Policy Title	Charity Care and Discount Payment Policy
Policy Number	CHONC-REV-001
Effective Date	November 20, 2026
Original Date	November 20, 2026
Revision Dates	None
Regulatory Authority	HSC Section 127400 et seq. (as amended by AB 774, SB 1276, AB 1020, AB 2297, SB 1061); Title 22 CCR Section 96051 et seq.
Applies To	CHONC

CHONC Charity Care and Discount Payment Policy

Mission

CHONC is committed to excellence
in providing quality health care services to our communities with a team of compassionate and dedicated professionals, within a culturally rich and ethically appropriate environment.

To better serve the community and further our mission, CHONC hospitals accept a wide variety of payment methods and offer resources to assist patients and responsible parties in resolving any outstanding balance. CHONC hospitals treat all patients equitably, with dignity, respect, and compassion, and, wherever possible, help patients who cannot pay for all or part of their care.

CHONC recognizes that there are unfortunate occasions when a patient is not able to pay for their medical care. In such situations, CHONC adheres to applicable Federal, state, and local law. CHONC has established guidelines under which patients may apply and, as appropriate, qualify for Charity Care (free care) or Discount Payment (reduced care).

Facilities Covered by this Policy

- CHONC

Purpose

The purpose of this policy is to define eligibility criteria for Charity Care and Discount Payment (also called Partial Charity Care) and to provide administrative guidelines for identifying, evaluating, classifying, and documenting patient accounts. CHONC ensures this policy is effectively communicated to those in need, assists patients in applying and qualifying for known programs of financial assistance, and applies this policy accurately and consistently.

Acronyms Used in This Policy

- **AGB** - Amount Generally Billed
- **CBO** - Central Business Office
- **CEO** - Chief Executive Officer
- **CFO** - Chief Financial Officer
- **ECA** - Extraordinary Collection Action
- **ELE** - Essential Living Expenses
- **EMTALA** - Emergency Medical Treatment and Active Labor Act
- **FAP** - Financial Assistance Policy
- **FC** - Financial Counselor
- **FPL** - Federal Poverty Level
- **HCAI** - California Department of Health Care Access and Information
- **HSA** - Health Savings Account
- **HSC** - California Health and Safety Code
- **LEP** - Limited English Proficiency
- **MEP** - Medi-Cal Eligibility Processor
- **OOP** - Out-Of-Pocket

Definitions

The definitions below track California Health and Safety Code Section 127400 et seq. as amended by AB 2297 and SB 1061, effective January 1, 2025.

Amount Generally Billed (AGB) means in California, the amount of payment the hospital would expect to receive, in good faith, from Medicare or Medi-Cal, whichever is greater, for the services furnished. AGB applies to all hospitals regardless of ownership status. The federal percent-of-charges method under Treasury Regulation Section 1.501(r)-5 applies only to the extent not preempted by this California cap.

Application Period means the period during which CHONC must accept and process a financial assistance application. There is no deadline for a patient to apply. Eligibility is determined at any time, including after services are provided, after a bill is sent, after payment is made in whole or in part, or after the account is sent to collections. (HSC Section 127405(e)(3).)

Charity Care means free care. (HSC Section 127400(c).) Patients who are uninsured or underinsured for the relevant medically necessary services and whose family income is at or below 200 percent of the Federal Poverty Level will be eligible for a 100 percent write-off under CHONC charity care. Eligibility is based solely on family income and family size.

Discount Payment (also called Partial Charity Care) means any charge for care that is reduced but not free. (HSC Section 127400(f).) Discount Payment is available to uninsured patients and patients with high medical costs whose family income exceeds 200 percent but does not exceed 400 percent FPL. A patient eligible for Discount Payment will not be asked to pay more than AGB. An extended, interest-free payment plan will be offered.

Essential Living Expenses (ELE) means expenses that may include, but are not limited to: rent or house payments and maintenance; food and household supplies; utilities and telephone; clothing; medical and dental payments; insurance; school or childcare costs; child or spousal support; transportation and auto-related expenses (including insurance, gas, and repairs); installment payments; laundry and cleaning; and other extraordinary expenses. ELE is considered only when setting payment plans, not when determining eligibility.

Extraordinary Collection Action (ECA) means any action against an individual related to obtaining payment of a bill for care covered under this FAP, including but not limited to: selling an individual debt to another party (unless the conditions of HSC Section 127425 are met); deferring, denying, or requiring payment before providing medically necessary care because of non-payment of previous bills; placing a lien on any real property owned by the patient (prohibited under AB 2297); attaching or seizing bank accounts or other personal property; commencing a civil action; causing an arrest or body attachment; and garnishing wages. Consistent with SB 1061, furnishing any information regarding medical debt to a consumer credit

reporting agency is prohibited at all times. ECAs are addressed in detail in the companion CHONC Debt Collection Policy.

