Rady Children's Hospital San Diego ☒ **POLICY** ☐ **PROCEDURE** ☐ **STANDARD OF CARE** ☐ **STANDARDIZED PROCEDURE** ☐ **GUIDELINE** ☐ **OTHER**	APPROVAL DATE: **January 2025**	MANUAL: **Hospital Policy** TRACKING #: **HPM 17-11**
	TITLE: **FINANCIAL ASSISTANCE PROGRAM (DISCOUNT PAYMENT AND CHARITY CARE POLICIES)**	
	PERFORMED BY **All RCHSD departments responsible, including Revenue Cycle Patient Financial Services, Patient Access and Financial Counselors**	

1.0 PURPOSE:

1.1 To establish the Rady Children's Hospital- San Diego (Hospital) Financial Assistance Program (FAP) for hospital inpatient and outpatient services, including emergency medical care and medically necessary care, via policies and procedures for both charity care and discounted payments for financially qualified patients. Hospital is referred to collectively in this document as Rady Children's.

2.0 DEFINITIONS:

2.1 **Amounts Generally Billed (AGB)** means the retrospective review methodology used by Rady Children's to calculate a limit on charges to Financial Assistance Program participants.

2.2 **Charge Description Master (CDM)** means a uniform schedule of charges represented by Rady Children's to the public as its gross billed charge for a given service or item, including for diagnosis-related groups, regardless of payor.

2.3 **Charity Care** means free health care.

2.4 **Cost Sharing Benefit Program (CSBP),** a membership-based program where a member pays a regular (typically monthly) membership fee and fees are distributed each month to members in need of assistance with their medical expenses. Typically benefit programs will not agree to be billed directly and have an agreement with their members to reimburse them for their medical expenses.

2.5 **Discount Payment or Discounted Payment** means any charge for care that is reduced but not free.

2.6 **Emergency Physician** means a physician who is a credentialed member of the Hospital Medical Staff and is contracted by the Hospital to provide emergency medical services in the emergency department (ED). "Emergency Physician" does not include a physician specialist who is called into the ED or who is on staff, or has privileges, at the Hospital outside of the ED.

2.7 **Essential Living Expense** means 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.

2.8 **Family** or **Patient's Family** means,

2.8.1 For patients 18 years of age and older, the patient's spouse, registered domestic partner, and dependent children under 21 years of age, or any age if disabled, whether living at home or not.

2.8.2 For patients under 18 years of age, or a dependent child 18 to 20 years of age, the Family includes the patient's parent, caretaker relatives, and other children (under 21 years of age) of the parent or caretaker relative.

2.9 **FAP Participant** means a Rady Children's Financially Qualified Patient.

2.10 **Federal Poverty Level/Federal Poverty Guidelines (FPL)** means the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services, published at http://aspe.hhs.gov/poverty.

2.11 **Financial Assistance Program (FAP)** means the Rady Children's program described by this policy and procedure, which is designed to assist Financially Qualified Patients in obtaining Discounted Payments or Charity Care for Hospital services and Emergency Physician services.

2.12 **Financially Qualified Patient** means:

2.12.1 Uninsured Patient with Family income at or below 550% of the FPL; or

2.12.2 Insured Patient or Uninsured CSBP Patient with High Medical Costs and a Family income at or below 450% of the FPL; or

2.12.3 Insured Patient or Uninsured CSBP Patient with non-covered charges and a Family income at or below 450% of the FPL; or

2.12.4 A patient, whether uninsured, insured or a CSBP member, who has High Medical Costs.

2.13 **Guarantor** means the person with financial responsibility for the patient's health care services, usually the patient, parent, or legal guardian.

2.14 **High Medical Costs** means any of the following, as applied to the date(s) of service:

2.14.1 Annual out-of-pocket costs incurred by the patient at the Hospital exceeding 10% of the Family Income in the prior 12 months. Out-of-pocket costs 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. This is determined by comparing the patient/Guarantor's out of pocket costs for the patient to the Patient's Family Income for the same prior 12 month period. For example, if the patient/guarantor submits a Financial Assistance Application (FAA) on January 1st, documentation of income and expenses should be provided for the prior January 1st thru December 31st.

