



**Policy: Patient Financial Assistance Policy, including Discounted Payments and Charity Care (FAP)**

Effective: 06/07/22

Identifier: S-FW-LD-5406

Acute Care: ENC  GR  LJ  MER  Ambulatory  SHAS

**PURPOSE:** Scripps financial assistance, charity care and discount payments policy ("FAP") describes the process for patients who need help paying for their emergency and other medically necessary hospital and ambulatory care at Scripps Hospitals, (Scripps Memorial Hospital La Jolla, Scripps Memorial Hospital Encinitas, Scripps Green Hospital, Scripps Mercy Hospital, San Diego and Chula Vista), and Scripps Medical Foundation. Scripps provides financial assistance in accordance with all state and federal regulations.

## I. POLICY

- A. Scripps FAP is designed to support patients with demonstrated financial need and is not intended to circumvent third party coverage, including Medicare. Scripps will make every reasonable effort to assist patients with their financial obligation to pay for hospital services, including emergency and other medically necessary hospital care. General circumstances requiring assistance may include,
1. Patients with no insurance,
  2. Patients who are not eligible for third party assistance,
  3. Patients with 3<sup>rd</sup> party coverage which does not cover/reimburse all charges, e.g. Medicaid, other indigent care programs.
  4. Patients with who have high medical costs as defined by state and federal law, who are at or below 400% of the FPL.
- B. This FAP applies to all services provided at Scripps Health to include physician professional services that are delivered by Scripps Medical Foundation physicians and surgeons.
- C. For the purpose of this policy, terms are defined in Addendum A – Patient Financial Services Glossary of Terms.
- D. The actions Scripps may take in the event of nonpayment are contained in the *Scripps Patient Account Management, Billing and Collections* policy, S-FW-LD-5400. A free copy of the policy can be obtained on-line or by calling Patient Financial Services at 877-727-SCRIPPS.

## II. PROCEDURES

### A. Physician Services

1. Physicians are independent contractors and bill separately for their services.
2. A list of providers that deliver care in the hospital is available at scripps.org/FAP. This list specifies which providers are members of Scripps Medical Foundation and therefore covered by Scripps FAP. The provider list is updated quarterly by Scripps centralized medical staff services office.
3. An emergency physician who provides emergency medical services is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400% of the federal poverty level.

**B. Patient Communication and Community Outreach Regarding Financial Assistance**

1. Community outreach and communication regarding Scripps FAP is achieved through the following methods, including but not limited to:
  - a. Posters about the availability of financial assistance and charity care are posted in registration areas in the hospital, i.e. emergency department, outpatient settings, and main admission areas.
  - b. Paper copies of Scripps FAP, financial assistance application and a plain language summary of the FAP ("FAP summary") are available upon request and without charge in all Scripps hospital emergency departments and admissions areas. Patients may alternatively request that copies of these documents be sent to them electronically.
  - c. A written notice about the availability of charity care at a Scripps Hospital is provided to each patient at the time of service or when the patient leaves the facility. If the patient is not given the notice at the hospital, Scripps will mail the notice to the patient within 72 hours.
  - d. A summary of the The Financial Assistance Policy, referred to as, FAP Summary:
    - i. Contains the website address where resources can be found online,
    - ii. Provides the physical location in the hospital where paper copies may be obtained,
    - iii. Is offered to all patients at registration or prior to discharge as part of the Agreement for Services at a Scripps facility.
  - e. Scripps Web Site: The following resources are available on Scripps Web Site to view, download and print free of charge. They are available in the primary languages of significant patient populations with limited English proficiency (LEP):
    - i. Patient Financial Assistance Policy, including Discounted Payments and Charity Care policy (FAP),
    - ii. Financial Assistance Policy Summary (FAP Summary),
    - iii. Patient Account Management Billing And Collections policy,
    - iv. Financial Assistance applications.
  - f. Scripps Billing statements include:
    - i. Statement on the availability of financial assistance,
    - ii. Telephone number for Scripps staff that provide assistance with the application process,
    - iii. Website address where the FAP, FAP summary and financial assistance application can be found.
  - g. The FAP Summary will be available at community events and will be provided to local agencies that offer consumer assistance. Scripps Health worked with the California Hospital Association (CHA) to inform and notify members of the community served by the hospital about the FAP and to reach those members who are most likely to require financial assistance.



