



Title: Charity and Discount Care	Policy Number: LD 28
Function: Procedure for charity/discount care to persons unable to meet financial obligations.	Date Developed: 1/07 Date Revised: 8/09; 3/2014, 12/2024
Manual: Leadership	Page(s): 4
Developed By: UHS	Attachment(s): None

## PURPOSE:

UHS Heritage Oaks Hospital’s mission is to provide the best care to every patient every day through integrated clinical practices, education and resources. Heritage Oaks Hospital’s commitment and belief is that the needs of the patients come first, and appropriately serves patients in difficult financial circumstances which includes offers of financial assistance, and or discounts to those who have established need to receive medically necessary services.

## POLICY:

It is the policy of Heritage Oaks Hospital, in compliance with California State Law AB774 (Hospital Fair Pricing Policies) to provide discounts from standard billed charges for all self-pay and high medical costs patients as defined below. Amount is established based on Federal Poverty Guidelines.

## SCOPE:

This document serves to establish, facilitate, plan, and engage in a fair and consistent method for review and completion of requests for Charitable medical care and or discounts as appropriate to the patients in need. It also provides guidance to facilitate execution of self-pay collections and patients presenting for Charity Care.

This policy is to be used by Heritage Oaks Hospital Admissions Coordinators/Financial Counselors to screen, educate and counsel patients presenting to the facility requesting/ requiring Charity assistance and or discounts as appropriate.

## DEFINITIONS

**Self-pay patients:** Any patient who presents with the following attributes:

- No third-party insurance

- No Medi-Cal benefits
- No compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by Heritage Oaks Hospital admissions and insurance verification process
- Family income at or below 400% of the current FPL

**High Medical Cost Patient:** Any patient with health insurance or Medi-Cal coverage with all of the following attributes:

- Family Income at or below 400% FPL
- Out of Pocket (OOP) medical expenses in prior 12 months exceeds 10% of family income
- Patient does not otherwise receive discount as a result of third-party coverage

**Federal Poverty Level [FPL]:** A measure of income issued every year by the Department of Health and Human Services. Federal Poverty Levels are used to determine patient eligibility for certain programs and benefits including Charity and or Discounts. Federal Poverty Levels are defined by the United States Department of Health and Human Services.

**United States Department of Health and Human Services:** US Federal Government Department created to protect the health of all Americans and improving, monitoring and providing effective health, safety and well-being of human services; in the sciences underlying medicine public health and social services.

**Guarantor/Responsible Party:** responsible for repaying medical costs or care of patient receiving services at the hospital (includes inpatient and outpatient services).

## **PROCEDURE:**

1. At the time of admission or as soon as practical after admission, all patients with no third-party coverage or with a potential deductible or co-pay responsibility will be provided by the Admissions/Financial Assistance Coordinator with notice of the availability of discounts or charity and the related application.
2. All individuals (patients, responsible party, guarantor) with no third-party coverage will also be notified that we have available applications for Medi-Cal and Healthy Families programs. Such applications will be provided to patient or responsible party if requested.
3. All complete applications for discount will be evaluated for a discount or charity within 10 business days of receipt. Income and asset levels are subject to verification by review of supporting documentation according to the following guidelines:
  1. Reported income levels must be supported by either a check stub or income tax return.

1. Documentation of income is limited to recent pay-stubs or income tax returns for determining eligibility for discounted payment.
2. Failure to provide sufficient supporting documentation may exclude patient from qualifying for discount or charity.
4. After review of applications and supporting documentation, discounts or charity will be provided at the following levels (for further information regarding different requirements of discount payment and charity care, see attached Discount Grid):
  1. Discounts and charity for those who qualify as Self Pay patients:
    1. All self-pay patients with income level between 251% and 400% of the FPL will have their stay discounted to no higher than the highest of what Medicare or Medi-Cal would pay for the stay. Additional discount is available at the discretion of the hospital.
    2. All self-pay patients with income level between 101% and 250% of the FPL will have their stay discounted to no higher than 50% the higher of what Medicare or Medi-Cal would pay for the stay. Additional discount is available at the discretion of the hospital.
    3. Charity: All self-pay patients with income level at or below 100% of the FPL and monetary assets less than \$10,000 qualify for charity and their stay will be discounted 100%. Self-pay patients with income level at or below 100% of the FPL and monetary assets greater than \$10,000 may qualify for charity care or discount at the discretion of the hospital. In no case will the out-of-pocket costs expected from the patient exceed the portion of the patient's monetary assets greater than \$10,000.
5. Discounts for those who qualify as High Medical Cost patients:
  1. All patients who qualify as High Medical Cost patients will be billed for deductibles and coinsurance only to the extent that third party payments received plus amounts billed to the patient do not exceed the higher of the payment that would be received from Medicare or Medi-Cal.
  2. The hospital at its discretion may provide a greater discount to the patient than allowed under section 3.4.1.1 of this policy.
6. Any amounts due from the patient under this policy are eligible for extended, interest free payment plans. Determination of payment plan will be based on the patient's ability to pay the obligation. Monthly payments will be limited to 10% of the individual's monthly family income excluding deductions for essential living expenses.

1. . The facility and the individual shall negotiate the terms of the payment plan and take into consideration the patient's family income and essential living expenses.
2. If the hospital and the individual cannot agree on a payment plan, the hospital shall create a reasonable payment plan, where monthly payments are not more than 10% of the individual's monthly family income, excluding deductions for essential living expenses.
7. Patients may be referred to a collection agency after exhaustion of normal collection efforts. However, no patient will be referred to a consumer credit reporting agency by the hospital or its collection agency for non-payment prior to 150 days after initial billing.
8. The hospital or its agents will not use wage garnishments or liens on primary residences to collect debts from any patient.
9. Any disputes regarding eligibility will be reviewed by the facility's Director of Business Office.