



- Systemwide Standard Policy
- Systemwide Model Policy

Standard Policy No. 11928
Approval Pathway: Nonclinical
Department: Revenue Cycle

STANDARD POLICY: FINANCIAL ASSISTANCE FOR UNINSURED PATIENTS

POLICY SUMMARY/INTENT:

Each Adventist Health (AH) facility will offer financial assistance to uninsured patients through uninsured patient discounts. Adventist Health gives clear guidance to its facilities regarding uninsured patient discounts. All AH facilities are required to follow this policy. This policy is written to comply with all existing state and federal regulations, but if there is a conflict, state and federal regulations replace this policy.

BACKGROUND:

The California Hospital Association has written the “CHA Voluntary Guidelines for Billing of Low Income, Uninsured Patients.” These guidelines are not required, but AH tries to follow them, as far as possible. One of the guidelines states, “Absent any regulatory prohibition, each hospital should limit expected payments from these patients eligible for financial assistance to amounts that do not exceed the payment the hospital would receive from Medicare, other government-sponsored health programs, or as otherwise deemed appropriate by the hospital.” This guideline has already been met with AH's Financial Assistance and Billing & Collection Policy. In addition, AH helps **ALL** self-pay patients (not just low income) by giving automatic, self-pay discounts that are not linked to their ability to pay.

DEFINITIONS:

1. **Amount Generally Billed (AGB):** The average amount received from Medicare, Medicaid/Medi-Cal, other insurance payers' and portions paid by the insured individuals for services, procedures and tests given to patients. This is usually described as a percent of Gross Charges.
2. **Charge Master:** A list of services and tests, along with their individual prices and codes, used to bill for services.
3. **Discount(s):** A deduction from the price of services, tests, or procedures that is given for cash, prompt, or advanced payment, or to certain categories of patients (e.g., self-pay patient, uninsured patient). A discount is usually described as a percentage of gross charges.
4. **Financial Assistance:** The reductions in in payment obligation afforded to Adventist Health patients if such patients qualify for assistance under this policy or the Financial Assistance Policy.
5. **Gross Charges:** The sum total price of all services, procedures and tests given to a patient. The price of each service, procedure, or test, is calculated by the local facility and recorded in

the facility Charge Master.

6. **Package Pricing:** Special discounted pricing for non-emergency, elective services, procedures, or tests that are not usually paid by Medicare, Medicaid/Medi-Cal, or other insurance payers. Cosmetic surgery is an example.
7. **Third-party Coverage:** Is an insurance policy purchased for protection against certain events. Examples include, health insurance, automobile insurance, general liability insurance, etc.
8. **Uninsured Patient(s):** Uninsured patients are patients who do not have insurance to cover the services received.

AFFECTED DEPARTMENTS/SERVICES:

All Adventist Health Finance Departments

POLICY: COMPLIANCE – KEY ELEMENTS

- A. Each AH facility offers a discount to uninsured patients. All uninsured patients will receive these discounts in spite of their income level or other reasons.
- B. The Uninsured Patient Discount rates are a percentage discount of gross charges. The percentage is based on average amount actual received from Medicare, other government payers and all private health insurers, including portions paid by the insured individuals. These rates will be calculated at least once annually by the Corporate Reimbursement Department, and the rates will be listed in Appendix A “[Uninsured Patient Discount Rates](#)” of this policy. Each facility will work with Corporate Reimbursement to define other categories of care, or separate items or services that the discount will apply to, for their specific facility. Documentation will be kept by the Corporate Reimbursement Department that demonstrates how the rates were developed. No later than January, Senior Finance Council will review Uninsured Patient Discount rates established for all Adventist Health facilities. On a facility-by-facility basis, the discount can be the Amount Generally Billed (AGB) or a lower amount, at the discretion of the local Finance Officer, with the local President's agreement.
- C. These discounted self-pay rates for the uninsured do not replace, or change, any package pricing arrangements. Package pricing arrangements for specific types of services, and under specific terms, may override these self-pay discounts as long as they comply with the above minimum discount.
- D. The final bill for uninsured patients will be adjusted to reflect the self-pay discount rate. The uninsured patient will only be billed at the self-pay discount rate or other packaged rate. Unlike packaged pricing rates, self-pay discounts do not depend on payment.
- E. If an uninsured patient tells the facility, any time between the registration and collection process, that they are not able to pay the lower self-pay discount rate, the patient will be screened for financial assistance, and the Financial Assistance and Billing & Collection Policy will apply. In those cases where the patient proves they qualify for financial assistance, the self-pay discount will be reversed and a charity adjustment will be applied.
- F. If an uninsured patient gives the facility third-party coverage information, or becomes eligible for any third party coverage at a later time, the self-pay discount will be reversed and total charges will be billed to the third-party payer. The opposite is also true, if at any time in the follow up and

collection process it is found that a patient does not have third party coverage, the patient's account will be changed to "self pay" and the "self-pay discount" will be applied.

