

	TITLE: Charity Care Policy and Procedure
	DEPARTMENT/COMMITTEE: Patient Financial Services
	Effective Date: December 20, 2024

Policy Purpose:

Plumas District Hospital (PDH) is committed to providing outstanding compassionate care with exceptional customer service. This policy demonstrates PDH's commitment to our mission and vision by helping to meet the needs of low income patients in our community who are uninsured, underinsured or have high medical costs. The purpose of this policy is to define the eligibility criteria for charity care services and to provide administrative and accounting guidelines for the identification, classification and reporting of patient accounts eligible for charity care.

PDH is committed to compliance with the Hospital Fair Pricing Policies Act and ensuring that patients with high medical costs who are at or below 400% of the federal poverty level are eligible to apply for participation in the Charity Care Policy program. Providing patients with opportunities for financial assistance coverage for healthcare services is also an essential part of fulfilling the PDH mission and vision.

Definitions:

Charity Care Patient: A patient who:

1. Is a Self-Pay Patient; and
2. Has Family Income at or below 400% of the Federal Poverty Level.

Family Income is the annual earnings of all members of the Patient Family from the prior twelve (12) months or prior tax year as shown by the recent pay stubs or income tax returns, before taxes, deductions, and child support. This includes income from employment, investments, real estate, and businesses.

Federal Poverty Level means the current poverty guidelines updated periodically 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.

High Medical Cost Patient: A patient who:

1. Is not a Self-Pay Patient (i.e., the patient has a third-party source of payment);
2. Has Family Income at or below 400% of the Federal Poverty Level; and
3. Has out-of-pocket medical expenses in the prior twelve (12) months (whether incurred at PDH or at other medical providers) that exceeds the lesser of 10% of

the patient's current family income or family income in the prior twelve (12) months.

Patient Family: For patients eighteen (18) years of age and older, the Patient Family includes the patient's spouse, domestic partner, and dependent children under twenty-one (21) years of age, whether living at home or not. For patients under eighteen (18) years of age, the Patient Family includes the patient's parent(s) or caretaker relative(s), and other children under twenty-one (21) years of age of the parent(s) or caretaker relative(s).

Self-Pay Patient: A patient who has no third-party source of payment for healthcare services. Self-Pay Patients include without limitation: (a) patients who qualify for a government program but receive services that are not covered under the program; and (b) patients whose benefits have exhausted prior to or during the provision of services.

Policy:

This policy applies to all patients receiving hospital (not clinic) services who meet the criteria of a Charity Care Patient or a High Medical Cost Patient, as defined in this policy. A sliding fee schedule based on the most recent Federal Poverty Level Guidelines will be used to determine the qualifying income levels of applicants. Guidelines are subject to change annually based on the Federal Poverty Level Guidelines.

Full charity care (100% free care) will be offered if the patient's Family Income is at or below 138% of the most recent Federal Poverty Level Guidelines. Partial charity care will be offered if the patient's Family Income is between 139% and 400% of the most recent Federal Poverty Level Guidelines. For example, patients determined to be eligible for full or partial charity care in 2024 will receive the discounts set forth in **Attachment A**, below. Patients who do not meet the criteria for charity care under this policy may be referred to the Discount Payment or Prompt Payment Policy.

Eligibility Procedures and PDH's Review Processes:

1. Standard Eligibility Criteria for Participation in the Charity Care Program:

- a. A patient qualifies for Charity Care if all of the following conditions are met:
 - i. The patient does not have private health insurance (including coverage offered through the California Health Benefit Exchange), Medicare, or Medi-Cal as determined and documented by the hospital;
 - ii. The patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital;
 - iii. The patient's household income does not exceed 400% of the Federal Poverty Level; **and**

- iv. In consideration of the patient's allowable monetary assets PDH shall comply with California Health & Safety Code section 127405 et seq.:
 - 1. In determining a patient's monetary assets, the hospital **shall not** consider: retirement or deferred compensation plans qualified under the Internal Revenue Code; non-qualified deferred compensation plans; the first ten thousand dollars (\$10,000) of monetary assets, and fifty percent (50%) of the patient's monetary assets over the first ten thousand dollars (\$10,000).