2.14.2 Annual out-of-pocket costs incurred by the patient at the Hospital exceeding 10% of the current Family Income. Out-of-pocket costs 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. When current income is used as the basis for the determination, financial counseling will use income as of the month of the financial assistance application (FAA) and multiply it by 12 to determine projected annual income.

2.14.3 Annual out-of-pocket costs that exceed 10% of the Family Income in the prior 12 months or the current Family Income, if the patient/Guarantor provides documentation of medical expenses paid in the prior 12 months. Out-of-pocket costs 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. This is determined by comparing total medical expenses, including those not incurred at Hospital, actually paid for the patient, to the patient's Family Income. If current income is used, financial counseling will use income as of the month of the financial assistance application (FAA) and multiply it by 12 to determine projected annual income.

2.15 **Insured Patient** means a patient who has coverage through a Third-Party Payer, such as a health insurer, health care service plan, Medicare, or Medicaid.

2.16 **Medically Necessary Services** mean those services reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain or suffering through the diagnosis or treatment of disease, illness or injury, both mental and physical, as determined by a licensed health care professional acting within the applicable scope of professional practice.

2.17 **No Surprises Act** applies to hospitals and providers; extends financial and information federal protections to individuals covered by commercial plans and imposes new limits on balance billing and patient cost sharing for uninsured patients.

2.18 **Patient/Family Income** means income calculated as follows: Patient's and Family gross income before taxes. Retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans, shall not be included in income calculations.

2.19 **Payment Plan** means monthly payments of agreed upon terms between the Hospital and the patient/Guarantor.

2.20 **Self-Pay Patient** means a patient who does not have or chooses not to use third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by the Hospital.

2.20.1 **Financially Qualified Self-Pay Patients** are Patients with no coverage through a Third-Party Payer or other Third-Party Coverage and Patient/Family Income does not exceed 550% of the FPL. Financially Qualified Self-Pay Patients may include Charity Care patients.

2.21 **Third Party Coverage** means coverage by a Third-Party Payer or through a Cost Sharing Benefit Program.

2.22 **Third Party Payer** means a private insurance or entity that pays medical claims on behalf of the insured, reimburses and manages health care expenses and offers health insurance including coverage offered through the California Health Benefits Exchange, Worker's Compensation, automobile insurance, as well as government health care program coverage such as Medi-Cal, CCS, Tricare, Medicare, CHAMPUS, Healthy Families.

2.23 **Third Party Liability (TPL)** Third Party Liability means a person or entity other than the patient or Hospital is alleged or adjudicated to be legally

responsible for the patient's medical condition and medically necessary health care services, usually due to an injury to the patient.

2.24 **Uninsured Patient** means a patient having no coverage through a Third-Party Payer.

2.25 **Uninsured CSBP Patient** means patients who are Uninsured Patients and who are members of a Cost Sharing Benefit Program

3.0 POLICY:

3.1 It is the policy of Rady Children's to provide financial assistance through the Rady Children's Financial Assistance Program (FAP) to

3.1.1 Uninsured Patients with Family income at or below 550% of the FPL;

3.1.2 Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family income at or below 450% of the FPL;

3.1.3 Insured patients and Uninsured CSBP Patients with non-covered charges and a Family income at or below 450% of the FPL; and

3.1.4 Uninsured, Insured Patients and Uninsured CSBP Patients who have High Medical Costs.

4.0 PROCEDURES:

4.1 PROGRAM ADMINISTRATION

4.1.1 Rady Children's will administer a FAP to assist Financially Qualified Patients in obtaining discounted payments and/or Charity Care for Hospital services and Emergency Physician services.

4.2 APPLICATION PROCESS

4.2.1 To apply for the FAP program and request an eligibility determination, the patient/Guarantor must submit a complete Financial Assistance Application to the Financial Counseling Department.

4.2.2 When screening for eligibility for Discounted Payment, the Hospital may require the patient/Guarantor to participate in a screening for Medi-Cal eligibility. The Hospital shall not require a patient to apply for Medicare, Medi-Cal, or other coverage before the patient is screened for, or provided, Discounted Payment. The Hospital may require a patient to apply for Medicare, Medi-Cal, or other coverage before the patient is screened for, or provided, Charity Care.

