



Martin Luther King, Jr. Community Hospital

POLICY and PROCEDURE

Financial Assistance Charity Care Finance <i>Controller</i> <i>Chief Financial Officer</i> P&P Review Schedule: <input type="checkbox"/> Annual <input type="checkbox"/> Biennial <input checked="" type="checkbox"/> Triennial Approved by the MLK-LA Board of Directors on 3/13/2026	<i>Policy Number:</i> FIN-1005 <i>Manual:</i> Administration <i>Originated:</i> 10/22/2015 <i>Reviewed/Revised:</i> 03/13/2026 <i>Effective:</i> 3/13/2026
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I. PURPOSE

- A. To establish criteria and procedures for providing free and discounted care to patients who have no reasonable means to pay, consistent with the mission of Martin Luther King, Jr. Community Hospital (MLKCH) to deliver compassionate, high quality, and affordable healthcare services to the local community and to advocate for those who are poor and disenfranchised.

II. SCOPE / COVERAGE

- A. Hospital-Wide

III. DEFINITIONS / ACRONYMS

- A. For purposes of this policy, the terms below are defined as follows:

1. **Charity Care:** Healthcare services provided free of charge to individuals who meet the eligibility criteria based on financial need.
2. **Discounted Care:** Healthcare services provided at a discounted rate, but not free to individuals who meet the eligibility criteria based on financial need.
3. **Financial Assistance:** The provision of healthcare services either free of charge or at a discounted rate to individuals who meet the eligibility criteria based on financial need.
4. **FPL:** Federal Poverty Level, which are updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of subsection (2) of Section 9902 of Title 42 of the United States Code. See Appendix A to this Policy for recent FPL amounts. Financially qualified patient: a patient who is both of the following:
 - a. A patient who is a self-pay patient, as defined in subdivision (f) or a patient with high medical costs, as defined in subdivision (g).
 - b. A patient who has a family income that does not exceed 400 percent of the federal poverty level.
5. **Patient with High Medical Costs:** pertains to discounts that an emergency room physicians may provide. This does not apply to discounts or free care offered by MLKCH. A person whose family income does not exceed 350 percent of the federal poverty level, as defined in section (III)(4), if that individual does not receive a discounted rate from the hospital as a result of his or her third-party coverage. For these

purposes, “high medical costs” means any of the following:

- a. Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient’s family income in the prior 12 months.
 - b. Annual out-of-pocket expenses that exceed 10 percent of the patient’s family income, if the patient provides documentation of the patient’s medical expenses paid by the patient or the patient’s family in the prior 12 months.
 - c. A lower level determined by the hospital in accordance with the hospital’s charity care policy.
6. **Uninsured:** 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 the hospital. Self-pay patients may include charity care patients. Patient’s family includes the following:
- a. For persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not.
 - b. For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative
7. **Gross charges:** Charge master rates, meaning MLKCH’s full, established prices for medical care that MLKCH consistently and uniformly charges patients before applying any contractual allowance, discounts or deductions.
8. **Emergency Medical Conditions:** Defined within the meaning of Section 1867 of the Social Security Act (42 U.S.C. 1395dd).
9. **Medically necessary:** As defined by California Welfare & Institutions Code §14059.5, i.e., for individuals 21 years of age or older, a service is “medically necessary” when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain, and for individuals under 21 years of age, a service is “medically necessary” if the service meets the standards set forth in Section 1396d(r)(5) of Title 42 of the United States Code.
10. **Reasonable payment plan:** 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 subdivision, 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 child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

IV. BACKGROUND INFORMATION – N/A

V. POLICY

- A. Objective.** MLKCH is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for emergency medical conditions and medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality and affordable healthcare services and to advocate for those who are poor and disenfranchised, MLKCH strives to ensure that the financial capacity of

individuals who need healthcare services does not prevent them from seeking or receiving care. In order to manage its resources responsibly and to allow MLKCH to provide the appropriate level of assistance to the greatest number of persons in need, MLKCH's Board of Directors established the following guidelines for the provision of financial assistance to patients.

