



**TITLE: Charity Care and Discount Care Policy**

**Effective Date: 1/2015 Reviewed Date: 11/26/14, 06/18, 05/19, 05/20, 05/21, 09/22, 09/23**

**Revised Date: 06/03; 07/08; 01/15; 01/16; 01/18, 05/19, 05/20, 05/21, 09/22**

1. **Purpose.** To establish a formal process whereby Deanco Healthcare LLC, doing business as Mission Community Hospital ("MCH"), provides charity care in compliance with California Health and Safety Code Section 127400 et seq.

2. **Policy.** MCH provides Charity Care and Discount Care as part of its commitment to provide high quality health care services efficiently and in support of human dignity and wellness, regardless of a patient's ability to pay. Charity Care and Discount Care are not considered to be a substitute for personal responsibility, and patients are expected to cooperate with MCH's procedures for obtaining financial assistance and to contribute to the cost of their care based on their individual ability to contribute. In the course of its mission, MCH makes no differentiation based upon an individual's race, creed, color, sex, national origin, sexual orientation, handicap, age or ability to meet the costs of health care.

3. **Definitions.**

3.1. **"Charity Care"** is defined as financial assistance to Financially Qualified Patients whose Family Income does not exceed 400% of the Federal Poverty Level.

3.2. **"Discount Payment"** is defined as partial financial assistance to patients whose Family Income exceeds 400% of the Federal Poverty Level by providing a discounted payment rate to patients who make full payment in full within certain deadlines.

3.3. **"Emergency Physician"** is defined as a physician and surgeon licensed pursuant to Chapter 2 (commencing with Section 2000) of the California Business and Professions Code who is credentialed by MCH and contracted by the hospital to provide emergency medical services in MCH's emergency department, except that an "Emergency Physician" shall not include a physician specialist who is called into the emergency department of a hospital or who is on staff or has privileges at the hospital outside of the emergency department. Emergency Physicians who provide emergency medical services to patients at MCH are required by California law to provide discounts to Financially Qualified Patients.

3.4. **"Essential Living Expenses"** is defined as any of the following: rent or house payment and maintenance; food and household supplies; utilities and telephone charges; clothing; medical and dental payments; insurance expenses; school or childcare expenses; child and/or spousal support expenses; transportation and auto expenses, including insurance, gas, and repairs; installment payments; laundry and cleaning expenses; and other extraordinary expenses.



## POLICIES &amp; PROCEDURES

Approval:

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3.5. "Federal Poverty Level" means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (1) of Section 9902 of Title 42 of the United States Code.

3.6. "Financially Qualified Patient" is defined as a patient with (a) Family Income that does not exceed 350% of the Federal Poverty Level, and (b) either (i) High Medical Costs, or (ii) is a Self-Pay Patient.

3.7. "Gross Charges" are the total charges at the MCH's full-established rates for the provision of patient care services before deductions are applied. Gross Charges are never billed to patients who qualify for Charity Care or Discount Payment

3.8. "High Medical Costs" is defined as either (a) annual out-of-pocket medical costs incurred by the patient at MCH that exceed 10% of the patient's Family Income in the prior 12 months; or (b) annual out-of-pocket medical costs incurred by the patient that exceed 10% of the patient's Family Income in the prior 12 months, for which the patient can provide documentation confirming that the patient or the patient's family paid out-of-pocket medical costs that exceed 10% of the patient's Family Income in the prior 12 months.

3.9. "Family Income" is defined as the combined income of (a) for persons 18 years of age and older: their spouse, domestic partner, and dependent children under 21 years of age, whether living at home or not; or (b) for persons under 18 years of age: their parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

3.10. "Maximum Base Charge" means the maximum amount MCH could charge a patient under the Medicare program.

3.11. "Reasonable Payment Plan" means monthly payments that do not exceed 10% of a the patient's Family Income, excluding deductions for Essential Living Expenses.