4.2.3 The patient/Guarantor will make every reasonable effort to provide all of the following, prior to an application being considered:

4.2.3.1 Documentation of Patient/Family income. Income should be verified through income tax returns for the most recent year (preferred) or recent pay stubs. Alternatively, Rady Children's may accept other forms of documentation of income. But shall not require other forms. . Documentation should be provided from the same year that the patient/guarantor submits their FAA.

4.2.3.1.1 If the patient/Guarantor is unable to provide documentation of income, Rady Children's may in its sole discretion require the patient/Guarantor to make an attestation signed under the penalty of perjury as to (i) the truth of any income information provided on the Financial Assistance Application form, (ii) an explanation as to why they have not provided income documentation, and (iii) verification of the accuracy of Rady Children's calculation of their income.

4.2.3.1.2 If a patient/Guarantor does not submit an application or documentation of income, Rady Children's may presumptively determine that a patient/Guarantor is eligible for charity care or discounted payment based on information other than that provided by the patient/Guarantor or based on a prior eligibility determination.

4.2.3.2 Documentation of High Medical Costs, including where applicable those medical expenses not incurred at Hospital, actually paid for the patient in the prior 12 months. Expenses incurred by the guarantor, which are not related to the patient, will not be considered.

4.2.3.2.1 Receipt(s) or invoice(s) of expenses paid must be included with the guarantor's FAA. A signed attestation will not be accepted as proof of High Medical Costs.

4.2.3.3 Documentation of the presence or absence of Third-Party Coverage (private insurance including coverage offered through the California Health Benefits Exchange, Medi-Cal, CCS, Tricare, Medicare, Worker's Compensation, automobile insurance, or other).

4.2.3.4 Failure to comply with the application process or provide required documents may be considered in the determination. Willful failure by the patient/guarantor to cooperate may result in Rady Children's inability to provide financial assistance.

4.3 **ELIGIBILITY DETERMINATIONS**

4.3.1 Rady Children's Financial Counseling Department will:

4.3.1.1 Determine FAP eligibility as soon as possible after the application process above is complete.

4.3.1.2 Classify the patient account as Self-Pay while an eligibility determination is in process.

4.3.1.3 Once a complete financial assistance application has been submitted, the Financial Counseling Department will make the final FAP eligibility decision prior to continuing any previous collection actions.

4.3.1.4 Take into consideration and act reasonably when a patient/Guarantor fails to provide reasonable and necessary documentation as required by this policy to support their FAP application. If the documentation is essential to a FAP determination, Rady Children's may deny FAP participation if it is unable to make an eligibility determination. If Rady Children's can make a reasonable determination in the absence of the documentation, it will make an effort to do so.

4.3.1.5 Not make a final determination of ineligibility for the FAP until at least 150 days from the initial billing date.

4.3.1.6 Determine if a patient is a Financially Qualified Patient who is eligible for Charity Care or Discounted Payments by evaluating:

4.3.1.6.1 Patient/Family Income, as compared to the FPL to determine the percentage of the FPL. FPL greater than 550% does not qualify for financial assistance discount rates.

4.3.1.6.1.1 Insured Patients and Uninsured CSBP Patients with High Medical Cost or non-covered charges:

FPL	Discount Rate
Up to 400%	100% Discounted Payment
Up to 450%	75% Discounted Payment Rate

The discount rate for Insured Patients and Uninsured CSBP Patients with High Medical Costs or non-covered charges will be applied to the patient liability, as determined by the Third-Party Coverage.

4.3.1.6.1.2 Uninsured Patients:

FPL	Discount Rate
Up to 400%	100% Charity Care
Up to 450%	75% Discounted Payment
Up to 550%	50% Discounted Payment

The discount rate for Uninsured Patients will apply to charges based upon Rady Children's Charge Description Master.

4.3.1.6.2 Insurance status of insured or uninsured, including through a state or federal health care program.

4.3.1.6.3 Membership in a Cost Sharing Benefit Program.

4.3.1.6.4 Annual medical expenses actually paid for the patient in the prior 12 months, including those not incurred at the Hospital.