- c. Family size (includes legally qualified dependents) used to determine the appropriate benchmark for 100 percent financial assistance, if income is at or below the established income levels.
4. Scripps recognizes that individuals who are under no obligation may offer to assist patients in paying medical bills. Scripps will accept these payments. However, payments, and the assets of those offering the payments, will not be considered in the financial assistance application process.
5. Information obtained in the course of determining income and/or charity care eligibility for financial assistance under this policy shall not be used in collection efforts.
6. Patients may obtain assistance with the financial assistance application process by contacting a Scripps financial counselor at 877-727-SCRIPPS or by visiting the main admitting department at any Scripps hospital.

**D. Financial Assistance Determination**

1. To qualify for financial assistance coverage for either the entire hospital bill or a portion of the hospital bill, one or more of the following conditions must be met:
  - a. For patients with 3<sup>rd</sup> party payor coverage, where the expected payment for services being provided is not covered/reimbursed by Medi-Cal, Medicare or any other third-party payor, or where the patient's documented annual out-of-pocket medical expenses after insurance exceed 10 percent of the patient's family income in the prior 12 months.
  - b. The patient has high medical costs as determined by state and federal regulations.
  - c. The patient's family income does not exceed 400 percent of the federal poverty level (FPL).
2. Financial assistance will be granted on an "all or partial" basis as follows:
  - a. Charity Care: For an income level 200 percent of FPL or less, the entire portion of the hospital bill that is the responsibility of the patient will be forgiven. Scripps may consider:
    - i. Patients income
    - ii. A patient's monetary assets
      - a) Does not include retirement or delayed compensation plans.
      - b) The first \$10,000 of a patient's monetary assets are not counted
      - c) 50% of the patient's monetary assets over the first \$10,000 are not counted in determining eligibility
  - b. Discounted Payment: For an income level between 201 and 400 percent of FPL, and following a determination of eligibility, the patient responsibility will not be charged more than the calculated discounted financial assistance amount.
  - c. If it is determined that the family income is above 400 percent of the FPL, Scripps may still consider the patient eligible for financial assistance based on extenuating circumstances such as catastrophic medical events or other special situations. Net worth information included on the Patient Financial Assessment Statement will be used to evaluate these special situations. All such cases require specific management approval and the following additional information may be required:

- i. Individual or family net worth including assets, both liquid and non-liquid; liabilities; and claims against assets.
    - ii. Employment status, which will be considered, based on the likelihood that future earnings will be sufficient to meet the cost of paying for health care services within a reasonable period of time.
    - iii. Unusual expenses or liabilities.
    - iv. Additional information as required for special circumstances or required by management.
  - d. The Patient Financial Assistance Discount Schedule (see Related Form B.) will be updated annually to reflect updated Federal Poverty Level (FPL) information.
3. Scripps will offer extended payment plans without interest to allow payment of the discounted price over time. The hospital and the patient shall negotiate the terms of the payment plan, and take into consideration the patient's family income and essential living expenses. If agreement on terms cannot be achieved, the formula required by California law will be used to create a reasonable payment plan.
4. Patients determined to be "homeless" and not participating in another financial assistance program will be granted 100 percent financial assistance. If the hospital is unable to obtain adequate information after attempts to establish ability to pay, the patient may be granted financial assistance only after billing and/or other attempts to collect information have been made.
5. Financial assistance determination may be made through the use of an automated tool.
6. Patients requesting additional details or appeal will be referred to the responsible individual in the Single-Billing Office. In the event of a dispute, a patient may seek review by personally contacting the Revenue Cycle Manager at 858 927- 5115. The patient's appeal will be reviewed in conjunction with case management to ensure the patient's clinical and social condition with possible restrictions are considered along with his or her financial status.
7. Eligibility for charity care or discounted payment may be determined at any time Scripps is in receipt of documentation of income or assets. Every reasonable effort will be made to make a determination of eligibility within 15 business days of receipt of all requested documentation. Details of the charity care or discount will be provided to the patient or the patients representative. An eligibility determination will be valid for a period of six months from the date of determination unless the patient's circumstances have changed.
8. At the time of the evaluation, should it be determined that the patient has paid more than required, a refund of the overpayment, with interest (10 percent per year) will be issued promptly.

