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| <b>POLICY: Financial Assistance Policy</b>                                               |
| <b>EFFECTIVE DATE: 1-1-2010</b>                                                          |
| <b>REVISED DATE(S): 6-24-16, 6-1-23, 1-1-24, 6-13-24, 12-17-24, 8-22-2025, 8-27-2025</b> |

Southern Mono Healthcare District d/b/a Mammoth Hospital (“MH” or “Hospital”) is committed to helping to meet the needs of the low income, uninsured and underinsured patients in our community. Consistent with our mission, MH strives to ensure that the financial capacity of families who need healthcare services does not prevent them from seeking or receiving care. MH shall provide Medically Necessary Financial Assistance to all eligible patients pursuant to the eligibility requirements and procedures set forth here. MH developed this Financial Assistance Policy consistent with the requirements of California Health & Safety Code sections 127400-127466 et seq. and its implementing regulations, section 501(r) of the Internal Revenue Code, and the Department of Health and Human Services Office of Inspector General guidance regarding financial assistance to uninsured and underinsured patients.

This policy only applies to individual patients and does not affect the responsibility of any third-party payer or other entities to make payment for care rendered by Hospital.

**I. Purpose**

This policy is intended to:

- Define the forms of available Financial Assistance and the associated eligibility criteria;
- Establish the processes that patients shall follow in applying for Financial Assistance and the process the hospital will follow in reviewing applications for Financial Assistance;
- Provide a means of review in the event of a dispute over a Financial Assistance determination;
- Provide administrative and accounting guidelines to assist with identifying, classifying and reporting Financial Assistance;
- Establish the process that MH shall follow to provide to patients an estimate of financial responsibility for services; and
- Define the discounts available to patients for hospital inpatient and outpatient services performed at MH.

**II. Scope / Applicability**

This policy applies to all Hospital inpatient & outpatient Covered Services billed by MH (in most cases it includes the physician professional fees). Also, emergency physicians, as defined in California Health and Safety Code §127450, who provide emergency medical services at MH are required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level.

MH provides, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for assistance under this policy, as detailed in Subchapter G of Chapter IV of Title 42 of the Code of Federal Regulations (or any successor regulations).

The following services are excluded as ineligible for the application of Financial Assistance under this policy, except as required by law:

- Not Medically Necessary services, i.e., services that are not Covered Services; and
- Purchases from the Hospital's cafeteria.

### **III. Financial Assistance Process**

#### **A. Financial Assistance Determination: Standard Application Process**

##### **1. Application**

A patient who indicates the financial inability to pay a bill for Covered Service shall be provided more information about the availability of Financial Assistance.

The MH standardized application form, "Financial Assistance Application", will be used so that MH can perform a good faith assessment of each patient's eligibility for Financial Assistance. This application shall be available in the primary language(s) of the MH service area. For both Charity Care and Discounted Care, the Financial Assistance Application must be accompanied with one of the following forms of documentation of income:

- Federal Income Tax Return (Form 1040) for patient and spouse or domestic partner from the year the patient was first billed or 12 months prior to when the patient was first billed, or
- Recent paystubs from within the 6 months before or after the patient is first billed (or in preservice when the Application is submitted).

If an application for Financial Assistance is received but is incomplete, MH will contact the patient outlining what is missing from the application. If the additional information is not received within a reasonable time frame, MH will send a denial letter to the patient

stating that the application was not complete and the missing information was not received.

MH will determine eligibility based on each applicant's Financial Assistance Application and the criteria for eligibility described in section IV. Eligibility for discounted payments or charity care may be determined at any time the hospital is in receipt of the Financial Assistance Application and supporting documentation.

A patient, or patient's legal representative, who requests Discounted Care or Charity Care, shall make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. MH may consider the failure to provide this information in making its determination. These documents provided for the Application will only be used in reaching a determination of Financial Assistance and will not be used for collection activities.

## 2. Notice of Determination

MH will make best efforts to make a determination the amount of financial assistance for which a patient is eligible as close to the time of service as possible. Once a Charity Care or Discounted Care determination has been made, a "Financial Assistance Eligibility Determination Letter" will be sent to each applicant advising them of the MH decision.

In the event of a dispute over the application of this policy, a patient may seek review from the hospital by notifying the MH CFO, or designee, of the basis of any dispute and the desired relief. Written communication should be submitted within thirty (30) days of the patient's notice of the circumstances giving rise to the dispute. The CFO or designee shall review the concerns and inform the patient of any decision in writing. The CFO or designee is the final level of appeal.

