

	Charity Care and Discount Payment (Policy) - Patient Financial Services Department	Patient Financial Services
Origination Date: Not Set	Approval Date: 10/30/2025	Version # 5

PURPOSE: To outline the policy for charity care and discount payment at San Bernardino Mountains Community Hospital District.

POLICY: San Bernardino Mountains Community Hospital District (the Hospital) offers charity care (free care) and discount payment (any charge for care that is reduced but not free) to financially qualified patients. Financially qualified patients must meet the eligibility criteria as defined below. The eligibility process which involves obtaining necessary information from the patient must be followed.

Hospital services eligible under charity care and discount payment include inpatient & outpatient services which are medically necessary.

This policy applies to Hospital charges and professional fees billed by the hospital. It does not apply to fees billed by Physicians who are separate from the Hospital such as Emergency Room physicians and Radiologists.

However, treatment provided by an emergency physician in the emergency department of the Hospital will be billed by the physician who rendered professional services. EMERGENCY PHYSICIAN SERVICES TO UNINSURED PATIENTS OR PATIENTS WITH HIGH MEDICAL COSTS WHO ARE AT OR BELOW 400 PERCENT OF THE FEDERAL POVERTY LEVEL ARE SUBJECT TO DISCOUNT IN ACCORDANCE WITH STATE LAW. Please contact the emergency physician representative directly at the telephone number listed on your doctor's bill to obtain information regarding such discounts.

DEFINITIONS:

- Self-pay/uninsured patients: A patient who does not have third party coverage from a health insurer, health care service plan, Medicare or Medi-Cal and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the Hospital.

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- Patient's family:
 1. For patients 18 years of age or older, the family includes the patient's spouse, domestic partner, and dependent children under 21 years of age (or any age if disabled), whether living at home or not.
 2. For patients under 18 years of age (or for a dependent child 18 to 21 years of age), the family includes the patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

- Federal Poverty Level (FPL): The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

- Qualified Payment Plan: Payment plans established by patients who have qualified for Discount Payment through the Charity Care/Discount Payment Policy are classified as a Qualified Payment Plan. A Qualified Payment Plan shall have no interest charges applied to any or all balances due from the patient/guarantor. In the event that the Hospital and the patient/guarantor cannot reach agreement on terms for a qualified payment plan, the hospital shall use the formula described in Health & Safety Code Section 127400 (i), in order to establish terms for a "Reasonable payment plan," as defined in statute.

A. Eligibility (Charity Care & Discount Payment)

1. Uninsured Patients:
 - a. If an uninsured patient's family income is 200% or less of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, the patient qualifies for full charity care.
 - b. If an uninsured patient's family income is between 201% and 400% of the FPL at the time of first billing, and the patient meets all other Financial Assistance qualification requirements, the following will apply:
 - 1) Patient will be required to pay a percentage of the gross amount that the Medicare Program would have paid for the service if the patient had been a Medicare beneficiary. The gross amount Medicare would

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have paid shall be calculated using the interim rates that apply to the dates of service. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 1 below:

TABLE 1: Sliding Scale Payment Schedule

Family Percentage of FPL	Percentage of Medicare Amount Payable
201 – 225%	20%
226 – 250%	40%
251 – 275%	60%
276 – 400%	80%

2. Insured Patients:

a. If an insured patient’s family income is between 0% and 400% of the FPL at the time of first billing, and the patient meets all other Financial Assistance qualification requirements, the following will apply:

- 1) If the services are covered by a third party payer and the patient owes a co-payment, deductible, or any other amount, but is unable to pay the amount due and seeks financial assistance, the patient's payment obligation will be based on a sliding scale for patient portion due. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 2 below:

TABLE 2: Insured Patient Sliding Scale Payment Schedule

Family Percentage of FPL	Expected Payment Limit
Less than 200%	40%
201 – 250%	60%
251 – 400%	80%

3. Special Circumstances – Other Eligibility Criteria:

a. Any patient whose income exceeds 400% of the FPL and experiences a catastrophic medical event may be deemed eligible for financial assistance. However, consideration as a catastrophic medical event may

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be made on a case-by-case basis and is determined at the sole discretion of hospital management. 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.

- b. The following circumstances are deemed to qualify with our charity program:
 - 1) Homeless patients
 - 2) Deceased patients who do not have any third party coverage, an identifiable estate or for whom no probate hearing is to occur
 - 3) Patients who have been declared bankrupt by a federal bankruptcy court order within the past twelve (12)months
 - 4) Patients seen in the emergency department for whom the Hospital is unable to issue a billing statement
 - 5) Patients that are eligible for government sponsored low-income assistance programs when such programs deny payment or make only partial payment. For example, denied days or denied charges.
 - 6) Accounts sent to a collection agency, when such agency determines the patient is unable to pay the account.

