



**Financial Assistance: Charity Care
and Discount Payment**

BO-2A

Origination Date: 1/07
Last Revised: 9/25
Last Reviewed: 9/25
Submitted By: VP of Patient Financial
Services – RCM

APPROVAL

Board of Directors Pending

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PURPOSE

College Hospital Costa Mesa’s mission is to develop, manage, and promote a continuum of health care services to meet the behavioral and medical needs of its communities.

This charity policy is a means through which College Hospital Costa Mesa will work to meet the behavioral and medical needs of its patients by offering medical services at no charge or at nominal charge for qualified patients. While County government has the responsibility for providing services to the indigent, College Hospital assists in carrying out that responsibility. Helping to meet the needs of the uninsured and underinsured is an important element in our commitment to the community.

WHO MAY PERFORM/RESPONSIBLE

Access Services, Business Office, Patient Accounting

POLICY

The criteria the hospital will follow in qualifying patients or programs for financial assistance, including Charity Care and Discount Payment, are provided in this policy. The hospital has developed these policies in written form and will apply them consistently to all patients.

I. General Process and Responsibilities

- A. Those patients that currently do not pay for their medical bills because of lack of third-party insurance and/or an otherwise inability to pay are covered under this policy. The overall mission of the hospital is expressly demonstrated in this charity policy and through its everyday practices. The Board of Directors, demonstrating through their leadership and affirmation of our mission, has adopted the policy in this document.
- B. All patients unable to pay for their medical bills will be requested to complete a Financial Assistance Application. This form is available in English and Spanish. It is our goal to have all elective admissions screened for ability to pay. The application will be sent to each patient with the first notification letter indicating the patient balance due. All patients, including those thought to be eligible for Medi-Cal, Victims of Crime, or any other third-party coverage, but who are not currently approved for coverage, should still complete the Financial Assistance Application form if possible.
- C. Completion of this form:
 - 1. Allows the hospital to determine if the patient has declared income giving them the ability to pay for the health care services they receive;



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1. Form 1: Financial Assistance Form (this form also gives permission to obtain credit information).
 - i. The Financial Assistance Form will be available in the primary languages spoken in the hospital's community area, including English and Spanish.
 - H. Approval or denial letters will be provided, as notification of payment obligations, charity assignment in full or in part, and payment plan options will automatically occur with the financial classification assignment. Any billing statements to the patient will indicate the amount written off to charity. Patient account folders will include completed forms, credit check printouts, and follow-up notes.
 - I. This policy is based upon the most current federal poverty level (FPL) guidelines. Based upon the hospital's demographics and the mission to meet the health care needs of its community, the primary qualifying levels are based upon 400% of the federal poverty guidelines. In subsequent years, this percentage will be evaluated and modified as necessary.
 - J. Eligibility: To qualify for financial assistance, either the entire hospital bill (Charity Care) or a portion of the hospital bill (Discount Payments), the following criteria must be met:
 1. Coverage – The services being provided are not covered/reimbursed by Medi-Cal or any other third party, the patient is self-pay, the patient has medical expenses which exceed 10% of the family income, and/or the patient has family income at or below 400% of the FPL.
 2. Charity Care: If the patient's income is 400% or less of the FPL, the entire hospital bill will be written-off, regardless of net worth or size of bill.
 3. Discount Payment: If the patient's income is between 401% and 450% of the FPL, then a portion of the hospital bill is written-off based upon a sliding scale, regardless of net worth or size of bill, as follows:
 - a. 401% - 425% = 80% write-off, with maximum liability of \$5,000 (annually in the case of multiple hospital stays).
 - b. 426% - 450% = 60% write-off, with maximum liability of \$7,500 (annually in the case of multiple hospital stays).
- II. Charity Determination, Forms and Recordkeeping
- A. The form used for financial screening is attached to the financial assistance policy. The form requests annual income (plus verification of income) and other relevant information. Family size and special circumstances are also requested.



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1. The identification of potential charity patients as close to the time of admission as possible.
2. The Financial Evaluation Form will be used for most self-pay patients, whenever possible.
3. Income will routinely be verified for non-emergency self-pay patients and will be used in all circumstances to determine charity status.
4. The actual financial assistance determinations will be made based upon the criteria expressed in this financial assistance policy.
5. Financial assistance determination will be granted on “all, partial, or nothing” basis.

REFERENCES

CA Health & Safety Code Section 127435
SB 1276, Chapter 758
AB 532
AB 1020

ATTACHMENTS

[Financial Assistance Form](#)
[Financial Assistance Form - Spanish](#)