

- 1. AB1020 requires hospitals to provide the Department with a discount payment policy and a charity care policy that is compliant with the laws and the associated regulations. The document submitted through the HFBP portal for the discount payment policy review is the hospital's policy for billing and collection, Sutter Health Billing and Collections Policy.pdf. The discount payment policy has been rejected. Please provide a discount payment policy that accurately reflects the statutory and regulatory requirements set forth in Health and Safety Code sections 127400 et seq. and California Code of Regulations Title 22, Division 7, Chapter 9.2 96051 et seq. The hospital may submit a combined charity care and discount payment program policy. However, if the hospital intends [sic] to provide a combined policy for charity care and discount payment, the combined policy should be reflected in the system upon upload. The combined charity care and discount payment policy must clearly reflect the required information for the two different programs. If the hospital intends to provide a combined discount payment and charity care policy, the hospital should advise as the current charity care policy will also need to be rejected so that a new, combined policy can be uploaded.**

Sutter Health's affiliated hospitals have adopted a single policy, called the "Policy on Financial Assistance for Sutter Hospitals (Charity Care)" (the "Financial Assistance Policy") that describes the charity care that our affiliated hospitals offer to patients in accordance with Health and Safety Code sections 127400 et seq. (the "Hospital Fair Pricing Act"). The Financial Assistance Policy offers full write offs of patient balances for *uninsured* patients with a family income at or below 400% of the most recent federal poverty level. The Financial Assistance Policy also offers full write offs of patient balances for *insured* patients who have high medical costs as defined in the Hospital Fair Pricing Act. These discounts are referred to in the Financial Assistance Policy as "Full Charity Care" and "High Medical Cost Charity Care (for insured patients)," respectively, and are deeper discounts than what is required by the Hospital Fair Pricing Act, which only requires hospitals to limit the amount they seek from financially qualified patients to "the amount of payment the hospital would expect, in good faith, to receive for providing services from Medicare or Medi-Cal, whichever is greater." Health and Safety Code section 127405(d).

Sutter Health's affiliated hospitals have also adopted a "Billing and Collections Policy for Sutter Health Network Hospital" (the "Billing and Collections Policy") that sets forth the policies and processes that are required by the Hospital Fair Pricing Act, 22 California Code of Regulations sections 96051 et seq. and Internal Revenue Code section 501(r). The Billing and Collections Policy extends a discount to patients who are uninsured but do not qualify for charity care under the Financial Assistance Policy. This discount is extended automatically to all uninsured patients and does not require an uninsured patient apply in order to qualify. No law or statute requires that Sutter Health offer this discount. Sutter Health offers it in keeping with its commitment to the communities it serves, and its role as a provider of choice for all members of the community, irrespective of their ability to pay.