2. **Special Eligibility and Enrollment Exceptions:**

- a. High Medical Costs / Medically Indigent
 - i. A patient whose family income does not exceed 400% of the federal poverty level guidelines and their annual out-of-pocket medical expenses for non-elective/medically necessary services with PDH and other health care providers exceed 10% of the lessor of the patient's current family income or family income in the prior twelve (12) months.
 - 1. Those who have been informally determined to be medically indigent or have incurred high medical costs will be offered to complete a Financial Assistance application by the Patient Financial Counselor.
 - 2. Supporting documentation to show what medical expenses have been paid in the prior 12 months are required to determine eligibility.
- b. Homeless / Indigent Patients
 - i. Patients who are determined to be indigent/homeless by either clinical documentation or are unable to provide sufficient demographic information such as a mailing address, phone number, or residential address will/can be considered for Charity Care.
 - 1. No application will be required by a patient who has been determined to be indigent/homeless.
 - 2. Only emergent/medically necessary services will be considered. Should a homeless/indigent patient present for non-emergent services, financial counseling will be done at the time of service.
- c. Deceased No Estate
 - i. Upon receipt of confirmation that a patient is deceased and who has no estate, third party coverage, nor spouse, the decedent's balance will be automatically eligible for Charity Care upon receipt of one or more of the following items:
 - 1. Notification from county in which patient expired;

2. Copy of death certificate from patient family notifying PDH of death and no estate exists;
 3. Confirmation that patient does not have a living spouse who would be liable for outstanding/unpaid debt;
 4. Confirmation from another facility of patient's expiration and that no estate or pending probate exists;
 - d. Administrative Charity Care
 - i. In cases where medically necessary services are provided to a patient who has been screened by the Patient Financial Counselor, and it has been determined that the patient is unable to complete the standard application process due to medical, social, or other documented circumstances, charges may be considered for Charity Care on a case by case basis.
 1. Account(s) shall be written up for Charity Care adjustment with all supporting documentation attached and be presented to the Chief Financial Officer or Chief Executive Officer for approval.
3. **Standard Enrollment Process:**
 - a. An informal determination of Charity Care eligibility will be determined by the Patient Financial Counselor, and the applicant may choose to fill out an application based on the recommendation of the Patient Financial Counselor; however, the recommendation of the Patient Financial Counselor is not required in choosing to fill out the Financial Assistance Application.
 - b. Upon submission of the application packet for consideration by the Patient Financial Counselor, all properly submitted applications will be reviewed and a determination made within 10 business days.
 - c. All applications must be filled out completely and accurately with one of the following required documentation attached, to be considered:
 - i. Current W-2 withholding form or Income Tax statement form from the previous year, or
 - ii. Pay stubs from the previous three months.
 - d. Any additional accounts with outstanding balances at time of application will be screened for Charity Care eligibility using the same information collected above.
 - e. Verification of accuracy of application information, including contacting employers for verification of employment, will be made.
 - f. A letter of either approval or denial will be submitted to each applicant.
 - i. The approval letter will include a demand statement for the service in question with adjustments and remaining balance after charity care amount(s) applied including up to zero dollars (\$0.00), and contact

information for any questions that may arise;

- ii. The denial letter will include: reason for denial; indication of potential eligibility under the Discount Payment Policy program or other self-pay policy; and request to contact the Patient Financial Counselor (contact information provided) as soon as possible.
- g. Any additional services rendered up to a year after the submission date of an approved Charity Care Application will additionally require: updated documentation of non-coverage for the service on the date performed.
- h. Any disputes regarding a patient's eligibility to participate in the Charity Care Policy program shall be directed to the Patient Financial Services Manager and will be resolved within 10 business days.
 - i. If it is determined that the patient is ineligible to participate, the number of days spent on dispute resolution shall not be counted toward the minimum 180 days prior to reporting any amount to a credit reporting bureau.

