



# COLLEGE MEDICAL CENTER

MANUAL: Administrative

SUBJECT: Charity Care and Discount Payment

APPROVALS: Chief Financial Officer

POLICY #:

EFFECTIVE 06/17/2021

:

REVISED: 03/27/2024

REVIEWED: 03/27/2024

## **I. Purpose:**

All patients unable to meet their financial obligations to the hospital will be offered an opportunity to complete a Financial Evaluation Form. It is the goal to have all patients screened for eligibility for Medicare, Medi-Cal and other third-party coverage.

## **II. Affected Areas/Departments:**

Patient Registration and Patient Accounting

## **III. Policy:**

College Medical Center strives to provide quality services in a caring environment and to help meet the needs of the low-income uninsured and underinsured population in the community. The hospital's charity care and discount payment policy provide the means for College Medical Center to demonstrate its commitment to achieving its mission and values. The criteria College Medical Center will follow are documented in this policy.

Patient who do not have third-party insurance coverage for their entire hospital bill, and who have difficulty paying their hospital bills because of financial hardship, are covered under the terms of this policy.



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## **IV. Procedure:**

### **A. Discount Payment for all Uninsured, Self-Pay Patients**

All Patients who do not have any third-party insurance coverage, and who do not qualify for any government payment program, will receive 50%

discount from billed charges without taking into consideration their ability to pay and before the application of any additional charity care discount, if eligible.

### **B. Financial Assistance Application**

By completing the financial assistance application, uninsured and underinsured patients may have all or part of their hospital bills covered by the hospital's charity care and discount payment policy. The Financial Assistance Application is used to help determine the extent of a patient's financial means. Hospital staff will assist the patient with completion of the form during their stay. However, it is the patient's responsibility to cooperate with the information gathering process. Willful failure by the patient to cooperate will result in the denial of charity care or discount payment.

Each patient who completes the financial evaluation form enables College Medical Center to accomplish certain essential steps in the charity care process:

1. Allows the hospital to determine if the patient has declared income and/or assets giving them the ability to pay for the health care services they will receive;
2. Provides a document to support a financial status determination; and
3. Provides an audit trail in documenting the hospital's commitment to providing charity care and discount payment.

In order to determine that a patient does not have the ability to pay, hospital staff will make a good faith effort to obtain the following information:

1. Individual or family income, recent pay stubs or income tax return.



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2. Employment status. This will be considered in the context of the likelihood future earnings will be sufficient to meet the cost of paying for these healthcare services.
3. Information on all monetary assets of the patient, but not including statements on retirement or deferred compensation plan qualified under the Internal Revenue Code, or nonqualified deferred compensation plan. As needed, waivers from the patient or the patient's family authorizing the hospital to obtain account information from financial or commercial institutions, or other entities that hold or maintain the monetary assets, to verify their value.
4. Family Size. This is used to determine the percentage of charity care, if income is at or below the established income levels.
5. Eligibility of Medi-Cal at present or potential for eligibility in the future.

Information used will be based upon a signed declaration of the patient or patient's family, verification through documentation provided by the patient or the patient's family. Additional information may be required for special circumstances or as determined by hospital management. It is understood that in some cases information will not be obtainable and College Medical Center staff will indicate this on the financial evaluation form. The hospital shall not use the information obtained by the hospital as part of the charity care and discount payment eligibility process for collection activities.

The charity care discount is based upon the current federal poverty guidelines, as updated annually by the Department of Health and Human Services.

Given the College Medical Center service area demographic and the organization's mission to meet the health care needs of its community, the primary qualifying levels are based upon incomes up to 200% of the federal poverty level guidelines for 100% write-off of patient balance for charity care, with the sliding scale of decreasing percentage write-offs for incomes up to 400% of the federal poverty guideline, as shown in the following table.