4.3.1.6.5 Whether the patient has High Medical Costs, by either:

4.3.1.6.5.1 comparing annual out-of-pocket costs incurred at the Hospital to the Family Income to determine if annual out-of-pocket costs exceed 10% of the Family income in the prior 12 months or current income, or

4.3.1.6.5.2 if the patient provides documentation of medical expenses paid in the prior 12 months, by comparing total medical expenses (including those not incurred at Hospital) actually paid for the patient to the patient's Family income to determine if annual out-of-pocket costs exceed 10% of the Family income. Current income as

opposed to prior year income may also be used. If current income is used as the basis for determination, financial counseling will use income as of the month the FAA is submitted and annualize it (multiply by 12 months).

4.3.1.7 Determine if a Financially Qualified Patient is eligible for Full Charity Care by evaluating:

4.3.1.7.1 Patient/Family Income, as compared to the FPL to determine if it is at or below 400% of the FPL.

4.3.1.7.2 Whether the health care service rendered to the patient was medically necessary, elective or cosmetic in nature. Rady Children's may in its sole discretion deny Charity Care for non-medically necessary health care services.

4.3.1.8 If a patient/guarantor is approved for financial assistance, all accounts with an outstanding self-pay balance at the time of the determination will adjusted in accordance with the percentage discount the patient/guarantor is eligible for based on their application. For example, if a guarantor is approved for a 50% financial assistance discount on January 1st and has 5 prior dates of service with an outstanding balance, the self-pay balance for each of those 5 accounts will be reduced by 50%. Financial Counseling staff can assist the guarantor with establishing a payment plan arrangement if there is a remaining balance due after financial assistance discounts are applied.

4.3.1.9 Use prior eligibility determinations only as follows: If a patient is a current FAP participant and returns to Rady Children's for health care services, the FAP participation will be automatically extended for six (6) months for all medically necessary services. For example, if the patient/guarantor is first approved for charity on January 1st, FAP participation will be extended for all medically necessary services occurring between January 1st and June 30th.

4.3.1.10 Rady Children's may suspend the final determination of FAP eligibility for a patient account upon appropriate information and notice that the patient's health care services are potentially the result of TPL, during the legal proceedings to determine TPL. If based on an initial review of the FAP application, the patient is FAP eligible, Rady Children's will put patient

statements on hold pending the result of the TPL matter. Upon appropriate information and notice that the TPL legal proceedings have concluded and the result or resolution of the TPL matter, Rady Children's will re-process the FAP application and make a final determination of FAP eligibility.

4.3.1.11 Rady Children's may suspend the final determination of FAP eligibility for Uninsured CSBP Patients, whose CSBP requires direct patient reimbursement. Upon appropriate information and notice received within the timeframe outlined in 4.2.4, from their CSBP of Uninsured CSBP's patient's coverage denial or determination of benefit cap being exceeded, Rady Children's will re-process the FAP application and make a final determination of FAP eligibility.

4.4 DISCOUNT PAYMENTS (LIMITED EXPECTED REIMBURSEMENT)

4.4.1 Patients whom Rady Children's determines are Financially Qualified Patients pursuant to Section 4.3.1.6 above will be granted Discounted Payments as follows:

4.4.1.1 Hospital Discounted Payments. Rady Children's will apply these "Payment Limits" to provide discounts to all FAP Participants for health care services provided by the hospital. Accordingly, these payment limits apply to Uninsured Patients with Family income above 400%, up to 550% of the FPL; Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family income at or below 450% of the FPL; Insured Patients and Uninsured CSBP Patients with non-covered charges and a Family income at or below 450% of the FPL; and patients, whether uninsured or insured or a member of a CSBP, who have High Medical Costs.

4.4.1.1.1 FAP Participant payments will be limited to the amount Rady Children's would expect in good faith to receive for the same services from Medicare, Medi-Cal, or another government-sponsored health program in which Rady Children's participates, whichever is greatest. Rady Children's will determine the limitation on payment by identifying the expected reimbursement amount for the same service, by reference to health care service codes (such as revenue codes, HCPCS, CPT, ICD-9, APR). However, in no event will payment exceed the amount generally billed (AGB).

4.4.1.1.2 FAP Participant payments for hospital services for which there is no established payment by Medicare, Medi-Cal, or any other government-sponsored program will be limited to the CDM rate discounted in accordance with this policy.