APPENDIX A

Uninsured Patient Discount Rates for facilities in California:

UPDR Table #1

The Uninsured Patient Discount Rate (UPDR) percentage is based on a look-back in time comparing the actual paid claims by Medicare, along with other government payers and all private health insurers, including amounts paid by insured individuals. . The UPDR rate will be updated at least once annually each year.

Facility	Service	Effective	AGB Rate
Adventist Health Bakersfield	All Services	5/1/2023	15%
Adventist Health Clear Lake	All Services	5/1/2023	41%
Adventist Health Delano	All Services	5/1/2023	26%
Adventist Health Glendale	All Services	5/1/2023	14%
Adventist Health Hanford	All Services	5/1/2023	21%
Adventist Health Howard Memorial	All Services	5/1/2023	29%
Adventist Health Lodi Memorial	All Services	5/1/2023	12%
Adventist Health Mendocino Coast	All Services	5/1/2023	51%

Adventist Health Reedley	All Services	5/1/2023	21%
Adventist Health and Rideout	All Services	5/1/2023	21%
Adventist Health St. Helena	All Services	5/1/2023	14%
Adventist Health Selma	All Services	5/1/2023	21%
Adventist Health Simi Valley	All Services	5/1/2023	14%
Adventist Health Sonora	All Services	5/1/2023	14%
Adventist Health Tehachapi Valley	All Services	5/1/2023	31%
Adventist Health Tulare	All Services	5/1/2023	21%
Adventist Health Ukiah Valley	All Services	5/1/2023	24%
Adventist Health Vallejo	All Services	5/1/2023	17%
Adventist Health White Memorial	All Services	5/1/2023	13%
AHPN	All Services	5/1/2023	36%

Uninsured Patient Discount Rates for facilities in Oregon, Washington and Hawaii:

UPDR Table #2

The Uninsured Patient Discount Rate (UPDR) percentage is based on a look-back in time comparing the actual paid claims by Medicare, along with other government payers and all private health insurers, including amounts paid by insured individuals. The UPDR rate will be updated at least once each year.

Facility	Service	Effective	AGB Rate
Adventist Health Castle Adventist	All Services	5/1/2023	42%
Adventist Health Tillamook	All Services	5/1/2023	56%

UPDR Table #3

The Uninsured Patient Discount Rate (UPDR) percentage is based on a look-back in time comparing the actual paid claims by Medicare, along with other government payers, and all private health insurers, including amounts paid by insured individuals. The UPDR rate will be updated at least once each year

Facility	Service	Effective	AGB Rate
Western Health Resources	All Services	5/1/2023	61%

ATTACHMENTS: [Financial Assistance Policy](#)

(REFERENCED BY THIS DOCUMENT)

OTHER DOCUMENTS:

(WHICH REFERENCE THIS DOCUMENT)

FEDERAL REGULATIONS:

ACCREDITATION:

CALIFORNIA:

No specific state requirements noted. Corporate policy applies as written.

HAWAII:

No specific state requirements noted. Corporate policy applies as written.

OREGON:

No specific state requirements noted. Corporate policy applies as written.

WASHINGTON:

No specific state requirements noted. Corporate policy applies as written.

REFERENCES:

AUTHOR: Corporate Patient Financial Services

APPROVED: Revenue Cycle Governance 9/18/15; Executive Cabinet 12/1/15; Board Approved 12/15/15

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DISTRIBUTION: AHEC, CFOs, Patient Financial Services Departments

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REVIEWED:

**ADVENTIST HEALTH
SYSTEM/WEST POLICY OWNER:**

Director, Revenue Cycle Compliance

ENTITY POLICY OWNER: Not applicable

APPROVED_BY:

ADVENTIST HEALTH SYSTEM/WEST: (10/25/2023) Nonclinical Policy Review Team - Revenue Cycle, (01/25/2024) Finance Core Team

ADVENTIST HEALTH SYSTEM/WEST INDIVIDUAL:

ENTITY: Not applicable

ENTITY INDIVIDUAL: Not applicable

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