4. Participant Accounts Maintenance:

A folder (electronic) for each Charity Care applicant will be created, and will include the following items:

- a. Patient information and application
- b. A copy of every correspondence between PDH and the participant
- c. Detailed bills on all accounts to be included in the application
- d. Adjustment form with adjustments taken on accounts
- e. Any additional notations and pertinent information

5. Availability of the Charity Care Policy:

- a. Notice of the Charity Care Policy shall be posted in the following locations:
 - i. Emergency department
 - ii. Patient Financial Services Staff offices
 - iii. Admissions office
 - iv. Laboratory
 - v. Imaging
 - vi. Hospital Web Site
- b. In the event of the hospital providing service to a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, the hospital shall provide a notice to the patient that includes, but is not limited to:

- i. A statement of charges for services rendered by PDH; and
- ii. A request that the patient inform PDH if the patient has private health insurance coverage, Medicare, Medi-Cal or other coverage, and if the patient does not, that the patient may be eligible for such coverage, and can obtain an application for such coverage from PDH; and
- iii. A statement that indicates the patient may qualify for Charity Care with a copy of the Charity Care Application if they meet the eligibility criteria set forth in this policy; and
- iv. The name and telephone number of the Patient Financial Counselor(s) from whom the patient may obtain information about the Charity Care policy and other assistance policies, and about how to apply for that assistance.

References:

Pursuant to California Health and Safety Code (H&S Code) Section 127405, PDH has established eligibility levels for financial assistance and charity care at less than 400 percent of the federal poverty level as appropriate to maintain its financial and operational integrity. PDH is a rural hospital as defined in H&S Code Section 124840.

The processes and procedures described above are designed to comply with the Hospital Fair Pricing Policies Act (H&S Code Sections 127400 through 127446). Questions regarding the Hospital Fair Pricing Policies Act can be addressed by the Patient Financial Counselor(s) or by California's Department of Health Care Access and Information (HCAI) website, at:

<https://hcai.ca.gov/affordability/hospital-fair-billing-program/>

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

Attachment A:

PDH Charity Care Program					
2024 US Poverty Level (USPL) Guidelines					
Numbers in Household	Up to 138% USPL	Between 139% & 175% USPL	Between 176% & 225% USPL	up to 400% USPL	Above 400% USPL
	Write-off 100%	Write-off 75%	Write-off 50%	Write-off 25%	Write-off NONE
1	\$0.00 - \$20,783	\$20,784 - \$26,355	\$26,356 - \$33,885	\$33,886 - \$60,240	\$60,241 and up
Net Income Net Income Net Income Net Income and over					
2	\$0.00 - \$28,207	\$28,208 - \$35,770	\$35,771 - \$45,990	\$45,991 - \$81,761	\$81,762 and up
Net Income Net Income Net Income Net Income and over					
3	\$0.00 - \$35,632	\$35,633 - \$45,185	\$45,186 - \$58,095	\$58,096 -	\$103,281 and up
Net Income Net Income Net Income Net Income and over					
4	\$0.00 - \$43,056	\$43,057 - \$54,600	\$54,601 - \$70,200	\$70,201 -	\$124,801 and up
Net Income Net Income Net Income Net Income and over					
5	\$0.00 - \$50,480	\$50,481 - \$64,015	\$64,016 - \$82,305	\$82,306 -	\$146,321 and up
Net Income Net Income Net Income Net Income and over					
6	\$0.00 - \$57,905	\$57,906 - \$73,430	\$73,431 - \$94,410	\$94,411 -	\$167,841 and up
Net Income Net Income Net Income Net Income and over					
7	\$0.00 - \$65,329	\$65,330 - \$82,845	\$82,846 - \$106,515	\$106,516 -	\$189,361 and up
Net Income Net Income Net Income Net Income and over					
8	\$0.00 - \$72,754	\$72,755 - \$92,260	\$92,261 - \$118,620	\$118,621 -	\$210,881 and up
	Net Income	Net Income	Net Income	Net Income	and over
For each additional person over 8 in household, add \$2,690					