

POLICY AND PROCEDURE

JOHN C. FREMONT HEALTHCARE DISTRICT
MARIPOSA, CALIFORNIA

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PURPOSE

John C. Fremont Healthcare District (JCF) serves all persons within district boundaries and the surrounding region. As a rural hospital provider, JCF is dedicated to providing high quality, customer oriented and financially strong healthcare services that meet the needs of those we serve. Providing patients with opportunities for financial assistance coverage for healthcare services is also an essential element of fulfilling the JCF mission. This policy defines the JCF Financial Assistance Program; its criteria, systems, and methods.

California acute care hospitals (CAHs) must comply with Health & Safety Code Section 127400 et seq., including requirements for written policies providing discounts and charity care to financially qualified patients. This policy is intended to meet such legal obligations and provides for both charity care and discounts to patients who financially qualify under the terms and conditions of the JCF Financial Assistance Program.

The finance department has responsibility for general accounting policy and procedure. Included within this purpose is a duty to ensure the consistent timing, recording and accounting treatment of transactions at JCF. This includes the handling of patient accounting transactions in a manner that supports the mission and operational goals of JCF.

SCOPE

The acute care hospital operated by JCF provides emergency, inpatient and outpatient services. In addition to services provided at the main hospital location, JCF also operates primary care and multi-specialty clinics. JCF also operates a distinct part skilled nursing facility (SNF). All services listed on the JCF general acute care license are included within the scope of this Financial Assistance Policy.

This policy pertains to financial assistance provided by JCF. All requests for financial assistance from patients, patient families, physicians or hospital staff shall be addressed in accordance with this policy.

Hospital Inpatient, Outpatient and Emergency Service Programs

Introduction

JCF strives to meet the health care needs of all patients who seek inpatient, outpatient and emergency services. JCF is committed to providing access to financial assistance programs when patients are uninsured or underinsured and may need help in paying their hospital bill. These programs include government sponsored coverage programs, charity care and discount partial charity care as defined herein.

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Full Charity Care and Discount Partial Charity Care Defined

Full Charity Care is defined as any necessary¹ inpatient or outpatient hospital service provided to a patient who has an income below 200% of the current federal poverty level, is unable to pay for care and who has established qualification in accordance with requirements contained in the JCF Financial Assistance Policy.

Discount Partial Charity Care is defined as any necessary inpatient or outpatient hospital service provided to a patient who is uninsured or underinsured and 1) desires assistance with paying their hospital bill; 2) has an income at or below 300% of the federal poverty level; and 3) who has established qualification in accordance with requirements contained in the JCF Financial Assistance Policy.

Depending upon individual patient eligibility, financial assistance may be granted for full charity care or discount partial charity care. Financial assistance may be denied when the patient or other responsible family representative does not meet the JCF Financial Assistance Policy requirements.

Full Charity Care and Discount Partial Charity Care Reporting

JCF will report actual Charity Care provided in accordance with regulatory requirements of the Office of Statewide Health Planning and Development (OSHPD) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. To comply with regulation, JCF will maintain written documentation regarding its Charity Care criteria, and for individual patients, JCF will maintain written documentation regarding all Charity Care determinations. As required by OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

JCF will provide OSHPD with a copy of this Financial Assistance Policy which includes the full charity care and discount partial charity care policies within a single document. The Financial Assistance Policy also contains: 1) all eligibility and patient qualification procedures; 2) the unified application for full charity care and discount partial charity care; and 3) the review process for both full charity care and discount partial charity care. These documents shall be supplied to OSHPD every two years or whenever a significant change is made.

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

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Full and Discount Eligibility: General Process and Responsibilities

Eligibility is defined for any patient whose family² income is less than 300% of the current federal poverty level, if not covered by third party insurance or if covered by third party insurance and unable to pay the patient liability amount owed after insurance has paid its portion of the account.

The JCF Financial Assistance Program utilizes a single, unified patient application for both Full Charity Care and Discount Partial Charity Care. The process is designed to give each applicant an opportunity to receive the maximum financial assistance benefit for which they may qualify. The financial assistance application provides patient information necessary for determining patient qualification by JCF and such information will be used to qualify the patient or family representative for maximum coverage under the JCF Financial Assistance Program.

