

Sonoma Valley Hospital
 Sonoma Valley Healthcare District
 Policy and Procedure
Organizational

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Approved By: Finance Committee	Effective Date: 05/2012
Signature: _____	Revision Dates: 02/2006, 01/2007, 05/2012
Date 05/02/2012	Review Dates: 12/2001, 9/2004, 02/2006, 01/2007, 05/2012, 02/2020, 01/2022

PURPOSE
 The purpose of this policy is to define the eligibility criteria for charity care or discounted payments and to provide administrative and accounting guidelines for the identification, classification and reporting of patient accounts as charity care. California Assembly Bill 774 became effective January 1st 2007. The law mandates that as a condition of obtaining or holding an acute care hospital license, Hospitals must limit bills to the uninsured with family income at or below 350% of the Current Federal Poverty Level (FPL) and individuals with high cost medical bills compared to their families income.

POLICY
 Sonoma Valley Hospital (SVH) is committed to providing financial assistance to persons who have health care needs and are uninsured, under-insured, and ineligible for a government program and is otherwise unable to pay for medically necessary care based on their individual financial situation. Consistent with our mission to maintain, improve, and restore the health of everyone in our community, SVH will ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care at our facility. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with SVH’s procedures for obtaining financial assistance, and to contribute to the cost of their care based upon their individual ability to pay.

RESPONSIBILITIES
 Patient Accounting Manager or the Director of Finance is responsible for administering and maintaining this policy.

PROCEDURE
Eligibility for Patient Financial Assistance:

- Eligibility for financial assistance will be considered for those individuals who are uninsured, ineligible for any government health care benefit program, and unable to pay for their care, based upon a determination of financial need as defined by the most current Federal Poverty Income Guidelines.
- SVH requires individuals to apply for federal, state or county programs (i.e. Medi-Cal, CMSP) and supply proof of final determination or a prescreening determination letter from our Medi-Cal Application vendor before charity care/discount is granted. Information and applications for federal, state and county programs will be provided to patients upon receipt of every bill or during discussions regarding possible eligibility for financial assistance.
- The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation or religious affiliation.

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- Charity care and discounts provided by this policy are available only for those services that are medically necessary.
- Assets are not considered in determining eligibility for charity or discounted care.
- An insured patient may be eligible for charity care or discounted payment for the patient liability portion of their bill if the patient's income (family income) meets the eligibility criteria.

Charity Care Application:

1. A low income uninsured, or under-insured, hospital patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for charity or discount assistance.
2. The Sonoma Valley Hospital standardized application form (Statement of Financial Condition) will be used to document each patient's overall financial situation.
3. Family Status on the application can include spouse, domestic partner, and dependent listed on the most recent federal tax returns.
4. Current tax return/pay stubs may be used to verify annual income. Proof of Final Determination from a federal, state or county program may also serve as verification of income.
5. Once a determination has been made, SVH shall inform each applicant of the facilities' decision within two weeks from the date complete application is submitted.
6. A patient's employment status may be taken into consideration when evaluating charity care status as well as potential payments from pending litigation, and third party liens related to the incident of care.
7. The amount and frequency of hospital bills may also be considered. Specifically, a patient with high medical costs is defined as out of pocket medical costs in a 12-month period that exceed 10% of the patient's family income during that period, and the patient did not receive a discounted rate due to insurance coverage. This patient can apply for assistance so they can receive applicable service provided at SVH. Documentation must be provided in the form of income verification as well as copies of all medical bills during the 12-month period.
8. The eligibility period for charity care will be any open balances for 6 months following the initial approval of the application, unless the patient's family income or insurance status changes within that period, rendering the patient ineligible and needing to re-apply again providing all documentation requested for Charity Care
9. Patients with Medi-Cal share of cost obligation are entitled to Full or Partial Charity Care for Acute hospital services.

Patient Financial Assistance Guidelines

Services eligible under the policy will be made available to the patient on a sliding fee scale, in accordance with financial need as determined by the Federal Poverty Levels (FPL) in effect at the time of the determination as follows:

- Patient's whose household net income is under 200% of the FPL are eligible to receive care at a 100% write off (Charity Care)
- Patient's whose household net income is above 201% but below 350% of the FPL are eligible to receive care at a 75% discounted rate (Charity Care discount)
- Patient's whose household net income is above 351% but below 450% of the FPL are eligible to receive care at a 50% discounted rate (Charity Care discount)

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- Patients can also qualify for a discount to their patient liability if they meet the charity income guideline above. The discount is tiered depending on the income category, and ranges from 100% write off to a 50% charity care discount.

Communication of the Financial Assistance Program to Patients and the Public

Information about patient financial assistance available from SVH shall be distributed by various means, including written notice from Admitting and ER on the Conditions of Admission, written notice on all patient bills, and by posting notices in the Emergency, Admitting and Outpatient Departments. Posting notice of the availability of assistance and a contact phone number shall also be made on the SVH web site. SVH provides written communication in English and Spanish to all patients for financial assistance.

If a patient qualifies for the hospital's financial assistance policy for low-income uninsured/under-insured patients and is cooperating with the hospital in regard to efforts to settle an outstanding bill within a reasonable time period, SVH shall not send, nor intimate that it will send, the unpaid bill to any outside agency. At such time the hospital sends the uncollected account to an outside collection agency, the amount referred to the agency shall reflect the reduced-payment level for which the patient was eligible under the hospital's financial assistance policy for low income uninsured patients.

For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, SVH will offer interest-free extended payment plans to allow payment of the discounted price over time, and will not impose wage garnishments or liens on primary residences. The hospital and the patient may negotiate the terms of the payment plan on an individual basis.

Authorization for charity write-off

Approval matrix:

CFO	Above \$20,001
Patient Accounting Supervisor	\$20,000 – below

Appeal Process

If a patient has a dispute regarding the decision for charity or discounted care, a written appeal may be filed with the SVH Patient Accounting Manager or the Director of Finance. The CFO will review the basis of the appeal and will provide a written response within two weeks following receipt of the appeal. This decision will be final.

Regulatory Requirements

Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPAA requirements. In implementing this policy, SVH shall comply with all federal, state and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

REFERENCES

1. **Current Federal Poverty Level Chart**
2. **OSPHD Healthcare Information Division – Hospital Fair Pricing Policies – Hospital Reporting Frequently Asked Questions Regarding AB 774**