generally Billed (AGB) to individuals who have insurance covering such care. MRCH uses a prospective method based on Medicare rates. Under this Policy, patients approved for Charity Care receive a 100% waiver of the eligible patient financial obligation.

H. Patients or patients' Guarantor that directly receive reimbursement through out-of-network insurance, legal settlement, judgment or award that includes payment for healthcare services or medical care related to services rendered at MRCH are required to reimburse MRCH for the related health care services up to the amount reasonably awarded for that purpose.

I. The Federal Poverty Level will be used to determine eligibility. Eligibility will be based on Family Income and family size. Monetary assets will not be considered when determining eligibility.

J. MRCH may employ reasonable collection efforts to obtain payment from patients. General collection activities may include issuing patient statements, written correspondence, phone calls, and referral of statements that have been sent to the patient or guarantor. Copies of the MRCH Bad Debt Collections Policy may be obtained free of charge by calling 707-826-8260 or within the Hospital Admitting Department, Credit and Collections Department or by emailing collections@madriverhospital.com

K. Documentation of income or assets obtained from a Guarantor during the process of determining their eligibility for Financial Assistance shall not be used for collections activities.

VI. Procedure

A. Procedure for Applying for Financial Assistance

1. Any patient who indicates an inability to pay an MRCH bill for healthcare services shall be evaluated for charity care or other sources of funding by MRCH Credit and Collections staff.

2. Any MRCH employees who identified a patient whom the employee believes does not have the ability to pay for healthcare services shall inform the patient that Financial Assistance may be available and applications are available in the Hospital Admitting Department, Financial Counseling, Patient Accounts, and Social Services.

3. A patient may be screened initially by an MRCH Financial Counselor prior to receiving non-emergent services to determine whether or not the patient or family can be linked to any public or private payer source.

4. MRCH may offer information and assistance regarding Medicare, Medi-Cal, Covered California, or other coverage programs for which a patient may be eligible. A patient may apply for those programs at the same time as applying for MRCH Financial Assistance; one application does not prevent eligibility for the other.

5. A patient applying for Charity Care or Discount Payment should provide reasonable proof of Family Income. Acceptable documentation includes an income tax return for the year in which the patient was first billed or the prior 12 months, or paystubs within a six-month period before or after the patient was first billed. If those documents are unavailable, MRCH may accept other reasonable documentation of income. MRCH will not impose an application deadline; eligibility may be determined whenever MRCH receives the documentation required to establish eligibility.

6. In the event MRCH denies charity care to a patient who has fulfilled the application requirements set forth in this Policy, the patient may seek review of that determination by contacting the Patient Accounts department, Revenue Enhancement Manager or Chief Financial Officer.

7. Unless a patient is informed otherwise, Financial Assistance provided under this Policy shall be valid for the Eligibility Qualification Period as defined above. However, MRCH reserves the right to reevaluate a patient's eligibility for Financial Assistance if there is any change in the patient's financial status.

8. A patient can obtain additional information about Financial Assistance or request assistance with the application process at 3800 Janes Rd, Arcata, CA, 95521 or by calling 707-826-8260 or emailing collections@madriverhospital.com

B. Presumptive Eligibility for Charity Care

1. MRCH recognizes that not all patients or patients' Guarantors, are able to complete the Financial Assistance application or provide required documentation.

2. For patients, or patients' Guarantors, who are unable to provide required documentation but meet certain financial need criteria, MRCH may nevertheless grant Financial Assistance. In particular, presumptive eligibility may be determined on the basis of individual life circumstances that may include:
    a. State-funded prescription programs
    b. Homelessness
    c. Participation in Women, Infants and Children programs (WIC)
    d. Supplemental Nutrition Assistance Programs (SNAP) (e.g. food stamps eligibility)
    e. Eligibility for other state or local assistance programs
    f. Deceased patient with no known estate

3. Patient accounts that have not received payment within 12 months of placement with collection agency will be recalled and presumed eligible for charity care.

4. Patient accounts granted presumptive eligibility status will be adjusted accordingly.

Policy Author:	Gordon Bigham
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References:	California Health and Safety Code, Section 127400-127446, as applicable California Code of Regulations, Title 22 Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations thereunder
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