## 3. Effect of Financial Assistance Determination

If found eligible for Discounted Care, MH shall provide the individual with a billing statement that states the amount the individual now owes for the care, after the application of discounts granted pursuant to the Financial Assistance Eligibility Determination Letter.

If found eligible for Discounted Care, the patient may enter into an extended payment plan to allow payment over time. MH and the patient shall negotiate the terms of the payment plan and take into consideration the patient's Family Income and Essential Living Expenses. If MH and the patient cannot agree on the payment plan, the hospital shall create a payment plan where monthly payments will not be more than 10 percent of a patient's Family Income for a month, excluding deductions for Essential Living Expenses. All extended payment plans shall be interest free.

If appropriate, MH shall refund the individual any amount over \$5.00 he or she has paid for the care (whether to MH or any other party to whom MH has referred the individual's debt for the care) that exceeds the amount he or she is determined to be personally

responsible for paying after Financial Assistance has been applied plus interest. MH shall make any refunds under this section within 30 days of the determination of eligibility for Financial Assistance. Any interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital. However, MH may choose not to reimburse the patient if MH determines the patient would have qualified for financial assistance at the time the patient was first billed and it has either (i) been five years or more since the last payment to the hospital or assignee, or (ii) the patient's debt was sold before January 1, 2022, in accordance with the law at the time.

The Financial Assistance approval and any adjustment to the amount owed will be applied to all eligible patient account balances, including those received before the application approval date. The Financial Assistance Approval shall apply by presumptive eligibility for 180 days. For bills received after the Financial Assistance period of 180 days, a new Financial Assistance Application will need to be filled out if the patient is seeking Financial Assistance for those bills.

#### **4. Other Forms of Health Coverage**

MH can assist the individual in determining if they are eligible for any governmental or other assistance, including Medi-Cal, California Children Services, Covered California, or the California Victim Compensation Board. MH will not make Financial Assistance approval contingent upon a patient applying for governmental program assistance. If a patient applied or has a pending application for another health coverage program at the same time that the patient applies for Financial Assistance, neither application will stop eligibility for the other program.

Financial Assistance does not relieve the patient or guarantor's responsibility to ensure payment for health care services. MH encourages patients to cooperate with MH to find other sources of payment, or coverage, from public and/or private payment programs. The patient or guarantor is responsible for meeting the conditions of coverage of their insurance or health plan if they have third-party insurance or health plan.

#### **B. Presumptive Eligibility**

MH understands that certain patients may be unable to complete a Financial Assistance application, comply with requests for documentation, or otherwise be non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for Financial Assistance may be established without completing the formal assistance application. MH may grant presumptive eligibility based on an objective, good faith determination of financial need, taking into account the individual patient's circumstances, the local cost of living, a patient's income, a patient's family size, and/or the scope and extent of the patient's medical bills, based on reasonable methods to determine financial need.

Under these circumstances, MH may utilize other sources of information, including an automated financial screening tool (Experian), to make an individual assessment of

financial need to determine whether the individual is eligible for Financial Assistance. This information will enable MH to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. The financial counselor is authorized to access the patient's credit information for the sole purpose of determining eligibility for charity care/financial assistance. This information is strictly confidential and is to be used only by financial counselors, the Revenue Cycle Management Director and the CFO in conjunction with the financial assistance policy of MH to determine eligibility.

Presumptive eligibility may also be granted in certain special circumstances. The hospital must document the decision, including the reasons why the patient did not meet the regular criteria. The following is a non-exhaustive list of some situations that may qualify for presumptive Charity Care:

- Prior Eligibility: Patients who were granted Financial Assistance within the last 180 days.
- Bankruptcy: Patients who are in bankruptcy or recently completed bankruptcy (i.e., discharge of debtor);
- Indigent Patients: patients without a payment source if they do not have a job, mailing address, residence, or insurance.
- Deceased: Deceased patients without insurance, an estate or third party coverage.
- Medi-Cal: Income-eligible Medi-Cal patients may apply for Financial Assistance for denied stays, denied days of care, non-covered services, and share of cost. Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for the period during which the medical services were rendered may apply for Financial Assistance.

Non-covered and denied services and related services provided to Medicaid-eligible beneficiaries are considered a form of Charity Care. Medicaid beneficiaries are not responsible for any form of patient financial liability besides "Share of Cost." Examples of this include but are not limited to services provided to Medicaid beneficiaries with restricted Medicaid, Medicaid pending accounts, Medicaid of other indigent care program denials, charges related to days exceeding length-of-stay limits, Medicaid claims (including out-of-state Medicaid claims) with "no payments," and any service provided to a Medicaid-eligible patient with no coverage and no payment.