Federal Poverty Level (FPL) means the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services. Current guidelines are published at https://aspe.hhs.gov/poverty-guidelines.

Financial Assistance means a general term that includes both Charity Care (free care) and Discount Payment (reduced care).

Hospital Bill Complaint Program means a California program administered by HCAI that reviews hospital decisions about whether a patient qualifies for help paying the patient bill. Patients may file a complaint at https://HospitalBillComplaintProgram.hcai.ca.gov.

Household Income (at time of first billing) means all income of all family members who live in the same household, defined as the home address the patient uses on income tax returns or other government documents. This may include: gross wages; salaries; unemployment compensation; workers compensation; Social Security; Supplemental Security Income; interest; dividends; income from rental properties, estates, and trusts; alimony; child support; assistance from outside the household; and other miscellaneous sources.

Limited English Proficiency (LEP) Group means a group of people who either do not speak English or are unable to effectively communicate in English because English is not their native language. The threshold is the lesser of 1,000 individuals, 5 percent of the community served, or the non-English speaking populations likely to be encountered. Threshold languages are listed in Appendix B.

Medically Necessary means inpatient or outpatient health care services provided to evaluate, diagnose, or treat an injury, illness, disease, or its symptoms, where without treatment the patient health would be at risk. For individuals 21 or older, medically necessary means reasonable and necessary to protect life, prevent significant illness or disability, or alleviate severe pain. For individuals under 21, medically necessary includes services needed to treat, correct, or ameliorate conditions identified by EPSDT screening. Services performed within the hospital are presumed medically necessary for financial assistance purposes. Any denial on non-medical-necessity grounds requires a signed physician attestation from the referring or supervising provider. (HSC Section 127400(l), as amended by AB 2297.)

Medi-Cal Presumptive Eligibility means a program providing qualified individuals immediate access to temporary, no-cost Medi-Cal while applying for permanent Medi-Cal or other coverage.

Out-Of-Pocket (OOP) Expenses means any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing. (HSC Section 127400(j).)

Patient Family means (1) For persons 18 years of age and older: spouse, domestic partner (Family Code Section 297), and dependent children under 21 years of age,

or any age if disabled. (2) For persons under 18, or a dependent child 18 to 20 years of age: parent, caretaker relatives, and parent or caretaker relatives' other dependent children under 21, or any age if disabled. (HSC Section 127400(k), as amended by AB 2297.)

Patients with High Medical Costs means persons whose family income does not exceed 400 percent FPL with any of the following: (a) annual OOP costs at the hospital exceeding the lesser of 10 percent of current family income or family income in the prior 12 months; (b) annual OOP medical expenses exceeding 10 percent of family income documented for the prior 12 months; or (c) a lower level determined by the hospital.

Plain Language Summary means a short written summary of this FAP, written in plain language, notifying patients of the availability of financial assistance, eligibility criteria, and how to apply. Provided at intake or discharge, on billing statements, and available free on the CHONC website in all threshold languages.

Presumptive Eligibility means a determination that a patient is eligible for Charity Care or Discount Payment based on information other than that provided by the patient, or based on a prior eligibility determination. CHONC may make a presumptive determination without requiring an application or income documentation. (HSC Section 127405(d)(4).) Criteria are in Section 9.

Reasonable Payment Plan means an extended, interest-free payment plan negotiated between the hospital and the patient or guarantor. The plan takes into account the patient family income, essential living expenses, and the amount owed. Monthly payments do not exceed 10 percent of monthly family income, excluding deductions for essential living expenses. (HSC Section 127400(i).)

Self-Pay Discount means a commercial prompt-payment discount offered in addition to, and independent of, Charity Care and Discount Payment. Patients who may qualify for Charity Care or Discount Payment are encouraged to apply regardless of whether they also use the Self-Pay Discount.

Self-Pay Patient means an individual who does not have third-party health care coverage from any of: a third-party insurer; a Federal health care program (including Medicare, Medi-Cal, California Children Services, Healthy Families, or TRICARE); workers compensation; medical savings accounts; or other coverage for all or any part of the bill.

Underinsured Patient means a patient who has some amount of insurance or health coverage but still has out-of-pocket expenses that exceed their ability to pay.

Uninsured Patient means a patient with no level of health coverage or insurance to help pay medical bills.