B. Eligibility Process (Charity Care & Discount Payment)

- 1. Uninsured patients will be informed of charity care & discount payment and other coverage programs prior to completion of service and they will receive applications for charity care & discount payment and/or appropriate government programs. [Charity Care and Discount Payment Application \(Form\) - Patient Financial Services](#)
- 2. The Hospital’s Eligibility Personnel will assist patients to complete charity care & discount payment and other program applications.
- 3. Patients must provide proof of income documents with the charity care & discount payment application. The following documents are accepted as proof of income:
 - a. *If you filed a federal income tax return you must submit a copy of*

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- 1) Signed federal income tax return (Form 1040) from the year in which the patient was first billed or 12 months prior to when the patient was first billed. You must include all schedules and attachments as submitted to the Internal Revenue Service;
- b. *If you did not file a federal income tax return, you must submit the following:*
 - 1) Two (2) most recent paystubs within a 6-month period before or after the patient is first billed by the hospital or in the case of preservice, when the application is submitted: **and**
 - 2) A letter explaining why you do not file a federal income tax return
- c. *If you have no income, or proof of income documents, you must provide a letter explaining how you support yourself/family. The Hospital will take this information into consideration.*

C. Timing of eligibility determination:

1. Eligibility for charity care or discount payment will be determined when the Hospital is in receipt of income documentation.
2. Once an eligibility determination has been reached, the patient will be notified in writing if they have been approved for charity care or discount payment. Patients will also be notified in writing if their application was denied.
3. The Hospital may apply approved charity care or discount payment to multiple accounts for the same patient at its sole and exclusive discretion.

D. Qualified Payment Plans:

1. When a determination of discount has been made by the Hospital, the patient shall have the option to pay any or all outstanding amount due in one lump sum payment or through a scheduled term Qualified Payment Plan.
2. The Hospital will discuss payment plan options with each patient that requests to make arrangements for term payments. Individual payment plans

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will be arranged based upon the patient’s ability to effectively meet the payment terms. As a general guideline, payment plans will be structured to last no longer than 12 months.

3. The Hospital shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. In the event that the Hospital and an individual patient or guarantor cannot reach an agreement to establish a Qualified Payment Plan, the hospital will use the “Reasonable payment plan” formula as defined in Health & Safety Code Section 127400 (i) as the basis for a payment plan. A “Reasonable payment plan” means monthly payments that are not more than 10 percent of a patient’s family income for a month, excluding deductions for essential living expenses. In order to apply the “Reasonable payment plan” formula, the Hospital shall collect patient family information on income and “Essential living expenses” in accordance with the statute. The Hospital shall use a standardized form to collect such information. Each patient or guarantor seeking to establish a payment plan by applying the “Reasonable payment plan” formula shall submit the family income and expense information as requested, unless the information request is waived by representatives of the Hospital.
4. No interest will be charged to Qualified Payment Plan accounts for the duration of any payment plan arranged under the provisions of the Charity Care/Discount Payment Policy.
5. Hospital shall send a notice 60 calendar days after the first missed payment under a Qualified Payment Plan giving the patient 30 calendar days to make a payment before the extended payment plan becomes inoperative and subject to collection.

E. Dispute Resolution Process:

1. In the event that a dispute arises regarding Financial Assistance Program qualification, the patient may file a written appeal for reconsideration with the Hospital. The written appeal should contain a complete explanation of the

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patient’s dispute and rationale for reconsideration. Any or all additional relevant documentation to support the patient’s claim should be attached to the written appeal.

2. Disputes concerning eligibility will be reviewed by the Hospital’s Chief Financial Officer (CFO). The CFO’s decision is final and there are no further appeals.

F. Notices

1. Charity Care notices are posted in English and Spanish in the following locations:
 - All Registration areas
 - Business Office

G. Statement of "Good Faith:"

1. The Hospital provided services in good faith in order to meet the needs of the patient. It is a reasonable expectation that the Patient will also act in good faith and will cooperate with the Hospital by providing requested information.
2. In the event that we determine that the Patient has provided false or misleading information, Hospital will pursue collection for the entire balance of the account and seek any other remedy available under law.

H. Statement of Confidentiality:

1. Information obtained through the Charity Care process is considered confidential and will be maintained as such by all Hospital personnel.