4.4.1.1.3 For Insured Patients and Uninsured CSBP Patients with High Medical Costs and a Family Income above 400%, up to 450% of the FPL, the Payment Limits in section 4.4.1.1 above will apply to the portion of the bill that is the patient's responsibility, including copayments and deductibles.

4.4.1.1.4 Payments of FAP Participants with High Medical Costs will be limited so the payments will not exceed the difference between the amount of payment available from any third-party payer and the maximum rate established for a service pursuant to the CDM (See HPM 7-55, Hospital & ED Physician Fair Pricing.)

4.4.1.1.5 FAP Participant payments will never exceed the AGB to privately insured patients. Rady Children's determines AGB per HPM 7-55, Hospital & ED Physician Fair Pricing.

4.4.1.1.6 Rady Children's will use a sliding scale approach to charge FAP Participants a percentage of charges depending on patient/Family Income. This may result in different amounts charged to different FAP participants for the same service depending on income level, but the expected payment will never exceed the maximum allowed per this policy.

4.4.1.1.7 Rady Children's may require a patient/Guarantor to pay the hospital the entire amount of any reimbursement sent directly to the patient/Guarantor by a third-party payer for that hospital's services.

4.4.1.1.8 If the patient/Guarantor receives a legal settlement, judgment, or award under a liable third party action that includes payment for health care services or medical care related to the injury, the Hospital may require the patient/Guarantor to reimburse the Hospital for the related health care services

rendered up to the amount reasonably awarded for that purpose.

4.4.1.2 Rady Children's will use the following method to calculate AGB:

4.4.1.2.1 Apply an annual look-back method (retrospective) review, after the close of the previous fiscal year, on actual past claims paid to the Hospital by Medicare fee-for-service together with all private health insurers and CSBP.

4.4.1.2.2 The annual AGB percentage(s) and a description of the calculation is available free of charge upon request from the Financial Counseling Office by contacting them at 858-966-4005 or sending them a written request at 3020 Children's Way, MC 5055, San Diego, CA 92123-4282. A copy is also available on Rady Children's website at https://www.rchsd.org/patients-visitors/financial-assistance/.

4.4.1.2.2.1 The limit will be calculated like this example:

CDM rate ($50)
- Third Party Coverage payment ($25)
= FAP Participant maximum payment ($25)

4.4.1.3 Emergency Department Physician Discount Payments.

4.4.1.3.1 An emergency physician who provides emergency medical services in a hospital that provides emergency care is required by law to provide discounts to uninsured patients or patients with high medical costs, as defined above.

4.4.1.3.2 Rady Children's Emergency Physicians will rely on the hospital's determination of FAP eligibility.

4.4.1.3.3 Discount Payments for Rady Children's Emergency Physician services will be in accordance with this policy and procedure except where differences are stated below.

4.4.1.3.4 Rady Children's will limit payments from FAP Participants for Emergency Physician services to an amount that is no more than (a) 50% of the median of billed charges based on a nationally recognized database of physician and surgeon charges until a database has been created that provides median or average of rates paid by commercial insurers for the same or similar services in the same or similar geographic region or (b) 50% of actual billed charges using the Rady Children's Charge Description Master.

4.5 FREE/FULL CHARITY CARE

4.5.1 Self-Pay Patients whose patient/Family Income does not exceed 400% of the FPL will receive Charity Care

4.5.2 Non-medically necessary services that are purely cosmetic in nature are only eligible for Charity Care in Rady Children's sole discretion.

4.6 PRESUMPTIVE ELIGIBILITY

4.6.1 Separate from the manual application process outlined in section 4.2, patients may also be presumed to be eligible for financial assistance using the following:

4.6.1.1 Evidence provided through the use of a third-party screening tool, regardless of insurance status.

4.6.1.2 Homeless or refugee status, when no patient demographic information is available.

4.6.2 To qualify for financial assistance under presumptive eligibility, the patient must meet the same federal poverty level requirements of those patients completing the manual application process as defined in section 3.0 above. Information obtained from the third-party screening tool is used to verify the patient's financial status and may be used as the sole documentation source to make a financial assistance determination.

4.6.3 Those patients deemed ineligible for financial assistance through the presumptive eligibility process may apply through the standard application process as detailed in section 4.2.

