



Financial Assistance

1. SCOPE

Pacific Grove Hospital and its personnel.

2. PURPOSE

To determine qualifications for financial assistance.

3. POLICY

It is the hospital's policy to provide financial assistance based on federal poverty guidelines to patients with no health insurance or other state or federal health assistance or for whom the out-of-pocket expenses are significant, all financial assistance will be provided based on established protocols and completion of the Financial Disclosure Form (Attachment A) and supporting documentation.

4. PROCEDURE

As stated in policy ACHC.BO.0140 Insurance Verification, all facilities must perform verification of benefits for each patient and each potential payer prior to or upon admission. If an admission occurs after normal business hours, the verification must be performed no later than the next business day.

This Insurance verification process should be completed to identify any potential resources for the patient's medical services, whether federal or state governmental health care program (e.g. Medicare, Medicaid, state or local government agency, Champus, Medicare HMO, Medicare secondary payer), private insurance company, or other private, non-governmental third party payer source.

Financial assistance is not considered to be a substitute for personal responsibility. It is the responsibility of the patient/responsible party to actively participate in the financial assessment process and provide timely and accurate information, as requested. This requested information may include information concerning actual or potentially available health benefits such as COBRA coverage or Medicaid/state or local government agency coverage, Failure to provide accurate and timely information may subject



the patient/responsible party to a denial of financial assistance.

Self-pay/Uninsured Patients

All self-pay/uninsured patients (no current insurance coverage) will be requested to pre-pay for all services at time of admission/registration. The hospital must use the self-pay deposit schedule based on estimated length of stay and the established self-pay rate. This deposit schedule should be used to estimate the upfront payment that is required for self-pay patients.

If the patient is unable to pre-pay for services, the patient will be financially assessed during the pre-admission or admission process. The Financial Counselor, or designated Business Office staff member, will then meet with the patient and request that Attachment A - Financial Disclosure Form be completed. This form must be completed verbally or in person before the Equifax reporting tool can be utilized.

As stated in further detail in ACHC.BO.0150 Financial Counseling policy, the Financial Counselor or Business Office Representative will meet with each patient or guarantor expected to have an out-of-pocket liability to discuss payment arrangements and facilitate the completion of the Financial Disclosure Form.

Financially or Medically Indigent Patients

Financial assistance can be provided to qualified patients in accordance with the discount scale outlined in this policy. Financial Indigence can be determined by the verification of Medicaid eligibility for the dates of service. Financially and medically indigent patients are defined in further detail in the definitions found at the end of this policy.

If the patient is unable to pay estimated out-of-pocket expenses, the patient will be financially assessed during the pre-admission or admission process in accordance with ACHC.BO.0150 Financial Counseling policy. During the counseling session, the Patient Responsibility Worksheet (Attachment A - Policy ACHC.BO.0150 Financial Counseling) will be utilized by the facility to assist in determining the capacity of the patient/responsible party to pay their estimated liability.

During the financial counseling process, the facility may determine that COBRA coverage is available to the patient. In these cases, the patient will provide the



hospital with information necessary to determine the monthly COBRA premium by completing the Application for COBRA Assistance (Attachment D). If the facility determines that the patient is financially unable to pay the COBRA premiums the facility may decide to pay the COBRA premium on behalf of the patient/responsible party. The facility CEO and CFO must approve payment of any COBRA premiums.

Determining Qualification for Financial Assistance

The Patient Responsibility Worksheet along with the Financial Disclosure Form will be reviewed by the Business Office Director (BOD) and facility CFO. These completed forms are required for the qualification of patients for financial assistance.

The BOD or Financial Counselor is responsible for ensuring the completion of the Financial Disclosure Form by the patient/responsible party during the financial counseling process to evidence their ability to pay. All supporting documentation should be attached to the Financial Disclosure Form.

The BOD or Financial Counselor must verify the assets and income of the patient/responsible party during the qualification process. The facility must have at least one form of documentation from the list below in order to verify and analyze the information received on the Financial Disclosure Form to determine financial assistance available for a patient/responsible party.

Proof of income for the patient or party responsible for the payment of the share of cost must be provided to the facility to determine eligibility for financial assistance. To complete Income Verification, the facility must be provided with the following documents:

- Income Tax Return which documents income for the year in which the patient was first billed or 12 months prior to when the patient was first billed by the hospital.
- Paystubs within a 6-month period before or after the patient is first billed by the hospital.

Equifax can be used to further analyze patient's financial status for medically indigent patients but cannot be the primary source of data in the



qualification process. Income verification documentation is the primary method in which financial assistance will be determined. There are no exceptions to this documentation requirement to receive financial assistance.

Final approval of the financial assistance offered to the patient will be determined by the facility management (CFO/CEO) based on their review of the completed Patient Responsibility Worksheet, the completed Financial Disclosure Form and documentation required for verifying income and assets of the patient/responsible party.

