



## Charity Care/Discount Care Policy

<b>Department:</b> Business Office	<b>Business Office Manager Approval Date</b>					
<b>Function:</b> Collections	<b>Chief Financial Officer Approval Date</b>					
<b>P &amp; P Number:</b>	<b>Board Approval Date</b>					
<input type="checkbox"/> <b>Policy</b>	<b>Review Date</b>					
<input type="checkbox"/> <b>Procedure</b>	<b>Initials</b>					

### Policy Purpose

To define and comply with Department of Health standards for charity care.

### Objectives:

1. To define eligibility requirements for charity care.
2. To ensure compliance with state regulations.

### Definitions

#### Charity Care

1. Free health services mean those services provided without expectation of payment to persons who meet the hospital's criteria for financial assistance and are unable to pay for all or a portion of the services. Charity care does not include bad debt defined as uncollectable charges that the hospital recorded as revenue but wrote off due to a patient's failure to pay and/or,
2. Reduced cost health services or free health services provided to eligible patients, as outlined in the hospital's approved charity care policy.

#### Discount Payment

Discount payment means part of the hospital's charges that a financially qualified patient is expected to pay in accordance with Health and Safety Code Sections 127405 [b] and 127405 [d].

“Policy” or “policies” mean documents the hospital is required to submit pursuant to Health and Safety Code section 127435[a]

#### Working Day

Monday through Friday does not include holidays.

#### General Policy Guidelines

1. Hospital documents provided to the patient regarding policy will be provided in a way that is easy to read and in terms the patient can understand.
2. A minimum of a 12-point font will be used, with section headlines in a large font, bolded.

3. A tagline sheet listing the top 15 languages will be provided when the charity care policy is distributed.
4. A self-pay patient will be assisted by, and/or referred by the hospital to an agency that can assist the patient through the Medi-Cal process, to determine eligibility, prior to negotiating charity care or discounted rates.
5. If Medi-Cal is approved for the applicable dates of service, charity care or discounted rates do not apply.

### **Discounts for Financially Qualified**

Uninsured patients or those with high medical costs, or who are below 400 percent [RHC] of the federal poverty level, are eligible for discounted care after meeting the provisions established in this policy. Monetary assets will not include retirement or deferred compensation plans. The patient will be requested to complete and provide:

- An application provided by the hospital.
- Pay-check stubs for the previous 90 days.
- A W2 Form for the prior year.
- Proof of unemployment, disability, general assistance, child support, bank statements and yearly tax form.
- If self-employed, a profit and loss statement with tax returns.
- Medi-Cal denial notice.

The hospital and the patient shall negotiate the terms of the payment plan which will take into consideration the patient's family income and essential living expenses.

### **Eligibility Determination Letters**

1. A letter will be issued to the patient upon determination of the patient's eligibility for the discount payment program and/or charity care program.
2. The information provided will include the following:
  - a. A clear statement of the hospital's determination of eligibility for the discount payment program and/or charity care program.
  - b. If the patient was denied eligibility for discount payment and/or charity care, a clear statement explaining why the patient was denied discount payment will be provided.
  - c. If the patient was approved for discount payment or charity care, a clear explanation of the reduced bill and instructions on how the patient may obtain additional information regarding a reasonable payment plan will be provided.
  - d. The letter will include the contact's name and contact information, including the Hospital Bill Complaint Program, where the patient can appeal the determination.
  - e. The letter will also include information on Health Consumer Alliance for help in paying the bill.

### **Hospital Bill Complaint Process**

All notices provided to a patient under the discount and charity care policy and all bills and statements provided to the patient shall include the following statement:

The Hospital Bill Complaint Program is a state program, which reviews hospital decisions about whether you qualify for help paying your hospital bill, if you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program for more information or to file a complaint.

**[HospitalBillComplaintProgram.hcai.ca.gov](http://HospitalBillComplaintProgram.hcai.ca.gov)**

## **Hospital Delegation**

The hospital will not waive any requirement for compliance with health and Safety Codes or other cited Sections of the Health and Safety Code.

## **Discount Payment, Charity Care, and Debt Collection Policies/Procedures**

1. The primary person for contact for the purpose of receiving compliance and information communications regarding this policy is the Business Office Manager.
2. The secondary contact person is the Managed Care Specialist working in the UR Department.
3. The above information will be listed on the HCAI Website at [hdc.hca.ca.gov](http://hdc.hca.ca.gov) with the following information provided:
  - a. The legal name of the hospital.
  - b. The name of the contact person.
  - c. A business address.
  - d. A business email.
  - e. A business phone number.
  - f. Whether they are primary or second contact.
4. Responsibilities of the designated personnel include the receipt of information regarding the hospital's policies and need to report any significant changes through the online policy submission portal at any time during the reporting period.
- f. The hospital and the patient will negotiate the terms of any payment plan, taking into consideration the patient's family income and essential living expenses. If the hospital and the patient cannot agree, the hospital will execute a reasonable payment plan.
- g. When evaluating monetary assets for the patient, assets will not include retirement or deferred compensation plans.
- h. Collection agencies utilized by the hospital will include a written agreement of the agencies responsibilities to adopt the standards and scope of practice for the hospital.
- i. Postings in the hospital for financially qualified/self-pay patients will be clearly posted in locations throughout the hospital, including the Emergency Department, Billing Office, Admissions Office and other outpatient services.

## **Patients Who Receive Emergency Medical Services**

Emergency physicians providing care to patients through the facility are independent contractors and are scheduled to work in the facility through an outside provider. Patients who qualify for charity care or for discounted rates through the facility will be referred to the hospital provider upon request.

## **Policy Changes**

Changes in policy will be made in the portal through HCAI when changes are made regarding primary and secondary contacts currently designated by the hospital.

1. The “reporting period” means the four-month period, beginning September 1 to January 1, leading to the biennial policy submission due date, and compliance with Health and Safety Code 127435.
2. Any policies submitted by the hospital due to a significant change, shall be submitted through the online policy submission portal.
3. “Significant change” means any change that could affect patient access to or eligibility for discounted payment and/or any change that protection outlined in the Charity Care Act.

### **Attachments:**

Charity Care Notice to Patients  
PVH Application

### **References**

- HCAI, AB 1882 Services Reporting Status
- Chapter 9.2: Hospital Fair Billing Program

<b>Revisions</b>		<b>Overview of Changes</b>	<b>Owner's Initials</b>
<b>Current</b>	<b>Previous</b>		
<b>3-2024</b>	<b>10-2016</b>	Update addresses current standards from the Department of Health Care Access and Information.	<b>CG</b>