Charity write-off for family incomes compared to the federal poverty guidelines:



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0 to 200% of the federal poverty guideline –	100% charity write-off
201 to 250% of the federal poverty guideline -	75% charity write-off
251 to 300% of the federal poverty guideline -	50% charity write-off
301 to 400% of the federal poverty guideline -	25% charity write-off
Over 401% of the federal poverty guideline -	0% charity write-off

College Medical Center shall limit expected payment for services it provides to a patient at or below 400% of the federal poverty level to the amount of payment the hospital would expect, in good faith, to receive for providing services from Medicare.

To qualify for charity care coverage for either the entire hospital bill or a portion of the hospital bill, the following criteria must be met:

1. If the hospital is unable to obtain adequate information regarding ability to pay for any patient treated in the emergency department, the patient will be granted 100% charity care after appropriate billing and/or other attempts to collect information.
2. Services denied or non-covered by Medi-Cal or other programs, which provide care to low-income patients, will be considered for write-off under the charity care policy.
3. Patient's co-pays, deductibles, and share of cost will not be reduced further under this policy. Charity care and discount payments will be determined after co-pays, deductible and coinsurance.
4. Hospital staff will be responsible for calculating the charity discount recommendations using the Financial Evaluation Form (Exhibit A) and the current Federal Poverty Guidelines (Exhibit B).
5. Hospital Staff will determine if the case is catastrophic or non-catastrophic by dividing the patient's responsibility of the hospital charges by the patient's gross annual income. Should the result be greater than 100% or if the annual out-of-pocket costs at the hospital that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months to the definition of high medical costs. Patient will qualify for 100% write-off for charity care for incomes up to 400% of the federal poverty guidelines.



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6. A patient, who is homeless and uninsured, has no family, and no estate, may be considered for presumptive charity.
7. A deceased patient, who is uninsured, has no family, and no estate, may be considered for presumptive charity.
8. Charity write-offs shall include special circumstances indicating the patient's inability to pay such as Bankruptcies.

## C. Charity Care Determination Process

Every reasonable effort will be made to make an individual patient's charity care determination as soon as possible. This may occur before or after services to the patient begin. College Medical Center will not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 180 days after initial billing. If it is determined that the patient does not have the ability to pay during the billing and collection process, charity care will be considered according to the criteria in this policy. College Medical Center will work to assist any patient unable to pay and who cooperatively provides information regarding their ability to pay. The hospital staff will make the recommendation and the Billing Manager, including the Patient Financial Services Director, or Chief Financial Officer will make the final decision.

## D. Appeals

If the patient disagrees with the decision on the application, he/she has the right to dispute and appeal concerning the patient's qualification. A patient may seek review from the Patient Financial Services Director and/or Chief Financial Officer for further review.

## E. Extended Payment Plan

If a patient cannot pay the total charges, the patient can request payment options within a reasonable extended payment plan. This payment plan will be interest free. The plan shall negotiate the terms of the payment plan, and the hospital shall



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take into consideration the patient's family income and essential living expenses. The hospital staff may extend a payment plan for up to 12 months. Payment from 13 to 24 months must be approved by the Billing Manager. Payment plans in excess of 24 months must be approved by the Patient Financial Services Director or Chief Financial Officer. If the Hospital and the patient are unable to agree on an extend repayment plan, the Hospital will offer a plan that includes 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 provision, 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 childcare, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

## F. Emergency Physicians

An emergency physician who provides emergency medical services in a hospital that provides emergency care 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. An "emergency physician" means a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code who is credentialed by a hospital and either employed or contracted by the hospital to provide emergency medical services in the emergency department of the hospital, except that an "emergency physician" shall not include a physician specialist who is called into the emergency department of the hospital or who is on staff or has privileges at the hospital outside of the emergency department. This requirement does not impose any obligation on the hospital other than to note the requirement in this policy.



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## 2024 Poverty Guidelines

U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs

The following figures are the 2024 HHS poverty guidelines which will be published in the Federal Register on January 17, 2024 (Additional information will be posted after the guidelines are published.)

2024 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	Poverty guideline
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
For families/households with more than 8 persons, add \$5,380 for each additional person.	