B. Emergency Medical Conditions. MLKCH will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance under this Financial Assistance Policy and regardless of their eligibility for government assistance.

C. Services Eligible Under This Policy. The following healthcare services provided by MLKCH are eligible for financial assistance:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Any other medically necessary services. (Services are evaluated on a case-by-case basis in MLKCH's discretion to determine if they are medically necessary.)

D. Elective Services. Financial assistance is provided under this Policy only for emergency and medically necessary care. Elective services that are primarily for patient comfort or convenience are generally not eligible for financial assistance. Elective services include services such as cosmetic services, infertility services, vision correction, proton therapy, robotic procedures, orthotics/prosthetics and surrogate pregnancy. However, MLKCH may grant financial assistance for elective services in particular situations in its sole discretion.

E. Eligibility Criteria and Amounts Charged.

1. **Scope.** Eligibility for charity care or discounted care will be considered for individuals who are uninsured, patient with high medical costs (i.e., have insurance that does not result in full payment of the patient's account), ineligible for any government healthcare benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy.
2. **Non-Discrimination.** The granting of financial assistance will be based on an individualized determination of financial need, and MLKCH will not consider age, gender, marital status, race, color, creed, ethnicity, social or immigrant status, national origin, sexual orientation, gender identity or expression, religious affiliation, disability, veteran or military status, or any other basis prohibited by applicable federal, state, or local law when making financial assistance determinations.
3. **Evaluation of Need.** MLKCH utilizes a single, unified patient application for both full charity care and discounted payment. The process is designed to give each applicant an opportunity to receive the maximum financial assistance benefit for which he or she may qualify. The financial assistance application requests patient information necessary for determining patient eligibility, and such information will be used to qualify the patient for maximum coverage available through government programs and under this Policy.
4. **Financial Need.**

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- a. **Charity Care:** Patients whose family gross income is between 0-400 % of FPL in effect at the time of the determination are eligible for charity care (i.e., free care). See **Appendices A and B**, including for recent FPL amounts based on family size.
- b. **Discounted Care:** Patients whose gross income is above 400% of FPL and up to and including 450% of FPL in effect at the time of the determination are eligible to receive discounted care. See **Appendices A and B**, including for recent FPL amounts based on family size. Patients who qualify for discounted care are charged 9% (i.e., a 91% discount) of gross charges.

5. Compliance with Limitations on Amounts Charged.

- a. Individuals eligible for discounted care under this Policy will never be charged more for emergency or other medically necessary care than the “amounts generally billed” to individuals who have insurance covering emergency or other medically necessary care (AGB). The method under Treasury Regulation §1.501(r)-5(b) that MLKCH uses to determine AGB is the Prospective Medicare method under Treas. Reg. § 1.501(r)-5(b)(4), by using the billing and coding process that MLKCH would use if the eligible individual were a Medicare fee-for-service beneficiary and setting AGB for the care at the amount that MLKCH determines would be the total amount Medicare would allow for the care (including both the amount that would be reimbursed by Medicare and the amount the beneficiary would be personally responsible for paying in the form of co-payments, co-insurance, and deductibles).
 - b. MLKCH limits expected payment for services it provides to patients whose income is at or below 300% of the FPL and who are eligible for discounted care under this Policy to the amount of payment that MLKCH would expect, in good faith, to receive for providing services from Medicare, Medi-Cal, the Healthy Families Program, or another government-sponsored health program of health benefits in which MLKCH participates, whichever is greater. If MLKCH provides a service for which there is no established payment by Medicare or any other government-sponsored program of health benefits in which MLKCH participates, then MLKCH shall establish an appropriate discounted payment. (CA H&SC §127405(d))
6. **Self-Pay.** Discounted charges to self-pay patients that are not based on financial need are not covered by this Policy, and are instead addressed in other MLKCH policies.
 7. **Exceptions.** In extenuating circumstances, MLKCH may, in its discretion, approve financial assistance outside of the scope of the eligibility criteria in this Policy.
 8. **Third Parties.** Discounted care granted to a patient does not reduce the amount that third parties (e.g., insurers) may be required to pay.

F. Effective Period. Financial assistance eligibility determinations remain in effect for one (1) year, unless MLKCH obtains additional information impacting the determination (which MLKCH may seek or receive from time to time).

G. Patient Responsibility. Financial assistance is not a substitute for personal responsibility. Patients are expected to be honest and forthcoming when providing all information requested by MLKCH, to cooperate with MLKCH's procedures for obtaining financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, as a means of assuring access to healthcare services, for their overall personal health and for the protection of their individual assets.

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VI. PROCEDURE

A. Determination of Financial Need.

1. MLKCH's values of human dignity and stewardship will be reflected in the application process, financial need determination and granting of financial assistance.
2. Every reasonable effort will be made to determine a patient's eligibility for financial assistance as soon as possible.
3. MLKCH's assessment of financial need will include one or more of the following:
 - a. An application process, in which the patient or the patient's guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to determining financial need.
 - b. Documentation: For purposes of determining eligibility for discounted rates based on financial need, documentation of income shall be limited to recent pay stubs or income tax returns.
 - c. The use of publicly available data sources that provide information on a patient's or a patient's guarantor's ability to pay (such as credit scoring).
 - d. A review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
 - e. Add language regarding HSA
4. A Financial Counselor will attempt to secure the following supporting documentation or such other information identified on the financial assistance application. Information obtained under this section shall not be used for collections activities (unless obtained independently of the process for determining eligibility for free or discounted care). (CA H&SC §127405(e)) MLKCH will not deny financial assistance under this Policy based on an applicant's failure to provide information or documentation unless that information or documentation is described in this Policy or the application form. However, MLKCH may grant financial assistance notwithstanding an applicant's failure to provide information or documentation described in this Policy or the financial assistance application, and may, for example, rely on other evidence of eligibility or an attestation by the applicant to determine that the patient is FAP-eligible such as those listed below:
 - a. Credit Bureau Reports (including the lack thereof)
 - b. Bank statements showing payroll deposits
 - c. Declarations
 - d. Verbal attestations
 - e. Any other documents that may be used to substantiate the need for financial assistance
5. Where the patient is unable to complete a written financial assistance application, verbal attestation is acceptable.
6. The Financial Counselor will review the application for accuracy, completeness, and will ensure all documentation is secured, at that time the account will be evaluated for financial assistance. The amount of information to support a recommendation regarding eligibility for financial assistance will vary depending on the Financial Counselor's ability to obtain the information from the patient or the patient's family.

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7. It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to MLKCH's rendering of non-emergent medically necessary services. However, the eligibility determination may be done at any point in the collection cycle.
8. The need for financial assistance will be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than one (1) year prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.
9. Eligibility for financial assistance will be considered for those individuals who have previously applied for governmental assistance programs (e.g., Medi-Cal and Ability-to-Pay (ATP)) and been denied.
10. Where the patient's identification as an indigent person is obvious to MLKCH, a prima-facie determination of eligibility may be made and, in these cases, MLKCH may not require an application or supporting documentation.
11. **Denial** - Reasons for a denial of financial assistance include:
 - a. The patient does not meet the eligibility requirements.
 - b. Patient unwillingness or inability to provide sufficient documentation to demonstrate eligibility, and MLKCH does not have sufficient information to make a presumptive eligibility determination.
12. **Denial Procedure** - If the Patient does not qualify for Financial Assistance, the following will occur:
 - a. MLKCH's documentation will reflect the reasons why and the process followed.
 - b. A written notification of the denial will be sent to the patient.
 - c. The patient's "Financial Class" in MLKCH's systems will be changed to "Self-Pay." The patient will be subject to MLKCH's separate policies and procedures governing self-pay patients.
 - d. The patient will be notified of his or her right to appeal the eligibility determination for financial assistance. Appeal instructions will be provided to the patient.
 - e. Standard collection processes for self-pay patients will begin.
13. **Appeal Process** - Patients who wish to appeal their financial assistance eligibility determination will be instructed to submit their written appeal to the Patient Access Manager, at the MLKCH Admissions Office. The Patient Access Manager along with the Patient Financial Services (PFS) Revenue Cycle Director will re-evaluate the patient's application. A written response will be provided to the patient within 15 working days.

B. How to Apply for Financial Assistance.

1. MLKCH's Financial Counseling Office is available to provide information about this Policy and to assist patients with the financial assistance application process in person at MLKCH's hospital facility at 1680 E. 120th Street, Los Angeles, CA 90059, as well as via phone and mail. MLKCH Financial Counselors offer support to MLKCH patients to identify sources of coverage for care and determine their eligibility under this Policy.

2. MLKCH will also make reasonable efforts to obtain from the patient or his or her representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by MLKCH, including, but not limited to, Medicare, Healthy Families Program, Medi-Cal, coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage. MLKCH will assist patients with applying for such programs, and may refer patients to external sources for assistance with identifying sources of coverage for care, such as the Los Angeles County Department of Public Health Services. (CA H&SC §127420(a))
3. Applications for financial assistance are available to all patients without charge, in both English and Spanish. They are available online at www.mlkch.org. Paper copies free of charge are made available at MLKCH's Financial Counseling Office, and can also be requested by phone in English or Spanish at 1-800-348-9439 (toll- free), or by calling the main patient admitting number at (424) 338-8300 and asking to speak with a financial counselor, or by mail at:

MLKCH Financial Counseling
1680 E. 120th Street
Los Angeles, CA 90059

4. Requests for financial assistance will be processed promptly and MLKCH will notify the patient or applicant in writing within approximately 30 days of receipt of a completed application.
5. Referral of patients for financial assistance may be made by any member of MLKCH's staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious leaders.
6. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

C. Presumptive Eligibility.

1. MLKCH may determine eligibility for free or discounted care under this Policy based on a presumptive determination based on information regarding an individual's life circumstances obtained from sources other than the individual seeking financial assistance. Such information is from publicly available sources, third party screening tools and/or from other hospitals or other nonprofit organizations or governmental bodies, as permitted by applicable law. Such information may include, but is not limited to:
 - a. Participation in state-funded prescription programs;
 - b. Homelessness, or having received care from a clinic for the homeless;
 - c. Participation in Women, Infants and Children programs (WIC);
 - d. Food stamp eligibility;
 - e. Subsidized school lunch program eligibility;
 - f. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid Spend-down);
 - g. Low income/subsidized housing is provided as a valid address;

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and the financial assistance application process, (b) copies of this Policy, (d) the financial assistance application form, and (e) the plain language summary of this Policy.

5. Billing statements will include a conspicuous written notice that notifies and informs recipients about the availability of financial assistance under this Policy and includes the telephone number of the hospital office or department that can provide information about this Policy and the financial assistance application process and the direct Web site address (or URL) where copies of this Policy, the application form, and the plain language summary of this Policy may be obtained.
6. MLKCH will notify and inform members of the community it serves, in a manner reasonably calculated to reach those members who are most likely to require financial assistance from MLKCH, that MLKCH offers financial assistance under this Policy and how or where to obtain (a) more information about this Policy, (b) the financial assistance application process, (c) copies of this Policy, (d) the application form, and (e) the plain language summary of this Policy. MLKCH may do so through community-based organizations, community events, social media, etc.
7. Translations. MLKCH will accommodate all significant populations that have limited English proficiency (LEP) by making translations of this Policy, the financial assistance application form and plain language summary of this Policy available in the primary language(s) spoken by each LEP language group that constitutes the lesser of 1,000 individuals or 5 percent of the community served by MLKCH or the population likely to be affected or encountered by MLKCH.

