



Policy Name Discount Payment & Payment Plan Policy		Policy#: GL 8610 – 26.1 Origination Date:
Department: Patient Financial Services	Review Dates: Revision Dates:	
Scope: Organizational	Effective Date: 1/1/2025 BOD Approval Dates:	

PURPOSE:

- Provide free care (Charity Care) to eligible patients at or below 400% of the Federal Poverty Guidelines (FPG).
- Assist patients who do not qualify for Charity Care but cannot pay their hospital bills in full.
- Offer a private pay discount and reasonable, interest-free payment plan options.
- Ensure compliance with HCAI requirements for fairness, transparency, and plain language.

POLICY:

Sonoma Valley Hospital (SVH) provides Charity Care, Discount Payment Programs, and Payment Plans for patients who cannot afford their full medical bills, including those with high medical costs. This policy ensures that patients with financial need are offered fair, reasonable, and transparent assistance options for medically necessary hospital services.

This policy applies to:

- Uninsured or under-insured patients, including self-pay (private pay) patients.
- Patients with high medical costs.
- Patients whose household income exceeds Charity Care thresholds but still need financial assistance.

PROCEDURE:

Eligibility Criteria

A. Charity Care (Free Care)

Patients may qualify for **Charity Care (100% free care)** if:

- Household income is **at or below 400% of the Federal Poverty Guidelines (FPG)**, and
- The patient meets financial need criteria under state law.

B. Discount Payment Program



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Patients may qualify for a **Discount Payment** if:

1. Household income is **above Charity Care thresholds**, or
2. The patient does not qualify for Charity Care but cannot afford to pay the full balance, or
3. Annual out of pocket cost incurred by the individual at the hospital that exceed the lesser of 10 percent of the patients current family income or family income in the prior 12 months or “Annual out of pocket expense that exceeds 10 percent of the patients family income, if the patient provides documentation of the patients medical expenses paid by the patient or patients family in the prior 12 months.”

Patients are **not required** to apply for Medicare, Medi-Cal, or Covered California before requesting a discount.

5. Documentation Requirements

Patients must provide **one** of the following for all adult household members:

- Recent pay stubs (within six months before or after the first bill date or preservice application date).
- Most recent federal income tax return (calendar year of first billing or within the prior 12 months).
- Signed statement describing household financial support if taxes are not filed.

Only one form of documentation is required unless clarification is needed.

6. Discount Determination

• Charity Care (Free Care):

Patients with household income **at or below 400% of the Federal Poverty Guidelines (FPG)** who qualify for Charity Care will receive a **100% reduction of charges** for medically necessary hospital services. No payment will be required from the patient.

• Private Pay Discount:

Uninsured or self-pay patients will receive a discount for medical services as listed below

- Therapy patients will receive a per day flat rate amount
- Lab Kit Draws will receive a flat rate per draw



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- Inpatient Rate *not medically necessary* will receive a flat rate per day
- Calcium Scoring Test will receive a per day flat rate
- All other services will receive a 30% discount off total billed charges

• Additional Discount Considerations:

The hospital may apply additional discounts based on household income, essential living expenses, and high medical cost status. Discounts may reduce the patient balance by **up to 100%** if high medical cost criteria are met.

• Limitation on Patient Responsibility:

For patients who do not qualify for Charity Care but qualifies for high medical cost, SVH will limit expected patient payments to **no more than the amount it would reasonably expect to receive from Medicare or Medi-Cal, whichever is greater**, consistent with the Hospital Fair Pricing Act.

Under **California Health & Safety Code §127400–127446:**

Hospitals must limit what they expect to collect **only** from:
Uninsured patients, or Insured patients with high medical costs, who are financially qualified. Financially qualified Household income at or below 400% of the Federal Poverty Guidelines (FPG) OR Patients who meet the high medical cost test (medical bills > 10% of household income)

7. Payment Plan Policy

SVH offers **interest-free payment plans** based on the patient’s balance after applicable discounts are applied.

Standard Interest-Free Payment Plan Options:

- Balances of \$500.00 or less:
 - Up to 6 months, interest-free
- Balances of \$501.00 or more:
 - Up to 12 months, interest-free

Additional Payment Plan Protections:

- SVH will work with patients to set affordable monthly payments based on household income and essential living expenses.



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- If an agreement cannot be reached, an automatic reasonable payment plan will be offered.
- Monthly payments will not exceed **10% of household monthly income**, excluding essential living expenses.
- Patients may request payment plan adjustments if financial circumstances change.

8. Application Process

1. Complete the Financial Assistance Application and indicate Charity Care, Discount Payment, and/or Payment Plan.
2. Submit required documentation.
3. SVH will review the application within **30 days** of receipt.
4. The patient will receive written notice of eligibility, discount amount, free care approval, and/or payment plan terms.

9. Billing and Collections

- While a financial assistance application is under review, SVH will suspend collection activities.
- Information obtained through the application process will not be used for collection purposes.
- Discounts, free care, and payment plans apply only to medically necessary hospital services.

10. Communication and Accessibility

- This policy and application are written in plain language.
- Available in English and the top 15 languages spoken by patients with limited English proficiency.
- Accessible formats are available for patients with disabilities.
- Information is available through:
 - o SVH website: sonomavalleyhospital.org (“Help Paying Your Bill”)
 - o Patient Accounting Office: **707-935-5325**
 - o Patient discharge packets

11. Review and Revision



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- This policy will be reviewed annually and updated as needed to ensure compliance with California law, HCAI regulations, and applicable federal guidance.

REFERENCES:

This policy complies with California Health and Safety Code Section 127400 et seq., the Hospital Fair Pricing Act, and regulations under 22 CCR § 96051 et seq., including AB 2297 and SB 1061 (2025).

AUTHORS/REVIEWERS:

Patient Accounting Manager
Chief Financial Officer

APPROVALS:

Policy & Procedure Team:
The Board of Directors: