



**Parkview Community Hospital
Medical Center**

DCN: 030

TITLE: CHARITY CARE

DEPT: Hospital-Wide

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1. **RESPONSIBILITY:** Chief Financial Officer
2. **ACCOUNTABILITY:** Business Office, Controller
3. **DEFINITIONS:**

- 3.1 PCHMC- Parkview Community Hospital Medical Center
- 3.2 OSHPD- Office of Statewide Health Planning and Development
- 3.3 SOC- Share of Cost

Financial Assistance Defined-

- 3.4 Financial assistance, often referred to as Charity Care, is defined as any necessary¹ inpatient or outpatient hospital service provided at PCHMC to a patient who is unable to pay for care. Patients unable to pay for their care must establish eligibility in accordance with requirements contained in the PCHMC Financial Assistance Policy.
- 3.3 Depending upon individual patient eligibility, financial assistance may be granted on a full or partial aid basis. Financial assistance may be denied when the patient or other responsible guarantor does not meet the PCHMC Financial Assistance Policy requirements.
4. **PURPOSE:** PCHMC is a non-profit organization which provides hospital services to the community of Riverside in Southern California. PCHMC is committed to meeting the health care needs of all patients in the community, including those who may be uninsured or underinsured. As part of fulfilling this commitment, PCHMC provides medically necessary services, without cost or at a reduced cost, to patients who qualify in accordance with the requirements of this Financial Assistance Policy.

The Financial Assistance Policy establishes the guidelines, policies and procedures for use by hospital personnel in evaluating and determining patient qualification for financial assistance. This policy also specifies the appropriate methods for the accounting and reporting financial assistance provided to patients at PCHMC.

SCOPE: The Financial Assistance Policy will apply to all patients who receive services at PCHMC. This policy provides guidance for all hospital decisions to provide financial assistance, full or partial aid, to individual patients. All requests for financial assistance from patients, patient families, patient financial guarantors, physicians, hospital staff, or others shall be addressed in accordance with this policy.

5. **POLICY/PROCEDURES:**

¹ Necessary services are defined as any hospital inpatient or outpatient service, or emergency care that is not entirely elective for patient comfort and/or convenience.



5.1 Financial Assistance Reporting

- 5.1.1 PCHMC will report the amounts of financial assistance, full or partial, provided to patients as required for charity care. Charity care reporting will be in accordance with the regulatory requirements issued by the OSHPD as contained in the *Accounting and Reporting Manual for Hospitals*, Second Edition and any other subsequent clarification or advisement issued by OSHPD. To comply with these regulations, the hospital will maintain this policy as written documentation regarding its charity care criteria, and for individual patients, each hospital will maintain written documentation regarding all financial assistance determinations. As required by OSHPD, charity care provided to patients will be recorded on the basis of actual charges for services rendered.
- 5.1.2 Charity care will be reported as an element of the hospital's annual Community Benefit Report submitted to OSHPD and any other appropriate state agencies.

5.2 General Process and Responsibilities

- 5.2.1 Access to emergency medical care shall in no way be affected by whether financial assistance eligibility under this policy exists; emergency medical care will always be provided to the extent the facility can reasonably do so.
- 5.2.2 The PCHMC Financial Assistance Policy relies upon the cooperation of individual applicants for accurate and timely submission of financial application information. To facilitate receipt of such information, PCHMC will use a financial assistance application to collect information from patients who:
- 5.2.2.1 Are unable to demonstrate financial coverage by a third party insurer and request financial assistance;
 - 5.2.2.2 Insured patients who indicate that they are unable to pay patient liabilities; and
 - 5.2.2.3 Any other patient who requests financial assistance
- 5.2.3 The financial assistance application should be completed as soon as there is an indication the patient may be in need of financial assistance. The form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged. Accordingly, eligibility for the PCHMC Financial Assistance Program may be determined at any time the hospital has sufficient information to determine qualification.
- 5.2.4 Completion of a financial assistance application provides:
- 5.2.4.1 Information necessary for the hospital to determine if the patient has income and/or assets sufficient to pay for services;



- 5.2.4.2 Authorization for the hospital to obtain a credit report for the patient or responsible party;
- 5.2.4.3 Documentation useful in determining eligibility for financial assistance; and
- 5.2.4.4 An audit trail documenting the hospital's commitment to providing financial assistance.

5.3 Eligibility

- 5.3.1 Eligibility for financial assistance shall be determined solely by the patient's and/or patient guarantor's ability to pay. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.
- 5.3.2 The patient/guarantor bears the burden of establishing eligibility for qualification under any financial assistance program. Patients/guarantors are required to provide timely, honest and complete disclosure in order to obtain financial assistance. The hospital will provide guidance and/or direct assistance to patients or their guarantors as necessary to facilitate completion of government low-income program applications when the patient may be eligible. Assistance will also be provided for completion of an application for the PCHMC Financial Assistance Program.
- 5.3.3 Completion of the financial assistance application and submission of any or all required supplemental information may be required for establishing eligibility with the Financial Assistance Program.
- 5.3.4 Financial Assistance Program qualification is determined after the patient and/or patient guarantor establishes eligibility according to criteria contained in this policy. While financial assistance shall not be provided on a discriminatory or arbitrary basis, the hospital retains full discretion to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance.
- 5.3.5 Once determined, Financial Assistance Program eligibility will remain in effect or a period of six (6) months and then may be renewed by the hospital upon submission of required information by the patient. Patient financial services will develop methods for accurate tracking and verification of financial assistance program eligibility.
- 5.3.6 Any eligible patient account balance created by a visit that resulted in the request for Financial Assistance Program coverage and those occurring for a period of six (6) months following eligibility determination will be considered for write-off as charity care. Other pre-existing patient account balances outstanding at the time of eligibility determination by the hospital may be included as eligible for write-off at the sole discretion of hospital management.



- 5.3.7 Patient obligations for Medi-Cal SOC payments will not be waived under any circumstance. However, after collection of the patient share of cost portion, any other unpaid balance relating to a Medi-Cal SOC patient may be considered for charity care.
- 5.3.8 Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include, but shall not be limited to the following:
- 5.3.8.1 No insurance coverage under any government or other third party program
 - 5.3.8.2 Household² income
 - 5.3.8.3 Household net worth including all assets, both liquid and non-liquid
 - 5.3.8.4 Employment status
 - 5.3.8.5 Unusual expenses
 - 5.3.8.6 Family size as defined by Federal Poverty Level (FPL) Guidelines
 - 5.3.8.7 Credit history
- 5.3.9 Eligibility criteria are used in making each individual case determination for coverage under the PCHMC Financial Assistance Program. Financial assistance will be granted based upon each individual determination of financial need. To assure appropriate allocation of assistance, financial need may be determined based upon consideration of both income and available patient family assets.
- 5.3.10 Covered services include necessary inpatient and outpatient hospital care providing the services are not covered or reimbursed by Medi-Cal/Medicaid or any other third party payer. All patients not covered by third-party insurance and those insured patients who indicate that they are unable to pay patient obligations such as co-payments and deductibles, may be considered for eligibility under the Financial Assistance Program.

5.4 INCOME QUALIFICATION LEVELS

5.4.1 Full Charity

- 5.4.1.1 If the patient's household income is 250% or less of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance Program qualification requirements, the entire (100%) patient liability portion of the bill for services will be written off as charity care.

5.4.2 Partial Charity

² "Household" includes the patient, the patient's spouse, any individual to whom the patient is a dependent and any other individual legally responsible to provide for the patient's health care needs.



5.4.2.1 If the patient's household income is between 251% and 350% of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance Program qualification requirements, the following will apply:

5.4.2.1.1 Patient's care is not covered by a payer. If the services are not covered by any third party payer so that the patient ordinarily would be responsible for the full billed charges, the patient's payment obligation will be the gross amount the Medicare program would have paid for the service if the patient was a Medicare beneficiary.

5.4.2.1.2 Patient's care is covered by a payer. If the services are covered by a third party payer so that the patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment), the patient's payment obligation will be an amount that equals the difference between the amount paid by the third party payer and the gross amount the Medicare program would have paid for the service if the patient was a Medicare beneficiary. In the event the third party payer has already paid an amount greater than the gross amount the Medicare program would have paid for the service, no additional amount shall be due from the patient.

A sliding scale discount for financially qualified patients shall be provided to individuals who have family incomes from 251% to 500% of the FPL.

5.4.2.2 Upon meeting the aforementioned criteria, responsible payment plans are available that will not exceed 10% of the patients household income for a month, excluding deductions for essential living expenses.

5.4.3 ASSET QUALIFICATION

5.4.3.1 Patient owned assets may be evaluated to determine if sufficient patient household resources exist to satisfy the hospital's bill for services rendered. Evaluation of patient assets will consider both the asset value and amounts owed against the asset to determine if potential net worth is available to satisfy the patient payment obligation.

5.4.3.2 Recognizing the need to protect basic household assets, each patient family unit evaluated will be allowed the following asset exemptions:

5.4.3.2.1 Primary residence.

5.4.3.2.2 One vehicle per patient or two vehicles per family unit.



5.4.3.2.3 Twenty-Five Thousand Dollars (\$25,000) in other total assets.

5.4.3.3 Patients who have assets beyond those specifically exempted will be expected to leverage the assets through independent financing in order to satisfy the patient account. Accordingly, patients with sufficient assets available are not qualified for the PCHMC Financial Assistance Program. Patients with sufficient assets will be denied eligibility even when they meet basic income qualification requirements.

5.4.3.4 Notwithstanding the above, patients who qualify based on income level, but whose assets are marginally greater than the amounts specifically exempted, will be permitted to “spend-down” through liquidation of assets in order to meet Financial Assistance Program qualification levels. The specific amount of “spend-down” required will be determined on a case-by-case basis by PCHMC management.