4.7 NOTICES TO PATIENTS & DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

4.7.1 Rady Children's will:

4.7.1.1 Provide to all patients that do not indicate insurance coverage by a third-party, an application for Medi-Cal, Healthy Families, the California Health Benefit Exchange, or other governmental program (to the extent available to Rady Children's). These applications will be provided to emergency care department patients, Hospital outpatients, and prior to discharge for Hospital inpatients.

4.7.1.2 Notify all self-pay individuals of the availability of a Good Faith Estimate (GFE) upon scheduling or upon request and provide a written GFE within the timeframe dictated by the No Surprises Act which outlines the expected cost of the scheduled service and information for Rady Children's FAP and FAA, as well as contact information for Rady Children's staff available to assist with additional information.

4.7.1.3 Provide written notice at the time of service or prior to discharge to all Insured, Uninsured, Uninsured CSBP and Self-Pay Patients/guarantors about availability of Rady Children's FAP including information about eligibility, contact information needed to apply, internet address for the hospital's list of shoppable services, and information about organizations that can provide further assistance such as the Health Consumer Alliance.

4.7.1.4 Submit this policy and procedure document including a sample FAP application form to the California Department of Health Care Access and Information (HCAI) when a significant change is made or documents are updated, and at least every other year will provide notice to HCAI if no changes have been made.

4.7.1.5 Post this policy and procedure document, a plain language summary of this document, and the FAP application form on the Hospital website.

4.7.1.6 Offer and make available paper copies of this document, the FAP application, and the plain language summary of this document.

4.7.1.6.1 request and without charge by mail

4.7.1.6.2 as part of Hospital intake or discharge process, and

4.7.1.6.3 in conspicuous public locations including the emergency care department, patient admitting areas, the billing office, Registration-Patient Access, and other outpatient settings.

4.7.1.7 Notify and inform members of the community about the FAP in a manner reasonably calculated to reach those members who are most likely to require financial assistance from the Hospital.

4.7.1.8 Include conspicuous written notice on billing statements about the availability of the FAP, including the phone number of the Hospital office that can provide information about the application process, and a website address where this policy and procedure is posted.

4.7.1.9 Accommodate all significant patient populations that have limited English proficiency (LEP) by providing translated documents of the FAP, FAP application, and plain language summary into the primary language(s) spoken of its patient population.

4.7.2 The Medical Practice Foundation will:

4.7.2.1 Provide specific notice of the FAP when billing patients who have not provided proof of Third-Party Coverage. This notice shall be conspicuous written notice on billing statements about the availability of the FAP, including the phone number of the Hospital office that can provide information about the application process, and a website address where this policy and procedure is posted.

4.8 **REIMBURSEMENT OF OVERCHARGES**

4.8.1 Rady Children's will reimburse patients amounts paid in excess of the amount due under the FAP, including applicable interest within 30 days from approval of their financial assistance application.

4.8.1.1 The Hospital is not required to reimburse patients or pay interest if the amount due is less than five dollars ($5.00).

4.8.2 The following will be considered amounts paid in excess of the amount due under the FAP:

4.8.2.1 Any patient payment paid toward the patient/family's outstanding balance between the date a financial assistance application is submitted and the date it is approved

4.8.2.2 Any patient payment made after a financial assistance application is approved that exceeds the amount owed based on the discounted rates outlined in 4.3 above. i.e., The patient liability after financial assistance discounts is miscalculated resulting in an erroneous overpayment.

4.8.3 Interest accrues on an overpayment from a patient qualifying for the FAP from the date the payment is received by Rady Children's.

4.8.4 Interest accrues at the rate of 10 percent per annum on the amount of the overpayment and is prorated for any refund submitted prior to 1 year from date of receipt. For example, if a patient/family overpays $1000 on January 1st and the refund is issued the following month on February 1st, interest of $8.33 would be due to the patient in addition to the $1000 refund.

4.9 PROVIDER LIST

4.9.1 All members of the Medical Foundation who are on the Hospital Medical Staff are covered by the FAP. Rady Children's maintains a list of the Medical Foundation physicians at http://www.rchsd.org/rcssd/.