### **III. ATTACHMENT**

Patient Financial Services Glossary of Terms

### **IV. REFERENCES**

- A. Federal Poverty Level, current publication
- B. Scripps Financial Assistance Discount Schedule (current)

- C. Hospital Fair Pricing Policies Act, Health & Safety Code sections 127400, *et seq.*
- D. 26 U.S.C. section 501 ®

**V. RELATED PRACTICE DOCUMENTS**

- A. Patient Account Management, Extended Payment Plan; [S-FW-LD-5404](#)
- B. Patient Account Management, Billing and Collections; [S-FW-LD-5400](#)

**VI. RELATED FORMS**

- A. SBO -Scripps Patient Financial Assessment Statement; [100-8560-019SW](#), [100-NS8560-021](#) (Spanish)
- B. Scripps Financial Assistance Discount Schedule, FPL, current edition; [SW-LD-5406 A](#)
- C. Financial Assistance Brochure; [100-8560-2004](#)
- D. One page summary: If you need Financial Assistance, English/Spanish. [100-8560-235](#)
- E. Financial Assistance Application; [100-8560-019SW](#), [100-NS8560-021](#) (Spanish)

**VII. SUPERSEDED**

Formerly titled; Patient Accounts, Financial Assistance, Including Charity Care, Hospital Services; S-FW-LD-5406, 06/19

**Policy: Patient Accounts, Financial Assistance, including Charity Care,  
Hospital Services**

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<b>Document Chronology</b>		
<b>Original: 05/01</b>	<b>Revised: 08/14, 11/14, 06/16, 06/19, 05/22</b>	<b>Reviewed:</b>
<b>DEVELOPMENT SUMMARY</b>		
<p><b>05/22 Revision:</b> Clarified for charity care and discount, eligibility to apply adding 'high medical costs'</p> <ul style="list-style-type: none"> <li>— Process to determine eligibility enhanced to include; reasonable efforts to obtain from patient or patient's representative information about whether private or public health insurance or sponsorship, review of submitted documentation, provision of details to the patient.</li> <li>— Eligibility may be determined at any time Scripps is in receipt of documentation of income or assets;</li> <li>— In the event of a dispute, the patient or the patient's representative may seek review from Revenue Cycle Manager (phone number)</li> </ul> <ul style="list-style-type: none"> <li>• Patient Responsibilities added (provision of income/health benefit coverage, submission of an application)</li> <li>• Specific criteria for charity care determination added; patient income, monetary assets etc,</li> <li>• Patients without insurance are provided with a good faith estimate of the costs of items and services that are reasonably expected and an application for financial assistance.</li> <li>• Enhanced notifications to patients as required</li> <li>• Addition of statement regarding obligation of ED physicians to offer discounts</li> <li>• Extended payment plan requirements expanded.</li> <li>• Glossary enhanced to align with policy.</li> </ul>		
<b>Development Workgroup</b>		
<b>Representation</b>	<b>Member Name</b>	<b>Member Title/Discipline</b>
<b>Owner/Workgroup Leader</b>	Dan Kehl	Sr. Director, Patient Financial Services, PFS Administration
<b>Workgroup Member</b>	Anette Blatt	Director, Community Benefits
<b>Workgroup Member</b>	Carolyn Launer	Dir, Internal Audit • Audit, Compliance & Risk Service
<b>Workgroup Member</b>	Tammy Bratton	Manager Rev Cycle PFS Administration
<b>Workgroup Member</b>	Margaret Mangin	Corporate Counsel
<b>Workgroup Member</b>	Andrew Dreyfus	Sr Dir, Reimbursement • Financial Ops - Hosp Division
<b>Workgroup Member</b>	Alicia Kintzele	Sr. Director, Corporate Access Management
<b>ENDORSEMENTS and APPROVALS</b>		
<b>Function</b>	<b>Chair Name/Title/Position</b>	<b>Dates</b>
<b>Executive Sponsor</b>	Brett Tande, Corp Sr VP, CFO	05/20/22
<b>CBO Leadership</b>	Brett Tande, Corp Sr VP, CFO	05/20/22