Eligible patients may qualify for the JCF Financial Assistance Program by following application instructions and making every reasonable effort to provide JCF with documentation and health benefits coverage information such that JCF may make a determination of the patient's qualification for coverage under the program. Eligibility alone is not an entitlement to coverage under the JCF Financial Assistance Program. JCF must complete a process of applicant evaluation and determine coverage before full charity care or discount partial charity care may be granted.

The JCF Financial Assistance Program relies upon the cooperation of individual patients who may be eligible for full or partial assistance. To facilitate receipt of accurate and timely patient financial information, JCF will use a financial assistance application. All patients unable to demonstrate financial coverage by third party insurers will be offered an opportunity to complete the financial assistance application. Uninsured patients will also be offered information, assistance and referral to government sponsored programs for which they may be eligible. Insured patients who are unable to pay patient liabilities after their insurance has paid, or those who experience high medical costs may also be eligible for financial assistance. Any patient who requests financial assistance will be asked to complete a financial assistance application.

The financial assistance application should be completed as soon as there is an indication the patient may be in need of financial assistance. The application form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged.

² A patient's family is defined as: 1) For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not; and 2) For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent of caretaker relative.

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Completion of a financial assistance application provides:

- Information necessary for JCF to determine if the patient has income sufficient to pay for services;
- Documentation useful in determining qualification for financial assistance; and
- An audit trail documenting JCFs commitment to providing financial assistance.

However, a completed financial assistance application is not required if JCF determines it has sufficient patient financial information from which to make a financial assistance qualification decision.

PROCEDURES

Qualification: Full Charity Care and Discount Partial Charity Care

Qualification for full or discount partial financial assistance shall be determined solely by the patient's and/or patient family representative's ability to pay. Qualification for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

The patient and/or patient family representative who requests assistance in meeting their financial obligation to JCF shall make every reasonable effort to provide information necessary for JCF to make a financial assistance qualification determination. JCF will provide guidance and/or direct assistance to patients or their family representative as necessary to facilitate completion of program applications. Completion of the financial assistance application and submission of any or all required supplemental information may be required for establishing qualification for the Financial Assistance Program.

Financial Assistance Program qualification is determined after the patient and/or patient family representative establishes eligibility according to criteria contained in this policy. While financial assistance shall not be provided on a discriminatory or arbitrary basis, JCF retains full discretion, consistent with laws and regulations, to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance.

Patients or their family representative may complete an application for the Financial Assistance Program. The application and required supplemental documents are submitted to the Patient Financial Services department at JCF. This office shall be clearly identified on the application instructions.


JCF will provide personnel who have been trained to review financial assistance applications for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response.

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A financial assistance determination will be made only by approved hospital personnel according to the following levels of authority:

- Patient Financial Services (PFS) Director: Accounts \$0.01 - \$2500.00
- PFS Director, CFO: Accounts less than \$10,000
- PFS Director, CFO, CEO: Accounts greater than \$10,000

Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include:

- No insurance under any government coverage program or other third party insurer;
- Family income based upon tax returns or recent pay stubs
- Family size

Qualification criteria are used in making each individual case determination for coverage under the JCF Financial Assistance Program. Financial assistance will be granted based upon each individual determination of financial need in accordance with the Financial Assistance Program eligibility criteria contained in this policy.

Financial Assistance Program qualification may be granted for full charity care (100% free services) or discount partial charity care (charity care of less than 100%), depending upon the patient or family representative's level of eligibility as defined in the criteria of this Financial Assistance Program Policy.

Once determined, Financial Assistance Program qualification will apply to the specific services and service dates for which application has been made by the patient and/or patient family representative. In cases of continuing care relating to a patient diagnosis which requires on-going, related services, JCF, at its sole discretion, may treat continuing care as a single case for which qualification applies to all related on-going services provided by JCF. Other pre-existing patient account balances outstanding at the time of qualification determination by JCF will be included as eligible for write-off at the sole discretion of hospital management

Full and Discount Partial Charity Care Income Qualification Levels

1. If the 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 Program qualification requirements, the entire (100%) patient liability portion of the bill for services will be written off.
2. If the patient's family income is between 201% 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:

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- 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 a percentage of the account balance. This will be based on a sliding scale related to the patient's gross yearly income. 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 Discounted
201% - 225%	90%
226%- 250%	75%
251%-275%	50%
276%-350%	25%

Payment Plans

When a determination of discount partial charity has been made by JCF, the patient shall have the option to pay any or all outstanding amount due in one lump sum payment, or through a scheduled term payment plan.