3.12. "Self-Pay Patient" means a patient who does not have 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 workers' compensation, automobile insurance, or other insurance as determined and documented by MCH. Self-Pay Patients may include patients eligible for Charity Care or Discount Payment.





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#### 4. Procedure

4.1. Responsible Department MCH's Admitting Department (the "Department") shall administer this policy, including making eligibility determinations and conducting all patient interviews and follow-ups related to this policy. The Department's financial counselor ("Counselor") shall be responsible for conducting patient interviews and making initial eligibility determinations.

4.2. Inquiry Regarding Coverage. Upon admission, or, if possible, prior to admission, a Counselor shall interview each patient (or the patient's family if they are a minor or lack capacity to participate in the interview) to determine if the patient has insurance or other coverage for services provided by MCH. The Counselor must specifically determine whether the patient has or is eligible for:

4.2.1. Private health insurance, including insurance offered through the California Health Benefit Exchange;

4.2.2. Medicare; or

4.2.3. Medi-Cal, the Healthy Families Program, the California Children's Services program, or any other state-funded program designed to provide health coverage.

4.2.4. Medi-cal denied charges will be written off to charity, this is applicable to patients income below 400% of FPL and 275% or below with no responsibility to pay.

4.3. Charity Care Eligibility Determination. In order to qualify for Charity Care, each patient and their family, if applicable, must complete MCH's Confidential Financial Assistance Application. Financial needs will be determined in accordance with procedures that involve an individual assessment of financial need. This application provides for the collection of information about the patient's Family Income and whether the patient face High Medical Costs. Based upon the completed Confidential Financial Assistance Application and supporting documentation, any patient that is determined to be a Financially Qualified Patient shall qualify for Charity Care. The following documentation should be provided with the completed Confidential Financial Assistance Application:

4.3.1. Federal and State Tax Returns;

4.3.2. Payroll stubs (30 days or older);

4.3.3. Bank Statements;

4.3.4. Personal Declarations;



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4.3.5. Evidence of high medical costs, including hospital and physician bills; and

4.3.6. Other Necessary Forms and Documents.

4.4. **Payment Rates for Financially Qualified Patients.** A Financially Qualified Patient shall be charged for services provided by MCH as follows:

4.4.1. **275% or less of the Federal Poverty Level** – Charity Care (No Patient Responsibility to Pay):

4.4.2. **276% to 350% of the Federal Poverty Level** -Maximum Base Charge.

4.4.3. **Over 350% of the Federal Poverty Level** -Full liability (May Apply for Discount Care).

4.5. **Eligibility Evaluation Process.** During the registration process, or in an emergency as soon as possible, an MCH representative will (i) interview each patient, or their family member(s) as applicable, to determine if they have or are eligible for government health care program coverage, and (ii) provide each patient with a Confidential Financial Assistance Application. The patient will be informed that in order to qualify for financial assistance, the Confidential Financial Assistance Application must be completed and returned with all necessary supporting documentation. All patient accounts will be considered ineligible for Charity Care until the Confidential Financial Assistance Application is received with the appropriate documentation. Upon receipt of the Confidential Financial Assistance Application MCH's business office will determine whether the patient is a Financially Qualified Patient eligible for Charity Care. Once a determination of qualification is made, a letter indicating the determination status will be sent to the patient or family representative indicating one of the following:

4.5.1. **Approval.** The letter will indicate that the patient is a Financially Qualified Patient eligible for Charity Care, the level of Charity Care received, and any outstanding amount owed by the patient.

4.5.1.1. **Additional Approval.** Charity Care accounts for \$20,000 or greater require the Director's and CFO's review and approval. Charity Care accounts \$40,000 or greater require the Director's, CFO's, and CEO's review and approval.

4.5.2. **Denial.** The letter will indicate the reasons why the patient was determined not to be a Financially Qualified Patient, provide information regarding MCH's dispute resolution process, and identify any outstanding amount owed by the patient.



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4.53. Pending. The patient will be informed as to why MCH could not determine whether they are a Financially Qualifying Patient. All outstanding information will be identified and requested.