Presumptive eligibility in the form of Charity Care or Discounted Care is subject to the approval of the MH Chief Financial Officer ("CFO"), or designee. The CFO or designee will consider the request for service in a timely fashion and provide a response to the request in writing.

If MH determines the patient is presumptively eligible for Charity Care, the patient will not be required to take further action and assistance will be applied to patient's past bills.

If MH determines that the patient is eligible for Discounted Care, MH will notify the individual regarding the basis for the presumptive Financial Assistance determination and the way to apply for more generous assistance available under this Financial Assistance Policy.

#### **IV. Eligibility Criteria**

The level of Financial Assistance, such as Charity Care (no charge to the patient) or Discounted Care (a discount to the patient) is based on several factors. Different discount policies apply based on the Family Income level and insurance status of the patient. Federal Poverty Level is described further in Appendix 1. MH authorizes Financial Assistance as set forth in this Policy.

**Table 1: Patient Financial Assistance Eligibility**

|                                           | <b>Uninsured Patients</b> | <b>Insured Patients</b>                 |
|-------------------------------------------|---------------------------|-----------------------------------------|
| Household Income                          | Patient Responsibility    | Patient Responsibility                  |
| 200% or less of the Federal Poverty Level | Zero (Full Charity)       | Zero (Full Charity)                     |
| 201-250% of the Federal Poverty Level     | 10% of charges            | 10% of remaining patient responsibility |
| 251-300% of the Federal Poverty Level     | 20% of charges            | 20% of remaining patient responsibility |
| 301-350% of the Federal Poverty Level     | 35% of charges            | 35% of remaining patient responsibility |
| 351-400% of the Federal Poverty Level     | 50% of charges            | 50% of remaining patient responsibility |
| 401-450% of the Federal Poverty Level     | 60% of charges            | 60% of remaining patient responsibility |
| > 451% of the Federal Poverty Level       | 30% discount              | No Discount                             |

MH will limit the total patient responsibility described in Table 1 for patients eligible for Charity Care or Discounted Care (i.e., with Family Income below 450% of the Federal Poverty Level) to the amount of payment the hospital would expect, in good faith, to receive for providing services from Medicare or Medi-Cal, whichever is greater. If the hospital provides a service for which there is no established payment by Medicare or Medi-Cal, the hospital shall establish an appropriate discounted payment. This amount is always lower than the amount generally billed.

## **V. Additional Procedures**

### **A. Informing Patients of the Availability of Financial Assistance**

MH makes information about its Financial Assistance Policy and Application available through numerous means in compliance with applicable state and federal laws and regulations. Information about this policy is available during preadmission or registration, on the hospital's website, by posting in hospital areas that are accessible to the public, such as the emergency department, on each billing statement, and by plain language summaries provided to all patients. Hospital personnel shall direct patients, guardians, or family members who request Financial Assistance or information about Financial Assistance, or who the hospital personnel believe may be eligible for Financial Assistance to Patient Access Representatives to receive a paper copy of this Policy and an application form. MH shall ensure that this Policy is translated into each language spoken by the lesser of 1,000 people or five percent of the population that resides in its service area and is made accessible by interpretation or alternative formats to ensure access for limited English proficient and disabled individuals.

If the patient is not able to receive this information at the time of service, it shall be provided during the discharge process. If the patient is not admitted, this information shall be provided when the patient leaves the facility. If the patient leaves the facility without receiving this information, the hospital shall mail it to the patient within 72 hours of providing services. If not previously provided, MH shall provide uninsured Patients with applications for Medi-Cal, Healthy Families, California Children's Services, and/or Covered California.

Except in the case of emergency services, MH is required by law to provide all Uninsured Patients a good faith estimate of financial responsibility for hospital services. Estimates shall be written and provided during normal business hours. Estimates shall provide the patient with an estimate of the amount the MH will require the patient to pay for the health care services, procedures, and supplies that are reasonably expected to be provided to the patient by the hospital, based upon the average length of stay and services provided for the patient's diagnosis.

### **B. Contact for Information and Assistance**

Additional information about the Financial Assistance Policy and assistance with the application process can be obtained from our Patient Financial Counselors by:

- Calling (760) 924-4148 or (800) 753-0414
- Emailing Billing@MammothHospital.com
- Visiting a Patient Financial Counselor at Mammoth Hospital at 85 Sierra Park Road, Mammoth Lakes, CA 93546

If you need help in your language or other communication accommodation, please contact (760) 924- 4148 or (800) 753-0414, email Billing@MammothHospital.com, or visit Mammoth Hospital Patient Financial Services office. The office is open 8 a.m. – 4 p.m. and located at 85 Sierra Park Road, Mammoth Lakes, CA 93546. Aids and services for people with disabilities, like documents in braille, large print, audio, and other accessible electronic formats are also available. These services are free.