Policy Statement

CHONC hospitals are committed to treating uninsured patients and patients with high medical costs with the same dignity and consideration extended to all patients. CHONC considers each patient ability to pay for medical care and, as appropriate, extends Charity Care or Discount Payment to eligible patients.

This policy implements and complies with applicable Federal, state, and local laws, including the California Hospital Fair Pricing Act (HSC Section 127400 et seq.), AB 1020 (2021), AB 2297 (2024), SB 1061 (2024), Title 22 CCR Sections 96051 et seq., Internal Revenue Code Section 501(r) where applicable, and all regulations thereunder. In the event of any inconsistency between this policy and mandatory provisions of Applicable Law, Applicable Law controls.

Section 1. Patient Communication

Each CHONC hospital has a means of communicating the availability of Charity Care and Discount Payment to all patients.

Patients are provided a statement that, if they do not have health insurance coverage, they may be eligible for Medicare, Medi-Cal, Covered California, California Children Services, other governmental programs, or charity care. Applications for these programs are provided to admitted patients before discharge, and to patients receiving emergency or outpatient care at the time of service. CHONC also provides referrals to local consumer assistance centers housed at legal services offices.

If a patient lacks or has inadequate insurance and meets low- or moderate-income criteria, the patient is informed that they may qualify for Charity Care or Discount Payment. Patients are also provided the name and telephone number of a hospital employee or office from whom they may obtain information about how to apply.

No Deadline to Apply

There is no deadline for a patient to apply for Charity Care or Discount Payment. CHONC determines eligibility at any time, including after services have been provided, after a bill has been issued, after the bill has been partially or fully paid, or after the account has been referred to a collection agency. CHONC does not deny eligibility based on the timing of a patient application. (HSC Section 127405(e)(3), as amended by AB 2297.)

No Requirement to Apply for Other Coverage as a Precondition to Discount Payment

CHONC does not require a patient to apply for Medicare, Medi-Cal, or any other coverage before the patient is screened for or provided Discount Payment. For Charity Care, CHONC may require the patient to apply for other coverage. For Discount Payment screening, CHONC may require the patient to participate in Medi-Cal eligibility screening. (HSC Section 127405(e)(1) and (2), as amended by AB 2297.)

Section 2. Applications

Patients may apply or reapply for financial assistance at any time in the collection process, including after collection agency placement and after payment. If a patient applies for, or has a pending application for, another health care coverage at the same time the patient applies under this FAP, neither application precludes eligibility for the other program. (HSC Section 127405(f).)

Eligibility Based Solely on Income and Family Size

Monetary assets are not considered in determining eligibility for Charity Care or Discount Payment. Eligibility is based solely on family income and family size under current FPL guidelines. (HSC Section 127405(d)(2), as amended by AB 2297.)

Documentation of Income

Documentation of income is limited to recent paystubs or income tax returns. CHONC may accept, but does not require, other forms of documentation. Recent paystubs are those within a 6-month period before or after the patient is first billed, or at the time of a preservice application. In the absence of income, a letter of support or declaration of no income is acceptable. Failure to provide reasonable requested information, following reasonable requests over a reasonable period, may be grounds for denial.

Health Savings Accounts

A health savings account held by the patient or patient family is not considered in determining eligibility. An HSA may be considered only when negotiating a payment plan after eligibility has been determined. (HSC Section 127400(i); HCAI PIL 24-03.)

Presumptive Eligibility

If a patient does not submit an application or documentation of income, CHONC may presumptively determine the patient is eligible for Charity Care or Discount Payment based on information other than that provided by the patient, or based on a prior eligibility determination. See Section 9. (HSC Section 127405(d)(4).)

Use of Information

Information received in connection with a financial assistance application is not used for collection activities. This does not prohibit the use of information obtained by CHONC or its collection agencies independently of the application process. All financial information is confidential and protected.

Section 3. Patient Eligibility and Qualification

Eligibility is based on the patient family income as compared to the current Department of Health and Human Services Federal Poverty Guidelines, reviewed annually.

Eligibility Tiers

- **Family income 0 to 200 percent FPL:** 100 percent Charity Care (free care).
- **Family income 201 to 400 percent FPL:** Discount Payment. Patient responsibility does not exceed AGB (the greater of Medicare or Medi-Cal reimbursement). Extended interest-free payment plan available.
- **Family income above 400 percent FPL with High Medical Costs:** Patients whose annual OOP costs meet the High Medical Costs definition may qualify for Discount Payment at CHONC discretion.

Statutory Cap on Patient Responsibility

For any patient at or below 400 percent FPL eligible under this policy, patient responsibility does not exceed AGB. (HSC Section 127405(c)(1)(A).)