Approval and Recording Financial Assistance

Financial or medical indigence (categorized as charity or indigent care on the facility general ledger) must be identified prior to the patient's discharge and must be logged onto the Charity Log within the month identified. Charity Adjustments will be written off in the patient accounting system no later than the end of the month following discharge with the exception of insured patients which can be adjusted at the time of the remittance advice posting.

Upon identifying a 100% charity self-pay patient at admission, enter the self-pay payer in the patient's account so that a self-pay contractual allowance will be posted. Indigent accounts pending Medicaid approval should not be immediately written off as Charity. Patients who are in the process of being qualified for Medicaid eligibility should be included in the Medicaid Pending Financial Class and contractualized at the Medicaid reimbursement rate. If it is determined after discharge that the patient is not eligible for Medicaid coverage, however the patient meets indigent criteria for the facility, move the account to financial class "SX" for self-pay charity and process the patient's account balance (gross charge less Medicaid contractual) for a charity adjustment.

As noted in Accounting Policy #115.00 — Administrative, Denial, and Charity Care Adjustments, the following approvals are required for any Administrative or Charity Care patient account adjustment.

- BOD/CFO approval is required for financial assistance up to \$5,000.
- Additional approval by CEO is required for financial assistance greater than \$5,000 with Divisional CFO approval being required above \$10,000 as stated in Policy #115.00 — Administrative, Denial, and Charity Care Adjustments.



Notification of Determination of Eligibility for Financial Assistance (Attachment B) can be used as a notification letter to inform patients/responsible parties of the facility's determination of financial assistance.

All documentation for financial assistance must be maintained in the patient financial file. The amount of financial assistance will only be applied after recovery from all third-party payers has been verified. Reductions in revenue deemed as financial assistance shall not result in a credit balance or a refund situation.

Method for the Calculating of the Amount of Financial Assistance (Discounts)

This method is intended to illustrate a sliding scale. It should be used as a guide for the hospital in conjunction with the completion of the Financial Disclosure Form and determination of any financial assistance,

This method uses the Federal Poverty Guideline (FPG) Schedule. This schedule is available at <https://aspe.hhs.gov/topics/poverty-guidelines>.

First, find the number of the guarantor's dependents under the column labeled "Family Size". Then, locate the guarantor's gross annual income on the same row as the Family Size.

DISCOUNT SCALE

Income Level	% Discount on Patient Responsibility
Equal to or less than 131% of FPG	100%
133% - 138% of FPG	75%
138% - 150% of FPG	50%
150% - 200% of FPG	25%
Greater than 200% of FPG	0%



Payment Plan

If the patient or responsible party cannot pay the entire estimated amount of responsibility, the hospital and the patient will negotiate an extended payment plan to set up monthly payment over a period. The patient's or responsible party's family income and essential living expenses will be considered to set up the payment arrangement.

If the hospital and the patient or responsible party cannot agree on the payment plan, the hospital shall create a reasonable payment plan, where monthly payments are not more than 10% of the patient's or responsible party's monthly family income, excluding deductions for essential living expenses.

Refund

Any payment received more than the final amount due will be refunded to the patient or party responsible.

Hospital Bill Complaint and Other Assistance

Any hospital bill dispute or complaint, questions regarding the bill or need further assistance to understand the claim or the Charity Discount application, should be directed to the Business Office.

Any language assistance regarding the claims or financial assistance should also be directed to the Business Office.

Definitions:

Equifax is one of the largest sources of consumer and commercial data in the world and has been providing business solutions using advanced analytics and the latest technologies for over 100 years.

Financial Assistance, also known as Charity Care (free care) or Discount, is defined as any charge for care that is reduced but not free.

Financially Indigent is defined as those patients who are accepted for medical care who are uninsured with no or a significantly limited ability to pay for the services rendered. These patients are also defined as economically disadvantaged and have incomes at or below the federal poverty guidelines. An individual may also be classified



as "categorically needy" by proof of entitlement to some state or federal government programs such as SSI, Food Stamps, Aid to Families with Dependent Children (AFDC), or Medicaid for which entitlement has been established, but for which coverage may not be available for the specific type or level of service.

Medically Indigent is defined as those patients who incur severe or catastrophic medical expenses but are unable to pay and/or payment would require substantial liquidation of assets critical to living or would cause undue financial hardship to the family support system.

Out of Pocket is defined as 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.

Patient's Family is to include dependent children of any age, and to account for the inclusion of parents when the patient is a dependent child who is not a minor.

A. REFERENCES

Attachments:

Attachment A — Financial Disclosure Form

Attachment B — Notification of Approval/Denial for Financial Assistance

Attachment C — Charity Log

Attachment C – Charity Log

Attachment D – Application for COBRA assistance

Attachment E – Assembly Bill 2297 and Senate Bill 1061 – Hospital Fair Pricing Policies

Related Policies:

ACC-115.00 Administrative, Denial, and Charity Care Adjustments

ACHC.BO.0150 Financial Counseling

ACHC.BO.0140 Insurance Verification



Approval Signatures

Approver	Date
Rachel Cox Chief Financial Officer	03/2025
Donna Vig, Business Office Director	03/2025