G. External Providers. Some care at MLKCH is provided by doctors or other healthcare professionals who are from an external vendor to MLKCH. Accordingly, patients of MLKCH may receive care from doctors or other healthcare professionals who send bills separately from MLKCH itself. Nonetheless, this Policy applies to all care provided at MLKCH, including through those external providers. (In addition, in some cases, the external vendor may also directly offer financial assistance to patients.)

1. Patients who are determined to be eligible for free care under this Policy will not be billed by these external vendors. Patients for whom an eligibility determination is pending may receive bills from these external vendors.
2. The external vendors who provide care to patients at MLKCH are currently as listed in Appendix C. Changes to this list will be made available on MLKCH's website together with this Policy, or this Policy will be updated accordingly.
3. MLKCH's contracts with such external providers will require them to follow this Policy. An emergency physician, as defined in Section 127450, 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 350 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

H. Collection Efforts. The actions that MLKCH may take to obtain payment of a bill for medical care are limited to the following actions, which are taken on the timeframe set forth as follows:

1. Prior to commencing collection activities against a patient, MLKCH will provide the patient with a clear and conspicuous written notice containing both (a) a plain language

summary of the patient's rights under the California Hospital Fair Pricing Policies laws and the federal Fair Debt Collection Practices Act, and (b) a statement that nonprofit credit counseling services may be available in the area.

2. At the time of discharge, patients who have insurance are asked to pay any applicable co-insurance, copay or deductible.
3. MLKCH will make a series of three (3) telephone calls to contact a patient to schedule an appointment to obtain support with obtaining financial assistance under this Policy and may send billing statements to the patient.
4. Patient's account will undergo presumptive eligibility evaluation at multiple phases of the account billing cycle.
5. If the patient presumptively qualifies for free care, collection efforts will cease. If the presumptive eligibility evaluation does not result in a determination that the patient qualifies for free care, then the patient will be treated as qualifying for discounted care under this Policy. The patient will then be sent a series of statements requesting payment of the discounted charges approximately every thirty (30) days for up to a total of five (5) statements over approximately one hundred and eighty (180) days.
6. If the patient has not responded within approximately one hundred and eighty (180) days from the date of service, the patient's charges will be written off by MLKCH as bad debt and may be sent to a collection agency. Collection's agencies working on behalf of MLKCH are not permitted to engage in any "extraordinary collection actions" (ECAs) (described below) and must comply with California Health and Safety Code §§ 127400 et. seq., as amended, and applicable MLKCH policies.
7. The collections agency will cease collection efforts for all accounts that have not been paid within one hundred and twenty (120) days from the date of assignment to the collection agency. MLKCH will take no further collection efforts.
8. A patient may request consideration for free or discounted care under this Policy at any time during the collections process.
9. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, MLKCH may offer extended payment plans, may refrain from sending unpaid bills to outside collection agencies (unless that entity has agreed to comply with California Health and Safety Code 127400 et.seq.), and may cease collection efforts. MLKCH will take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from MLKCH and a patient's good faith effort to comply with his or her payment agreement with MLKCH.
10. If a patient has a pending appeal for coverage of services, MLKCH may cease collections efforts until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with MLKCH about the progress of any pending appeals. (CA H&SC §127426)
11. MLKCH may place a lien that it is entitled to assert under state law on the proceeds of a judgment, settlement, or compromise owed to an individual (or his or her representative) as a result of personal injuries for which MLKCH provided care.
12. MLKCH may file claims in any bankruptcy proceeding.