Monetary Assets Not Considered

In accordance with HSC Section 127405(d)(2) as amended by AB 2297, CHONC does not consider a patient monetary assets (including checking, savings, stocks, bonds, retirement, or deferred compensation accounts) in determining eligibility under this policy.

Section 4. Definition and Verification of Income

All sources of income are included in the calculation of financial need, including employment income and unearned income. Self-employment income is the individual net earnings as reported on the most recent federal income tax return.

Income Includes

Money wages and salaries before any deductions; gross receipts from non-farm self-employment including business, professional enterprise, and partnership, before deductions; gross receipts from farm self-employment; regular payments from Social Security, railroad retirement, unemployment compensation, strike benefits, workers compensation, automobile insurance, veterans payments, public assistance including TANF and SSI, emergency assistance, and general assistance or general relief; training stipends; alimony, child support, and military family allotments or other regular support from an absent family member; private pensions, government and employee pensions including military retirement pay, and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividend, interest, net rental income, net royalties, and net gambling or lottery winnings.

Income Does Not Include

Capital gains; any assets drawn down as a withdrawal from a bank; the sale of a primary residence; tax refunds; gifts; loans; lump-sum inheritance; and one-time insurance payments. Also excluded are non-cash benefits such as employer- or union-paid portion of medical insurance or other employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; and Federal non-cash benefit programs such as Medicare, Medi-Cal, SNAP (food stamps), school lunches, and housing assistance.

Acceptable Forms of Income Documentation

Documentation is limited to recent paystubs or income tax returns. CHONC may accept, but does not require, additional forms of documentation, including:

- W-2 form
- Current pay stubs (within 6 months)
- Prior year income tax return, including schedules if applicable
- Self-employed Schedule C forms
- Written, signed statements from employers or others
- Social Security award letters or check stubs
- Medical assistance eligibility or denial notice
- Workers compensation check stubs
- Unemployment check stubs or approval or denial notice
- Declaration of no income (supported by letter of support if applicable)

Section 5. General Application Guidelines

Whenever possible, an application should be submitted and approved before services are provided. However, no application is required, and financial consideration is not taken into account, for emergency medical treatment. Applications covering emergency treatment are made after services are provided.

Applicants should cooperate with CHONC need for accurate information, following reasonable requests over a reasonable period. If information is incomplete, applications are returned to the applicant for supplementation. CHONC provides written notice of any outstanding items and waits a reasonable period before denial or resumption of collection activity.

Upon approval, the patient application and supporting documentation may be used for re-evaluation for future services for up to six months. This six-month re-use convenience does not limit a patient right to reapply at any time.

Section 6. Collection Activity Restrictions

The detailed debt collection provisions are contained in the companion CHONC Debt Collection Policy. A summary of the principal restrictions relevant to financial assistance eligibility appears below.

No Credit Reporting of Medical Debt

CHONC, its hospitals, assignees, collection agencies, and debt buyers do not furnish any information regarding medical debt to a consumer credit reporting agency at any time. This prohibition is unconditional. Any medical debt reported in violation is void and unenforceable. (Civil Code Sections 1785.3 and 1785.27, as enacted by SB 1061.)

No Liens on Real Property

CHONC does not use liens on any real property or wage garnishments to collect unpaid hospital bills from patients eligible under this policy. The prior limited exception allowing liens on real property other than a primary residence has been repealed. (HSC Section 127425; AB 2297.)

No Collection Against Qualified Charity Care Patient

CHONC does not pursue collection action against a qualified Charity Care patient who has clearly demonstrated that they do not have sufficient income to meet any part of the financial obligation.

Retroactive Application

Once Charity Care status is determined, it is applied retroactively to all qualifying accounts.

180-Day Rule for Civil Actions

For an uninsured patient or patient with high medical costs, CHONC does not commence a civil action for nonpayment before 180 days after the date of initial billing. Credit reporting is prohibited at all times, not just for the first 180 days.

Collection Held During Applications and Complaints

If an uninsured patient has requested charity assistance or applied for other coverage and is cooperating with CHONC, CHONC does not pursue collection action until a decision is made that there is no longer a reasonable basis to believe the patient may qualify for coverage. Upon receipt of notice from HCAI of a patient complaint, CHONC immediately suspends all collection activity during the complaint review period.

Section 7. Reasonable Payment Plans

Consideration of Essential Living Expenses

Before offering any payment plan (whether negotiated or default), CHONC considers the patient family income, family size, essential living expenses, the amount owed, and prior

payments. The monthly payment under any plan does not exceed 10 percent of the patient monthly family income, excluding deductions for essential living expenses. (HSC Section 127400(i).)