5.4.4 SPECIAL CIRCUMSTANCES:

5.4.4.1 Any evaluation for financial assistance relating to patients covered by the Medicare Program must include a reasonable analysis of all patient asset net worth, income and expenses, prior to eligibility qualification for the Financial Assistance Program. Such financial assistance evaluations must be made prior to service completion by PCHMC.

5.4.4.2 If the patient is determined to be homeless he/she will be deemed eligible for the Financial Assistance Program.

5.4.4.3 If the patient/guarantor has recently been declared bankrupt by a federal bankruptcy court he/she will be deemed eligible for the Financial Assistance Program.

5.4.4.4 If the patient is deceased and there is no probate of the estate, or no estate exists, the patient will be deemed eligible for the Financial Assistance Program.

5.4.4.5 Patients seen in the emergency department, for whom the hospital is unable to issue a billing statement, may have the account charges written off as charity care. All such circumstances shall be identified on the patient’s Financial Assistance Application as an essential part of the documentation process.

5.4.5 OTHER ELIGIBLE CIRCUMSTANCES:

5.4.5.1 The Parkview Community Hospital Medical Center deems those patients that are eligible for any or all government sponsored low-income assistance programs to be indigent. Therefore, such patients are automatically eligible for charity care under the PCHMC Financial Assistance Policy and account balances classified as charity care if



- the government program does not make payment for all services provided, or days during a hospital stay.
- 5.4.5.2 For example, patients who qualify for Medi-Cal, CCS, CHDP, Healthy Families, MSI, CMSP or other similar low-income government programs are included as eligible for the PCHMC Financial Assistance Program.
 - 5.4.5.3 Any or all non-reimbursed patient account balances are eligible for full write-off as charity care. Specifically included as charity care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any other failure to pay for covered or non-covered services provided to Medi-Cal and/or other government low-income qualified patients are covered.
 - 5.4.5.4 Patients with restricted coverage, and/or other forms of limitation shall have non-covered amounts classified as charity care when payment is not made by the low-income government program.
 - 5.4.5.5 The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payer including Medi-Cal, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:
 - 5.4.5.5.1 The patient is a beneficiary under Medi-Cal or another program serving the health care needs of low-income patients; or
 - 5.4.5.5.2 The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.
 - 5.4.5.5.3 Any patient who experiences a catastrophic medical event may be deemed eligible for financial assistance. The determination of a catastrophic medical event shall be based upon the amount of the patient liability at billed charges, and consideration of the individual's income and assets as reported at the time of occurrence. Management shall use reasonable discretion in making a determination based upon a catastrophic medical event. As a general guideline, any account with a patient liability for services rendered that exceeds \$75,000 may be considered for eligibility as a catastrophic medical event.
 - 5.4.5.6 Any account returned to the hospital from a collection agency that has determined the patient or guarantor does not have the resources to pay his or her bill, may be deemed eligible for charity care. Documentation of the patient or guarantor's inability to pay for services will be maintained in the charity care documentation file.



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- 5.5.1 PCHMC shall post notices informing the public of the Financial Assistance Program. Such notices shall be posting in high volume inpatient, outpatient and emergency service areas of the hospital. Notices shall also be posted in the patient financial services and collection departments. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance.
- 5.5.2 These notices shall be posted in English and Spanish and any other languages that are representative of ten percent (10%), or more, of the patients in the hospital's service area.
- 5.5.3 Statements of account sent to patients as part of the routine billing process will contain information about the PCHMC Financial Assistance Program.
- 5.6 Billing and Collection Practices
 - 5.6.1 Patients in the process of qualifying for government or hospital low-income financial assistance programs will not be assigned to collections prior to 120 days from the date of initial billing.
 - 5.6.2 Low-income patients, who at the sole discretion of the hospital are reasonably cooperating to settle an outstanding hospital bill, will not be sent to an outside collection agency if doing so would negatively impact the patient's credit.
- 5.7 Confidentiality
 - 5.7.1 It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy shall be guided by these standards.
- 5.8 Good Faith Requirements
 - 5.8.1 PCHMC makes arrangements for financial assistance with hospital care for qualified patients in good faith and relies on the fact that information presented by the patient is complete and accurate.
 - 5.8.2 Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, inaccurate or incomplete information has been given. In addition, PCHMC reserves the right to seek all remedies, including but not limited to civil and criminal damages from those who have provided false, inaccurate or incomplete information in order qualify for the PCHMC Financial Assistance Program.



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5.8.3 In the event that a patient qualifies for partial financial assistance under the Partial Charity component of this Policy and then fails to make payment in full on their remaining patient liability balance, then the hospital, at its sole and exclusive discretion, may use any or all appropriate means to collect the outstanding balance.

6. REFERENCES:

6.1 OSHPD- Accounting and Reporting Manual for Hospitals, Second Edition

6.2 PCHMC Financial Assistance Policy

7. APPROVAL LEVEL: A, C, I

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