4.9.2 Emergency Physicians rendering health care services at the Hospital are covered by the FAP. Rady Children's maintains a list of the Emergency Physicians athttp://www.rchsd.org/doctors/?spec=emergency medicine/urgent care.

4.9.3 The Medical Staff Services department maintains the above provider lists and are updated at least every 90 days.

4.9.4 Rady Children's partners with outside providers (i.e., anesthesiologists, radiologists, and hospitalists) to assist us in delivering certain specialized services. These providers are not covered by the FAP and may have separate policies regarding financial assistance.

4.10 DENIAL OF FINANCIAL ASSISTANCE

4.10.1 Rady Children's may reverse current Financial Assistance that was granted under this policy if it determines a patient/Guarantor submitted false, misleading, or fraudulent information on or with the Financial Assistance application.

4.10.2 Rady Children's may withdraw a Financial Assistance application if it determines the patient/Guarantor submitted false, misleading, or fraudulent information on or with the Financial Assistance application.

4.10.3 If Rady Children's determines that the patient/Guarantor is not eligible for the FAP under this policy, it will notify the patient/Guarantor of this denial in writing. The Financial Counseling department will coordinate the processing and mailing of these communications.

4.10.4 Rady Children's may reverse current financial assistance that was granted under this policy in order to suspend FAP eligibility final determination in accordance with Section 4.3.1.10. A reversal pursuant to this section 4.10.4 will not result in any additional financial liability for the patient or guarantor, and all payments made by the patient or guarantor will be returned pending final FAP eligibility determination. A letter will be sent to the patient or guarantor notifying them of the reason for the payment refund and that payment from the patient or guarantor may be pursued at a later date if the resolution of the TPL matter and final FAP determination deems the patient or guarantor has financial responsibility.

4.11 ELIGIBILITY DISPUTES

4.11.1 Rady Children's may deny eligibility for Charity Care or Discount Payments on either of the following grounds: 1) the patient is not financially eligible or 2) the patient/Guarantor did not provide required documentation per this policy and procedure.

4.11.2 Rady Children's designates the Director of Patient Access to review disputes concerning eligibility. Eligibility disputes should be submitted to Hospital Customer Service at 858-966-4912 for documentation and tracking. Customer Service will refer each dispute to the Director of Patient Access for review.

4.11.3 Rady Children's limits its debt collection activities in accordance with its Billing & Debt Collection policy, HPM 7-56.

4.11.3.1 A free copy of this policy is available by contacting the Financial Counseling Office at 858-966-4005 or at https://www.rchsd.org/patients-visitors/financial-assistance/. A copy may also be obtained by mail by sending a request to the Financial Counseling Office at 3020 Children's Way, MC 5055, San Diego, CA 92123-4282 as well as in public locations in the hospital.

4.12 COMMUNITY HEALTH NEEDS ASSESSMENT/COMMUNITY BENEFIT ANALYSIS

4.12.1 Rady Children's performs an annual Community Health Needs Assessment/Community Benefit Analysis, which can be accessed at http://www.rchsd.org/health-safety/community-health-needs-assessment/.

5.0 FORMS:

5.1 Application for FAP (Free/Charity Care or Discounted Payments)
5.2 Summary of the FAP

6.0 RELATED POLICIES:

6.1 HPM 7-55, Hospital & ED Physician Fair Pricing
6.2 HPM 7-56, Billing & Debt Collection

7.0 REFERENCES:

7.1 California AB 774 (2007), AB 1503 - Chapter 445 (2010), SB 1276 – Chapter 758 (2014)– Hospital Fair Pricing Policies Law (Health & Safety Code 127400-127446), AB 532 (2022), AB 2297 (2024)
7.2 Title 22, California Code of Regulations, §§ 96005-96020, 96040-96050
7.3 https://hcai.ca.gov/HID/Products/Hospitals/Chrgmstr
7.4 Health & Safety Code §§ 1339.55, 1339.56, 1339.59, 1339.585 & 128770
7.5 Patient Protection and Affordable Care Act
7.6 Internal Revenue Code section 501(r)

Date Written: January 2013
Date Revised: November 2019, January 2020, May 2021, March 2022, September 2022, July 2023, December 2024
Date Reviewed: September 2022