HSA Consideration

When negotiating a payment plan with a patient determined eligible for Discount Payment, CHONC may consider the availability of a health savings account held by the patient or patient family. An HSA is not considered in determining eligibility.

No Interest, Penalties, or Fees

Any extended payment plan negotiated with a qualified patient under this policy is provided without interest, penalties, or fees. The patient financial responsibility does not exceed the discounted amount previously determined.

Default on Payment Plans

An extended payment plan may be declared no longer operative only after all of the following have occurred:

- The patient has failed to make all consecutive payments during a 90-day period
- CHONC has made a reasonable attempt to contact the patient by phone at the last known number and given notice in writing at the last known address, stating the plan may become inoperative and advising of the opportunity to renegotiate
- At least 30 days have passed from the date of the written notice without cure or renegotiation request
- If the patient requests renegotiation, CHONC has attempted to renegotiate in good faith

Even after a plan is declared inoperative, credit reporting remains prohibited under SB 1061.

Section 8. Additional Responsibilities for Discount Payment Patients

When a patient is approved for Discount Payment, CHONC works with the patient or responsible party to establish a reasonable payment option, taking into consideration family income and essential living expenses. Patients receiving Discount Payment sign a written agreement to pay the amount remaining after application of the discount. The patient receives a statement showing charges, the amount of the discount, and the amount due.

Professional services provided by physicians and other services provided by outside vendors are not covered by this policy unless otherwise specified in Section 15. Patients seeking a discount for such services should contact the physician or outside vendor directly.

Section 9. Presumptive Eligibility

Consistent with HSC Section 127405(d)(4), CHONC may presumptively determine that a patient is eligible for Charity Care or Discount Payment based on information other than that provided by the patient or based on a prior eligibility determination. Presumptive eligibility may result in a full charity write-off without a completed application.

Presumptive Eligibility Criteria

CHONC uses the following criteria, among others, for presumptive eligibility:

- Patient is homeless or resides in a homeless shelter
- Patient is enrolled in a means-tested federal, state, or county program, including SNAP or CalFresh, TANF, WIC, SSI, General Assistance, or Medi-Cal Share-of-Cost
- Patient has been approved for Charity Care or Discount Payment by any CHONC hospital within the prior 6 months
- Patient is deceased and has no known estate
- Patient is a ward of the state, a foster youth, or an unaccompanied minor
- Information from a third-party source demonstrates that family income is at or below 200 percent FPL

Prescreening Before Collections

CHONC makes reasonable efforts to prescreen patients for free care or a discount before starting any collection activity and whenever information suggests a patient may qualify.

Section 10. Approval Process

A completed CHONC financial assistance application is processed by the hospital admitting department, MEP worker, FC, or CBO staff. Front-line staff review the application for completeness and whether documentation supports eligibility. The MEP or FC worker verifies that figures used to calculate eligibility are correct and may seek additional verification before submitting the application for approval.

Approval Authority

Routine approvals for patients clearly at or below 200 percent FPL with complete, clean documentation may be approved by the FC or CBO Director. Denials, borderline cases, and determinations above 200 percent FPL are reviewed by the facility CFO. The CFO evaluates the recommendations, verifies calculations, and approves, denies, or forwards the application for further consideration.

Determination Timeframe

CHONC notifies the applicant of the final determination of eligibility and of appeal rights within 14 to 30 days of receiving a complete financial assistance application, including documentation of income.

Medical Necessity Presumption

Hospital services are presumed medically necessary for financial assistance purposes. Any denial on non-medical-necessity grounds requires a signed physician attestation from the referring or supervising provider before denial. (HSC Section 127400(l).)

Denials and Corporate Review

If the CFO denies a financial assistance application, documentation of the reason for rejection and date of denial is placed in the hospital collection system, and the packet is forwarded to the Director of Financial Services for review. If disagreement persists, a denial summary is sent to the CHONC Corporate Vice President of Finance for resolution.

CHONC, 3777 S. Bascom Ave., Campbell, CA 95008
Attention: Billing Department

Section 11. Patient Appeal Rights

A patient who receives a denial of financial assistance has the following rights:

- Appeal the denial in writing to the facility CFO within 30 days of the date of the denial notice. The CFO or designated reviewer will issue a written decision within 30 days of receipt of the appeal.
- During the pendency of the appeal, CHONC suspends all collection activity on the account.
- File a complaint with the HCAI Hospital Bill Complaint Program at https://HospitalBillComplaintProgram.hcai.ca.gov at any time, regardless of whether the patient has used CHONC internal appeal process.
- Contact the Health Consumer Alliance at 1-888-804-3536 or https://healthconsumer.org for free consumer advocacy assistance.