JCF will discuss payment plan options with each patient that requests to make arrangements for term payments. Individual payment plans 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. JCF shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the Financial Assistance Policy.

Special Circumstances

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

If the patient is determined to be homeless he/she will be deemed eligible for charity care.

Deceased patients who do not have any third party coverage, an identifiable estate or for whom no probate hearing is to occur, shall be deemed eligible for charity care.

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Patients seen in the emergency department, for whom JCF 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 account notes as an essential part of the documentation process.

Other Eligible Circumstances

JCF deems those patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal/Medicaid, Healthy Families, California Children's Services and any other applicable state or local low-income program) to be indigent. Therefore such patients are eligible under the Financial Assistance Policy when payment is not made by the governmental program. For example, patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients (e.g. CHDP, Healthy Families, and CCS) where the program does not make payment for all services or days during a hospital stay, are eligible for Financial Assistance Program coverage. Under JCF's Financial Assistance Policy, these types of 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 lack of payment for non-covered services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care.

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/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:

1. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
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.

Any patient whose income exceeds 350% and experiences a catastrophic medical event may be deemed eligible for financial assistance. Such patients, who have high incomes do not qualify for routine full charity care or discount partial charity care. However, consideration as a catastrophic medical event may be made on a case-by-case basis. 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 \$30,000 may be considered for eligibility as a catastrophic medical event.

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Any account returned to JCF from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Charity Care documentation file.

Criteria for Re-Assignment from Bad Debt to Charity Care

All outside collection agencies contracted with JCF to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to charity care:

- Patient accounts must have no applicable insurance (including governmental coverage programs or other third party payers); and
- The patient or family representative must have a credit score rating within the lowest 25th percentile of credit scores for any credit evaluation method used; and
- The patient or family representative has not made a payment within 150 days of assignment to the collection agency;
- The collection agency has determined that the patient/family representative is unable to pay; and/or
- The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score

All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care will be evaluated by hospital personnel prior to any re-classification within JCF accounting system and records.

Notification

Once a determination of eligibility is made, a letter indicating the determination status will be sent to the patient or family representative. The determination status letter will indicate one of the following:


- A. Approval: The letter will indicate the account has been approved, the level of approval and any outstanding amount owed by the patient.
- B. Denial: The reasons for denial of the financial assistance application will be explained to the patient. Any outstanding amount owed by the patient will also be identified.
- C. Pending: The applicant will be informed as to why the financial assistance application is incomplete. All outstanding information will be identified and is requested to be supplied to JCF by the patient or family representative.

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Dispute Resolution

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

Any or all appeals will be reviewed by JCF Director of PFS. The PFS Director shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the manager shall provide the patient with a written explanation of findings and determination.

In the event that the patient believes a dispute remains after consideration of the appeal by the Director of PFS, the patient may request in writing, a review by JCF CEO. The CEO shall review the patient's written appeal and documentation, as well as the findings of the Director of PFS. The CEO shall make a determination and provide a written explanation of findings to the patient. All determinations by the CEO shall be final. There are no further appeals.

Public Notice

JCF shall post notices informing the public of the Financial Assistance Program. Such notices shall be posting in high volume inpatient, and outpatient service areas of JCF, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas or other common patient waiting areas of JCF. Notices shall also be posted at any location where a patient may pay their bill. 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.

These notices shall be posted in English and Spanish and any other languages that are representative of 5% or greater of patients in JCFs service area.

A copy of this Financial Assistance Policy will be made available to the public on a reasonable basis.

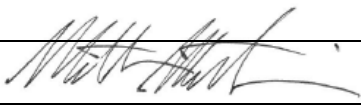
Confidentiality

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 should be guided by these values.

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Good Faith Requirements

JCF makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.

Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, or purposely inaccurate information has been provided by the patient or family representative. In addition, JCF reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order qualify for the JCF Financial Assistance Program.

Reviewed: Board adopted 4/24/2019