- I. No Extraordinary Collection Efforts.** MLKCH does not engage in the following collection actions, which are deemed to be “extraordinary collection actions” (ECAs) in Treasury Regulation § 1.501(r)-6(b):
1. Selling an individual’s debt to another party.
 2. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
 3. Deferring or denying, or requiring a payment before providing, medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care covered under this Policy.
 4. Actions that require a legal or judicial process, including but not limited to:
 - a. placing a lien on an individual’s property (but not including a lien that a hospital facility is entitled to assert under state law on the proceeds of a judgment, settlement, or compromise owed to an individual (or his or her representative) as a result of personal injuries for which the hospital facility provided care);
 - b. foreclosing on an individual’s real property;
 - c. attaching or seizing an individual’s bank account or any other personal property;
 - d. commencing a civil action against an individual;
 - e. causing an individual’s arrest;
 - f. causing an individual to be subject to a writ of body Appendix; and
 - g. garnishing an individual’s wages.
- J. Payment Plans.** For patients who qualify for discounted care under this Policy, MLKCH may offer extended payment plans to allow payment of the discounted price over time on an interest-free basis. MLKCH and the patient shall negotiate the terms of the payment plan, taking into consideration the patient’s family income and essential living expenses. A health savings plan held by the patient or patient’s family may be considered when negotiating payment plans. If they cannot agree on a payment plan, MLKCH shall use the formula described in subdivision (i) of Section 127400 of the California Health and Safety Code to create a reasonable payment plan. (Cal. H&SC §127405(b), §127425(g))
- K. Reimbursements.** MLKCH is not required to reimburse a patient if: (1) it has been five years or more since the patient’s last payment to the hospital/buyer, or (2) the patient’s debt was sold before January 1, 2022, in accordance with the law at that time.
- L. Authority and Documentation.**
1. Appropriate signatures will be obtained to approve eligibility determinations based upon established dollar thresholds. The respective signature indicates that the financial assistance application has been reviewed and meets the requirements for submission. The PFS Director, or his or her designee, will process the application and forward to the PFS office to apply the administrative adjustment.
 - a. The Patient Access Manager has the authority to approve charity care and discounted care adjustments up to \$5,000.00.
 - b. The PFS Revenue Cycle Director has the authority to approve charity care and discounted care adjustments up to \$50,000.00.
 - c. Charity care and discounted care adjustments over \$50,000.00 require

approval by MLKCH's Chief Financial Officer.

2. A monthly financial assistance summary report, with supporting individual documentation, will be approved by the Director of Revenue Cycle and Chief Financial Officer. The Director of Revenue Cycle and the Chief Financial Officer each have the final authority or responsibility for determining that MLKCH has made reasonable efforts to determine whether an individual is eligible for financial assistance under this Policy, except that amounts over \$50,000.00 require the approval of the Chief Financial Officer. Once either or both of them sign off on the monthly summary report, the report will be forwarded to the Finance Department. Business Services will retain the summary report and supporting documentation for seven (7) years or such other period determined under MLKCH's policies and procedures from time to time.

M. Regulatory Requirements. In implementing this Policy, MLKCH will comply with all applicable federal, state, and local laws, rules, and regulations.

VII. AMENDMENTS

- A.** Amendments to this Policy require approval by the Board of Directors of MLKCH, or a duly authorized committee thereof.
- B.** Material or substantive amendments to this Policy require review by legal counsel and/or accounting firm having expertise in compliance with Internal Revenue Code §501(r) for §501(c)(3) hospitals prior to approval by the Board of Directors of MLKCH.

VIII. WORKPLACE SAFETY- N/A

IX. RELATED POLICIES AND PROCEDURES

- A.** FIN-1008, *Discount Care*
- B.** FIN-1010, *Financial Policy*
- C.** FIN-1025, *Bad Debt Write Off*
- D.** PA-1013, *Pending Indigent Registration*

X. REFERENCES

AB774

SB350

SB1276

SB1961

AB 297

California Health & Safety Code § 127400 – 127446

Patient Protection and Affordable Care Act (PPACA)

XI. APPENDICES

- A.** Appendix A – Federal Poverty Levels
- B.** Appendix B – Sliding Scale for Financial Assistance

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C. Appendix C – External Providers

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APPENDIX A

Federal Poverty Levels

Under MLKCH's Financial Assistance Policy, eligibility for free charity care is based on having annual family income at or below 400% of the Federal Poverty Guidelines (FPL) and eligibility for discounted care is based on having family income above 300% of FPL and no greater than 400% of FPL. FPL amounts are updated periodically in the Federal Register by the United States Department of Health and Human Services. Current FPL amounts are available at <http://aspe.hhs.gov/poverty-guidelines>.