Section 12. Reimbursement of Amounts Paid

If CHONC determines that a patient was eligible for Charity Care or Discount Payment at the time of initial billing, CHONC refunds to the patient any amounts paid in excess of what the patient would have owed under this policy, together with interest at the rate required by HSC Section 127440, within 30 days of the determination.

CHONC is not required to reimburse a patient where: (a) five or more years have passed since the patient last payment to CHONC, its assignee, or a debt buyer; or (b) the patient debt was sold before January 1, 2022 in accordance with the law at that time. (HSC Section 127440, as amended by AB 2297.)

Section 13. Third-Party Payer and Medi-Cal Classification

Charity Care is granted on an all, partial, or nothing basis. Patients who qualify for Medi-Cal but do not receive payment for their entire stay are eligible for Charity Care write-offs. These write-offs do not include Share-of-Cost amounts that the patient must pay before becoming eligible for Medi-Cal.

CHONC includes as Charity Care the charges related to denied stays, denied days of care, and non-covered services. Treatment Authorization Request denials and lack of payment for non-covered services provided to Medi-Cal patients are classified as Charity Care.

Medicare patients who have Medi-Cal coverage for co-insurance or deductibles, for which Medi-Cal does not make payment and for which Medicare does not provide bad debt reimbursement, are also included as Charity Care.

Third-Party Payments Directly to Patient

If a patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for health care services related to the injury, CHONC may require the patient or guarantor to reimburse CHONC for the related health care services rendered, up to the amount reasonably awarded for that purpose. (HSC Section 127405, as amended by AB 2297.)

Cost-Sharing Waivers

CHONC may waive or reduce Medi-Cal and Medicare cost-sharing amounts as part of its Charity Care or Discount Payment program, subject to applicable federal beneficiary inducement and Medicare bad debt rules.

Section 14. Widely Publicizing Financial Assistance

CHONC shares information about financial assistance in our community as required by California law (HSC Sections 127405 and 127410) and federal rules (Treasury Regulation Section 1.501(r)-4 where applicable).

14.1 Website Posting

CHONC posts the full current policy on the CHONC website, along with the plain language summary and the financial assistance application, together with translations in all threshold languages. These materials are easy to find, free to access, and available without requiring any person to create an account, provide personal information, or accept terms of use. (Title 22 CCR Section 96051.10(c).)

14.2 Notice to Patients

All patients who receive services receive a written notice about this FAP. The notice explains who may qualify, how to apply, other payment programs, and how to get help. Contact information for the financial assistance office at each facility is in Appendix C.

For emergency department visits, CHONC provides a paper copy at the time of service or before discharge. Patients receiving emergency or outpatient care who are not admitted also receive the notice. Notices and letters are provided in the language the patient speaks, as required by state and federal law.

14.3 Offered Copy at Intake or Discharge

Every patient is offered a paper copy of the plain language summary during the intake or discharge process. Patients do not need to request it.

14.4 Notices in Public Areas

CHONC posts clear signs in the emergency department, admissions and registration areas, and billing office that explain the FAP, who may qualify, and how to obtain applications, copies of the policy, and the plain language summary in English and all threshold languages.

14.5 Help Paying Your Bill Webpage

CHONC maintains a webpage titled Help Paying Your Bill including, at a minimum:

- Who may qualify for free care or a discount?
- How to apply
- Links to this policy, the plain language summary, and the application
- Contact information for the financial assistance office
- Information about the State of California Hospital Bill Complaint Program

A link called Help Paying Your Bill is prominently displayed on the CHONC website footer, on any webpage where a patient may find information about paying a bill, and in the website header or within one click from the header drop-down menu.

14.6 Billing Statements

Every bill includes a clear notice that financial assistance is available, the phone number for the financial assistance office, and the direct web address: https://www.chonc.org/

14.7 Community Notice

CHONC shares information with community groups, events, clinics, social service agencies, and through social media to reach people most likely to need financial assistance.

14.8 Translations and Interpreters

CHONC provides free translations of this policy, the application, and the plain language summary in every language meeting the threshold criteria for the community served by each CHONC facility (the lesser of 5 percent of the community served or 1,000 individuals, and non-English speaking populations likely to be encountered). The current list of threshold languages for each facility is in Appendix B, updated at least annually.

CHONC also provides qualified interpreters at no cost for any conversations about financial assistance.