## **VI. Definitions**

Any terms used in this policy that are not defined below shall reference the definition in California Health and Safety Code section 127400 and Title 22 of the California Code of Regulations section 96051.

- A. Charity Care:** Charity Care is free care provided when the patient is not expected to pay the patients payment obligation for items and services provided by MH. Charity care is based on financial need and is available to patients whose Family Incomes are at or below 200% of the most recent Federal Poverty Level.
- B. Covered Services:** Covered Services are all services that are Medically Necessary. A service that is performed in the hospital is presumed to be “Medically Necessary” unless the hospital provides an attestation that the hospital services at issue were not medically necessary. An attestation is considered valid if it is signed by the provider who referred the patient for the hospital services at issue in the complaint or the supervising health care provider for the hospital services at issue in the complaint. The hospital shall obtain the required attestation before it may deny a patient eligibility for the discount payment program on the basis that the services at issue were not medically necessary.
- C. Discounted Care:** Discounted Care is a deduction from the payment obligations for items and services that is given to certain categories of patients, e.g., uninsured patients.
- D. Essential Living Expenses:** Expenses like rent or house payment and maintenance, food, household supplies, laundry and cleaning, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, repairs and installment payments, and other extraordinary expenses.



- E. Family Income:** Family income is annual family earnings from the prior 12 months or prior tax year as shown by recent pay stubs or income tax returns, less payments made for alimony and child support. Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earning rates.
- F. Federal Poverty Level:** The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under its statutory authority. The thresholds for 2025 are in Appendix 1.
- G. Financial Assistance:** Financial Assistance is Charity Care or Discounted Care.
- H. High Medical Costs:** Includes either of the following:
1. Annual out-of-pocket costs incurred by the individual at the hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months.
  2. Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.
  3. Out-of-pocket costs and expenses mean any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
- I. Patient's Family:** A Patient's Family is defined as:
1. For persons 18 years of age and older, spouse, domestic partner, dependent children under 21 years of age, or any age if disabled, whether living at home or not, and
  2. For persons under 18 years of age or for a dependent child 18 to 20 years of age, parent, caretaker relatives, and other children under 21 years of age, or any age if disabled, of the parent or caretaker relative.
- J. Uninsured Patient:** An Uninsured Patient is a patient who has no source of payment for any portion of their medical expenses, including without limitation, commercial or other insurance, government sponsored healthcare benefit programs or third party liability, or whose benefits under insurance have been exhausted prior to the admission. Patients without coverage may be screened for eligibility for state and federal governmental programs.

## **VII. Responsible Department**

Implementation, training, and monitoring compliance with this policy and procedure are the responsibilities of the Revenue Cycle Management Director and the Hospital Patient Access Manager.

## **VIII. Renewal/Review**

This policy and procedure shall be reviewed at planned intervals and evaluated as necessary, but at least every two years to determine if it complies with current recommendations, guidelines, mandates, statutes, practices, and MH operations. If changes are required, the policy and procedure will be updated as needed.

## APPENDIX 1

### FEDERAL POVERTY LEVEL CHART

2025 Federal Poverty Level for the 48 Contiguous States (Annual Income)

|                         | <b>200%</b> | <b>250%</b> | <b>300%</b> | <b>350%</b> | <b>400%</b> | <b>450%</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Household/Family Size   |             |             |             |             |             |             |
| 1                       | \$31,300    | \$39,125    | \$46,950    | \$54,775    | \$62,600    | \$70,425    |
| 2                       | \$42,300    | \$52,875    | \$63,450    | \$74,025    | \$84,600    | \$95,175    |
| 3                       | \$53,300    | \$66,625    | \$79,950    | \$93,275    | \$106,600   | \$119,925   |
| 4                       | \$64,300    | \$80,375    | \$96,450    | \$112,525   | \$128,600   | \$144,675   |
| 5                       | \$75,300    | \$94,125    | \$112,950   | \$131,775   | \$150,600   | \$169,425   |
| 6                       | \$86,300    | \$107,875   | \$129,950   | \$151,025   | \$172,600   | \$194,175   |
| 7                       | \$97,300    | \$121,625   | \$145,950   | \$170,275   | \$194,600   | \$218,925   |
| 8                       | \$108,300   | \$135,375   | \$162,450   | \$189,525   | \$216,600   | \$243,675   |
| Each person over 8, add | \$11,000    | \$13,750    | \$16,450    | \$19,250    | \$22,000    | \$24,750    |