As of January 2026, FPL amounts were as follows. ***These amounts are subject to change.***

Size of Family Unit*	100% FPL	300% FPL	400% FPL
1 person	\$15,960	\$47,880	\$63,840
2 persons	\$21,640	\$64,920	\$86,560
3 persons	\$27,320	\$81,960	\$109,280
4 persons	\$33,000	\$99,000	\$132,000
5 persons	\$38,680	\$116,040	\$154,720
6 persons	\$44,360	\$133,080	\$177,440
7 persons	\$50,040	\$150,120	\$200,160
8 persons	\$55,720	\$167,160	\$222,880

* The Size of Family Unit includes the patient and any dependents who reside with the patient, as well as any dependents for which the patient has a legal financial obligation (i.e., child support) or claims as a dependent on their income tax return.

* For families/households with more than 8 persons, access the following link to determine annual income level:

<https://aspe.hhs.gov/sites/default/files/documents/b1bfa16b20ae9b89d525bc35de7c1643/detailed-guidelines-2026.pdf>

APPENDIX B

Sliding Scale for Financial Assistance

Family Income as a Percentage of Federal Poverty Guidelines	Percent of discount (write-off) off Gross Charges	Balance billed to Patient or Guarantor
0-400%	100%	0%
401-450%	91%	9%

APPENDIX C

External Providers

1. CHMB – Radiology, Anesthesiology and Urology
2. Magella Medical Group – Labor and delivery
3. Martin Luther King, Jr. Community Medical Group – Hospitalists
4. Restorix Health – Wound care
5. Superior Hospitalists Medical Group, Inc. – Hospitalists
6. U.S. Acute Care Solutions – Emergency Room Physicians

APPENDIX D

Plain Language Summary
of
Patient Financial Assistance Policy (FAP)

Martin Luther King, Jr. Community Healthcare (MLKCH) is a private, nonprofit hospital providing high-quality, general acute care to residents of South Los Angeles. MLKCH is committed to establishing a national model of patient-centered care using technology, data, and innovation to affect population health improvements in safety-net communities. MLKCH's charitable mission is expressly demonstrated through its Financial Assistance Policy (also called the "FAP"), which is summarized here. The first and foremost responsibility of MLKCH is to see that its patients receive compassionate, timely, and appropriate medical care with consideration for patient privacy, dignity, and informed consent.

We are dedicated to ensuring that compassionate, quality care is extended to all, regardless of their ability to pay. MLKCH's FAP helps to make medically necessary services available to members of its community. This includes people who don't have health insurance and can't pay their hospital bill, as well as patients who do have insurance but are unable to pay the portion of their bill that is not covered by insurance. Depending on circumstances, income and family size, some patients will not be required to pay for services; others may be asked to make partial payment.

What is Covered?

For emergency and medically necessary services at MLKCH, we provide financial assistance to eligible patients on a sliding fee scale basis, with discounts based on ability to pay.

Who is eligible?

Patients whose family income is 450% or less of the Federal Poverty Levels may be eligible for assistance through MLKCH. Free care is available for an uninsured patient whose family income is 400% or less of Federal Poverty Guidelines. Discounted care is available for an uninsured patient whose family income is above 400% and up to and including 450% the of Federal Poverty Guidelines. Patients who qualify for discounted care are charged 9% (i.e., a 91% discount) of gross charges.