Section 15. External Providers and Emergency Physicians

Some care at CHONC hospitals is provided by doctors and other health care professionals who are not employed by or affiliated with the facility. They bill for their own services, and their bills are not covered by this FAP unless they are credentialed under the provisions below.

- If a patient is determined eligible for Charity Care under this policy, the patient is not billed by external vendors for services covered by this policy. Patients for whom an eligibility determination is pending may receive bills from these providers.
- All credentialed medical staff agree to honor CHONC FAP decisions for care provided at CHONC hospitals as a condition of obtaining and maintaining privileges. This promotes fair access to care and CHONC mission to serve patients regardless of ability to pay.
- If the patient is approved for assistance under this policy, the patient may share the approval letter with external billing offices, which may offer their own financial assistance.

Emergency Physicians

By law, emergency physicians providing care at CHONC hospitals must offer discounts to uninsured patients and patients with high medical costs at or below 400 percent FPL. (HSC Section 127450.) These physicians bill separately from the hospital. For questions about a bill from an emergency physician, patients should contact that physician office directly. The CHONC Financial Counselor can assist with referrals.

Section 16. Revenue Classification

It is the responsibility of the Business Office to maintain the integrity of account classification on the hospital patient accounting system. Before month-end close, MEP provides a detailed report listing critical changes in account class between self-pay and Charity Care or Discount Payment for any account assigned in-system. The Business Office updates changes in the patient accounting system before month-end.

Critical Changes Include

- Any account originally assigned as self-pay that is re-classed as Charity Care or Discount Payment
- Any account originally assigned as Charity Care or Discount Payment that is re-classed to self-pay as a result of denial

Section 17. Maximum Out-of-Pocket

Patient or family out-of-pocket medical expenses do not exceed 10 percent of the patient family income (excluding deductions for essential living expenses) within a 12-month period, if the patient family income is less than 400 percent FPL. For patients at

or below 400 percent FPL eligible under this policy, patient responsibility is further capped at AGB.

Section 18. Record Retention

CHONC maintains for no less than 5 years all records relating to money owed to CHONC by a patient or patient guarantor, including: (HSC Section 127446, as added by AB 2297.)

- Documents related to litigation filed by CHONC
- Financial assistance applications and supporting documentation
- Payment plans
- Collection agency referrals and communications
- Records of amounts paid, adjusted, or written off
- Copies of all patient notices provided and dates provided

Section 19. Self-Pay Discount (Not Charity Care)

The Self-Pay Discount is a commercial prompt-pay discount offered in addition to, and independent of, the Charity Care and Discount Payment programs required by California law. Patients who may qualify for Charity Care or Discount Payment are encouraged to apply regardless of whether they also use the Self-Pay Discount. Self-pay patients whose income appears at or below 400 percent FPL are automatically screened for financial assistance before the Self-Pay Discount is finalized.

Self-Pay Discount Eligibility Requirements

- A patient who does not qualify for Charity Care or Discount Payment and who does not have insurance or has inadequate insurance is eligible for a prompt-payment discount.
- A patient must make full payment of estimated charges at the time of, or prior to, receiving services to qualify for the prompt-payment discount.
- If other payment arrangements are made, the patient is billed for the remainder. If payment is not received within 30 days, the prompt-payment discount is rescinded and full billed charges are due.
- Cosmetic procedures are excluded from the Self-Pay Discount program.

Discount Amount

Self-Pay Discount is 40 percent off charges for payment received under the above requirements.

Section 20. Mandatory Contract Language Under SB 1061

Effective July 1, 2025, every contract creating medical debt, including admission agreements, financial responsibility forms, and similar documents, must include the following statutory language or the debt is void and unenforceable. (Civil Code Section 1785.27(c).)

> *A holder of this medical debt contract is prohibited by Section 1785.27 of the Civil Code from furnishing any information related to this debt to a consumer credit reporting agency. In addition to any other penalties allowed by law, if a person knowingly violates that section by furnishing information regarding this debt to a consumer credit reporting agency, the debt shall be void and unenforceable.*

This language appears in all CHONC Conditions of Admission, financial responsibility agreements, and any other contract creating medical debt, at each of the nine CHONC facilities. It is the responsibility of the CFO at each facility to confirm this language is present in all current contracts.

Section 21. HCAI Submission Obligations

Any substantive revision to this policy, the financial assistance application, or the companion debt collection policy is a significant change under Title 22 CCR Section 96051.6(b)(5). Such changes are submitted to HCAI via the online policy submission portal at https://hdc.hcai.ca.gov within 10 working days of the effective date, or at the next biennial submission window (January 1 of each even-numbered year), whichever is earlier. Submissions include both a clean copy and a redlined copy showing additions (underline) and deletions (strikethrough).