4.6. Dispute Resolution. In the event that a dispute arises regarding qualification, the patient may file a written appeal for reconsideration. The written appeal should contain a complete explanation of the patient's rationale for qualification and reconsideration. All additional relevant documentation to support the patient's claim should be attached to the written appeal. MCH's Director of Business Office (the "Director") will review all appeals. After completing a review of the patient's claim, including the patient's written appeal and attached documentation, the Director shall provide the patient with a written explanation of findings and MCH's final determination of the patient's qualification for Charity Care. In the event that the patient believes a dispute remains after consideration of the appeal by the Director, the patient may request in writing an additional review by MCH's Chief Financial Officer (the "CFO"). The CFO shall review the patient's written appeal and documentation, as well as the Director's findings and determination. The CFO shall make a final determination and provide a written explanation to the patient. All determinations by the CFO are final. There are no further appeals.

4.7. Payment Plans for Financially Qualified Patients. All Financially Qualified Patients with Family Income between 276% and 400% of the Federal Poverty Limit shall be eligible to pay their debt through a payment plan.

4.7.1. Negotiated Payment Plan. MCH and each Financially Qualified Patient with Family Income between 276% and 400% of the Federal Poverty Limit shall negotiate a payment plan in good faith based upon the patient's outstanding debt, Family Income, and Essential Living Expenses.

4.7.2. Reasonable Payment Plan. If MCH is unable to negotiate a payment plan with a Financially Qualified Patient with Family Income between 276% and 400% of the Federal Poverty Limit, the patient will be placed on a Reasonable Payment Plan.

4.8. Failure to Adhere to Payment Plan. Once a payment plan has been approved, any failure to pay all consecutive payments due will constitute a default. The patient, or their guarantor, is responsible for contacting MCH's Business Office if circumstances change and payment plan terms cannot be met. The patient or guarantor will have the option to bring the account current with a lump sum payment or to renegotiate the payment plan. If the patient fails to renegotiate the payment plan or make full payment within thirty (30) days, the payment plan will be deemed inoperative and will follow MCH'S collection policy.



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**4.9. Discount Policy.** Mission Community Hospital (MCH) is committed to the community to provide high quality health care services with efficiency and commitment to the human dignity and wellness of the individual, regardless of the patient's ability to pay. Discounted Care is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with MCH's procedures for obtaining discounts and to pay the amount of any copayment required. The qualification for discounted care generally will be for payment in full in one lump sum within 30 days of services.

**4.9.1. Eligibility.** A patient is eligible for Discount Care if they are a Self-Pay Patients treated at MCH whose Family Income exceeds 400% of the Federal Poverty Level.

**4.9.2. Discount.** If payment is received in full within thirty (30) days from the first statement being issued to the patient, MCH will provide the patient with a 40% discount. After the first 30 days, MCH will award the patient a 20% discount for full payment on the account. Any deviation from this policy has to have the CFO or CEO approval.

**4.10. Non-Determination of Patient Coverage Status.** If MCH is unable to determine the coverage status of a patient prior to discharge, MCH may bill such patient at its full rates. However, at the time MCH sends its bill to such patients, MCH must also provide (1) a statement explaining that the patient may be eligible for insurance offered through the California Health Benefit Exchange, Medicare, Medi-Cal, the Healthy Families Program, the California Children's Services program, or any other state-funded program designed to provide health coverage, and (2) an additional statement informing the patient that they may qualify for Charity Care or Discount Care, as well as a copy of MCH's Confidential Financial Assistance Application. If such patients complete and return the Confidential Financial Assistance Application with necessary documentation, MCH must determine whether such patient qualifies for Charity Care or Discount Care, as discussed above.

**4.11. Emergency Physicians.** Under California law all Emergency Physicians must provide similar charity care and/or discounts to Financially Qualified Patients. However, MCH will not and is unable to enforce this law on behalf of patients because MCH's charity care and/or discount care obligations are limited solely to MCH's charges, and not the charges of Emergency Physicians.