Because it will benefit you, if you are uninsured, we do ask that you apply for Medi-Cal. If you are having services performed at MLKCH, we can help you with the Medi-Cal application process. During open enrollment, you may be able to obtain coverage under Covered California.

Plain Language Summary of Patient Financial Assistance Policy Cont.

Nondiscrimination

Financial assistance is based on individual financial need. In determining financial need, MLKCH does not consider age, gender, marital status, race, color, creed, ethnicity, social or immigrant status, national origin, sexual orientation, gender identity or expression, religious affiliation, disability, veteran or military status, or any other basis prohibited by applicable federal, state, or local law.

What does the FAP cover?

The FAP covers only emergency and medically necessary health services provided at MLKCH. Generally, a service is medically necessary when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain. Excluded from this definition are unique services where medically efficacious alternative therapies are available.

Examples of non-medically necessary services include:

1. Cosmetic and/or plastic surgery services
2. Infertility services
3. Vision Correction
4. Proton Therapy
5. Robotic procedures
6. Orthotics/Prosthetics
7. Surrogate pregnancy
8. Other services that are primarily for patient comfort and/or patient convenience.

However, MLKCH may grant financial assistance for elective services in particular situations in its sole discretion.

Some care at MLKCH is provided by doctors or other healthcare professionals who are from an external vendor to MLKCH. Accordingly, patients of MLKCH may receive bills from those vendors separately from bills from MLKCH itself. Nonetheless, this Policy applies to all care provided at MLKCH, including through those external providers.

Amounts Generally Billed (AGB)

An individual who is eligible for financial assistance under MLKCH's FAP will not be charged more than the "Amounts Generally Billed" (AGB) for emergency or other medically necessary care to individuals who have insurance covering such care, in accordance with applicable law.

Title: Financial Assistance Charity Care

Policy #: FIN-1005

How to Apply

To apply for financial assistance, a FAP application must be filed with MLKCH's Financial Assistance Office. MLKCH's FAP application and a copy of its full FAP are available to all patients without charge. Financial Counselors are available to help apply for financial assistance.

Request program information electronically

MLKCH's FAP application and a copy of its full FAP are available on MLKCH's website at www.mlkch.org/hospital-bills. They can also be obtained by calling MLKCH's Financial Counseling office at 424-338-8300, or 1-800-348-9439 (toll-free), to request electronic or paper copies. If you wish to receive copies via email, please be prepared to provide an email address that the documents can be sent to when calling.

Obtain program information or assistance in person

Paper copies of MLKCH's FAP application and a copy of its full FAP are available at Martin Luther King, Jr. Community Hospital, Admissions - Financial Counseling Department, 1680 E. 120th Street., Los Angeles, CA 90059. Paper copies are also made available in the emergency room and admissions areas and are offered as part of the intake or discharge process.

Request program information or assistance by telephone

Financial assistance staff is available by telephone to provide information, determine FAP eligibility, assist a patient applying for FAP and provide copies of MLKCH's FAP application and its full FAP. Financial assistance counselors can be reached at: 424-338-8300, or 1-800-348-9439 (toll-free), Monday – Friday, 7:30 am – 7:00 pm. Assistance is available by phone in English and Spanish.

Request program information by U.S. postal mail

Copies of MLKCH's FAP application and its full FAP can be requested by mail. Requests can be mailed to:

MLKCH Financial Counseling
1680 E. 120th Street
Los Angeles, CA 90059

Other languages

Copies of the FAP, FAP application form, and Plain Language Summary of the FAP are available in English and Spanish. Other languages are also available. For more information, call (424) 338-8300 or speak to a financial assistance staff member.

Title: Financial Assistance Charity Care

Policy #: FIN-1005

Policy

For additional information, please refer to MLKCH’s full FAP. This Plain Language Summary is intended to summarize MLKCH’s FAP, but the FAP at all times prevails over this Plain Language Summary (e.g., in the event of a discrepancy).

PLAIN LANGUAGE FINANCIAL POLICY SUMMARY