CHONC does not deny financial assistance available under the policy posted on the HCAI portal at the time of service. CHONC primary and secondary HCAI contacts verify that updated policies appear promptly on the HCAI public portal.

Section 22. Help Paying Your Bill and Hospital Bill Complaint Program

Help Paying Your Bill

There are free consumer advocacy organizations that will help you understand the billing and payment process and can help you apply for assistance or appeal or reapply if your application is denied. Call the Health Consumer Alliance at 1-888-804-3536 or visit https://healthconsumer.org for more information.

Hospital Bill Complaint Program

The Hospital Bill Complaint Program is a State of California program. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program at https://HospitalBillComplaintProgram.hcai.ca.gov. If you do not

qualify for financial assistance and do not set up a payment plan, CHONC may initiate its collection process as allowed by law.

Section 23. Custodian of Records

The Financial Counselor at each facility serves as the custodian of records for all Charity Care and Discount Payment documentation for all accounts identified by CBO, MEP, and DFS or DPS. Records are retained for a minimum of 5 years as provided in Section 18.

Appendix A. Eligibility Matrix

Eligibility is determined by comparing the patient family income to the current FPL and applying the corresponding category below. Current FPL guidelines are published at https://aspe.hhs.gov/poverty-guidelines.

Family Income (% of FPL)	Program	Patient Responsibility	Approval
0 to 200 percent FPL	Charity Care (100 percent free)	Zero dollars. 100 percent write-off of hospital charges for medically necessary services.	FC or CBO Director for routine; CFO for exceptions
201 to 400 percent FPL	Discount Payment (Partial Charity Care)	Not to exceed AGB. Extended interest-free payment plan available with monthly payments not to exceed 10 percent of monthly family income minus ELE.	CFO review
Above 400 percent FPL with High Medical Costs	Discount Payment (discretionary)	Not to exceed AGB. Requires documented OOP costs meeting the High Medical Costs definition.	CFO review
Above 400 percent FPL without qualifying OOP costs	Self-Pay Discount (commercial; not Charity Care)	40 percent off charges if prompt-pay requirements met.	Business Office

Note: Monetary assets are not considered in determining eligibility at any tier. (HSC Section 127405(d)(2).) An HSA may be considered only when negotiating a payment plan after eligibility has been determined.

Appendix B. Threshold Languages by Facility

Threshold languages are those spoken by the lesser of 5 percent of the community served by the facility or 1,000 individuals, and non-English speaking populations likely to be encountered. This Appendix is maintained by the CHONC Corporate Compliance Department and updated at least annually based on U.S. Census American Community Survey data and service-area demographics. All CHONC policy documents, plain language summaries, and financial assistance applications are translated into the languages listed for CHONC.

Free language assistance is available. The CHONC notice includes Spanish, Simplified Chinese, Vietnamese, Tagalog, Korean, Armenian, Farsi, Russian, Japanese, Arabic, Punjabi, Hmong, Khmer, Hindi, and Thai. Call 408-558-3640 for language assistance.

Facility	Threshold Languages (English always included)
CHONC	English, Spanish; other languages on request

Appendix C. Facility Financial Assistance Contact Information

Facility	Phone	Email
CHONC	408-558-3640	Call Billing

Centralized Mailing Address for Applications:

CHONC - Financial Assistance

3777 S. Bascom Ave., Campbell, CA 95008

Attention: Billing Department

Appendix D. Legal Authority

This policy implements the following legal authorities:

- **California Health and Safety Code Sections 127400 to 127446** (Hospital Fair Pricing Act), as amended by AB 774 (2006), SB 1276 (2014), AB 1020 (2021), AB 2297 (2024), and SB 1061 (2024).
- **Title 22, California Code of Regulations Sections 96051 to 96051.37** (HCAI Hospital Fair Billing Program regulations), effective January 1, 2024, with non-substantive amendments effective January 2, 2025.
- **California Civil Code Sections 1785.3, 1785.27, and 1788.14** (SB 1061 medical debt reporting and contract provisions).
- **California Civil Code Section 1788 et seq.** (Rosenthal Fair Debt Collection Practices Act).
- **26 U.S.C. Section 501(r); Treasury Regulation Section 1.501(r)-1 through -7** (federal FAP requirements for nonprofit hospitals, where applicable).
- **42 U.S.C. Section 1395dd** (EMTALA).
- **HCAI Program Information Letter 24-03** (October 16, 2024), implementing AB 2297 and SB 1061.

End of Charity Care and Discount Payment Policy