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<b>Charity Care</b>	That portion of care provided by a hospital to a patient for which a third party payer is not responsible and the patient is unable to pay, and for which the hospital has no expectation of payment.
<b>Discounted Financial Assistance Amount</b>	This amount represents the amount generally billed (AGB) as defined by Internal Revenue Service (IRS) requirements. Scripps uses the prospective method for determining AGB and estimates the amount it would be paid by Medicare, including amounts payable by a Medicare beneficiary. After a determination of eligibility, this amount represents the maximum a qualified patient will be required to pay.
<b>Established Cash Price</b>	Established Cash Price is the expected payment amount after applying a discount to its full charges for services. This amount is offered to patients who have no insurance and qualify under the hospital's discount payment policy but who have not been determined eligible for financial assistance. Patients determined eligible for financial assistance will not be required to pay more than the Discounted Financial Assistance Amount.
<b>Extraordinary Collection Activities</b>	Extraordinary collection activities are those that require legal or judicial process or involve selling an individual's debt to another party or reporting adverse information about the individual to consumer credit reporting agencies.
<b>Family Income</b>	Determined by recent pay stubs and tax returns.
<b>Federal Poverty Level</b>	The most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.
<b>Financially Qualified patient</b>	Financially qualified patient" means a patient who is both of the following: (1) A patient who is a self-pay patient, as defined in subdivision (f), or a patient with high medical costs, as defined in subdivision (g). (2) A patient who has a family income that does not exceed 400 percent of the federal poverty level
<b>Guarantor</b>	The person with financial responsibility for the patients health care services, usually the patients parent or legal guardian.
<b>Homelessness</b>	A person is homeless if he/she lives: 1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks; 2. In an emergency shelters; 3. In transitional or supportive housing (for people coming from street or shelter) and; 4. In any of the above places, but is in a hospital/institution short-term (30 days or less) Or if he/she is: 5. Evicted within a week from a private dwelling 6. Discharged within a week from an institution that does not provide housing as part of discharge planning 7. A victim of Domestic Violence who does not have a secure living environment 8. Or no subsequent residence has been identified and has no resources and support networks to obtain housing. Source: HUD gov offices



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	<a href="http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homelessnes%20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessnes%22">http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homelessnes %20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessnes%22</a>
<b>Patients Family</b>	<p>For persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not.</p> <p>(2) For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.</p>
<b>Patient High Medical Costs</b>	<p>A patient with high medical costs” means a person whose family income does not exceed 400 percent of the federal poverty level, as defined in subdivision (b). For these purposes, “high medical costs” means any of the following:</p> <p>(1) Annual out-of-pocket costs incurred by the individual at the hospital that exceed the lesser of 10 percent of the patient’s current family income or family income in the prior 12 months.</p> <p>(2) Annual out-of-pocket expenses that exceed 10 percent of the patient’s family income, if the patient provides documentation of the patient’s medical expenses paid by the patient or the patient’s family in the prior 12 months.</p> <p>(3) A lower level determined by the hospital in accordance with the hospital’s charity care policy.</p>
<b>Reasonable Payment Plan</b>	<p>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. “Essential living expenses” means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.</p>
<b>Self-Pay Patient</b>	<p>A patient who meets the following criteria:</p> <ul style="list-style-type: none"><li>• No third party insurance</li><li>• No Medi-Cal</li><li>• No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.</li></ul>
<b>Total Charges</b>	<p>Total charges are the hospital’s full established rates for patient care services</p>
<b>Reasonable Efforts</b>	<p>A certain set of actions a healthcare organization must take to determine whether and individual is eligible for financial assistance under Scripps Health financial assistance policy (FAP). In general reasonable efforts may include providing individuals with written and oral notifications about the FAP and Application process or Scripps Health Policies</p>