

	TITLE: Charity Care Policy and Procedure
	DEPARTMENT/COMMITTEE: Patient Financial Services
	Effective Date: June 26, 2025

Policy Purpose:

Plumas District Hospital (PDH) is committed to providing outstanding compassionate care with exceptional customer service. This policy demonstrates PDH's commitment to our mission and vision by helping to meet the needs of low income patients in our community who are uninsured, underinsured, or have high medical costs. The purpose of this policy is to define the eligibility criteria for charity care services and to provide administrative and accounting guidelines for the identification, classification, and reporting of patient accounts eligible for charity care.

PDH complies with the Hospital Fair Pricing Policies Act and provides charity care (free care) to patients who are uninsured and have family income at or below 138% of the federal poverty level, including eligible high medical cost patients within that income range. Providing patients with opportunities for financial assistance coverage for healthcare services is also an important part of fulfilling the PDH mission and vision.

Definitions:

Charity Care: Free care, with no charge to the patient. Under California law, as updated by Assembly Bill 2297 (AB 2297), charity care can only be provided to patients who qualify for completely free services.

Charity Care Patient: A patient who qualifies for free care because:

- They are a Self-Pay Patient; and
- Their Family Income at or below 138% of the Federal Poverty Level.

Discount Payment: A reduced charge for medically necessary care, provided to eligible patients who do not qualify for free care but have limited financial resources. Under AB 2297, a Discount Payment refers to care that is not free, but offered at a lower cost based on the patient's income and medical expenses.

Discount Policy Patient: A patient who qualifies for a Discount Payment because:

- Their Family Income is between 139% and 400% of the Federal Poverty Level, or
- They are a High Medical Cost Patient with income at or below 400% of the Federal Poverty Level, as defined in this policy.

Discount Policy Patients may be offered interest-free payment plans and will not be charged more than what PDH would expect to receive from Medicare or Medi-Cal for the same services.

Family Income: The total annual earnings of all members of the Patient Family from the prior twelve (12) months or previous tax year, based on recent pay stubs or tax returns, before taxes and deductions. This includes income from employment, investments, real estate, and businesses.

Federal Poverty Level: The income guidelines published by the U.S. Department of Health and Human Services to determine eligibility for financial assistance.

High Medical Cost Patient: A patient who:

- Has some form of insurance (not a Self-Pay Patient);
- Has Family Income at or below 400% of the Federal Poverty Level; and
- Has paid out-of-pocket medical expenses in the past 12 months (whether at PDH or other providers) that are greater than 10% of the patient's current or prior-year income.

High Medical Cost Patients with income at or below 138% of the Federal Poverty Level may qualify for Charity Care. Those with income between 139% and 400% of the Federal Poverty Level may qualify for Discount Payment under the Discount Payment Policy.

Patient Family: The patient's spouse, domestic partner, and dependent children under 21 years of age, whether living at home or not. For patients under 18 years of age, "Patient Family" includes the patient's parent(s) or caretaker relatives and any other children under 21 years of age of the parent(s) or caretaker relatives.

Self-Pay Patient: A patient who does not have insurance for the healthcare services received. This includes:

- patients who qualify for a government program but the services are not covered under the program; and
- patients whose insurance benefits have been used up before or during the services provided.

Policy:

This policy applies to all patients receiving hospital (not clinic) services who meet the criteria of a Charity Care Patient or a High Medical Cost Patient, as defined in this policy. A sliding fee schedule based on the most recent Federal Poverty Level Guidelines (FPL) will be used to determine the qualifying income levels of applicants. These guidelines are updated annually.

Charity Care under this policy will be offered to patients whose Family Income is at or below 138% of the most FPL, including patients who meet the definition of a High Medical Cost Patient within that income range.

Patients whose income is between 139% and 400% of the FPL may be eligible for Discount Payment under the Discount Payment Policy. Patients who do not qualify for Charity Care or Discount Payment may be referred to the Prompt Payment Policy.

For example, patients eligible for Discount Payment in 2025 will receive the discounts shown in **Attachment A**.

Eligibility Procedures and PDH's Review Processes:

1. Standard Eligibility Criteria for Participation in the Charity Care Program:

- a. A patient qualifies for Charity Care if all of the following conditions are met:
 - i. The patient does not have private health insurance (including coverage offered through Covered California), Medicare, or Medi-Cal, as determined and documented by the hospital;
 - ii. The patient's injury is not one that qualifies for payment through workers' compensation, auto insurance, or other insurance, as determined and documented by the hospital; and
 - iii. The patient's Family Income is at or below 138% of the Federal Poverty Level.

Monetary assets will not be considered when determining eligibility under this policy.

2. Special Eligibility and Enrollment Exceptions:

a. High Medical Costs / Medically Indigent

- i. A patient whose family income does not exceed 400% of the federal poverty level guidelines and whose out-of-pocket medical expenses for non-elective or medically necessary services (with PDH or other providers) in the last 12 months are more than 10% of their current or prior-year family income may be eligible.
 - 1. If the patient's income is at or below 138% of the Federal Poverty Level, they may qualify for Charity Care.
 - 2. If the patient's income is between 139% and 400% of the Federal Poverty Level, they may qualify for Discount Payment under the Discount Payment Policy.

Patients who are identified as medically indigent or who have high medical costs will be offered a Financial Assistance application by the Patient Financial

Counselor. Supporting documents showing the medical expenses paid in the past 12 months are required to determine eligibility.

b. Homeless / Indigent Patients

- i. Patients who are identified as indigent/homeless – either through clinical documentation or because they cannot provide basic demographic information such as a mailing address, phone number, or residential address – may be considered for Charity Care if their income is at or below 138% of the FPL. If the patient’s income is later determined to be between 139% and 400% of the FPL, the case will be evaluated under the Discount Payment Policy.
 - 1. These patients are not required to complete an application.
 - 2. Only emergency or medically necessary services will be considered. if a homeless or indigent patient comes in for non-emergency services, financial counseling will provided at the time of service.

c. Deceased with No Estate

- i. If a patient is deceased and has no estate, insurance coverage, or spouse, their account may automatically qualify for Charity Care if the patient’s income was at or below 138% of the FPL. If the patient’s income is later determined to be between 139% and 400% of the FPL, the case will be evaluated under the Discount Payment Policy. PDH must receive at least one of the following:
 - 1. Notification from county where the patient died;
 - 2. A copy of the death certificate from patient’s family confirming there is no estate;
 - 3. Confirmation that there is no surviving spouse responsible for the unpaid balance; or
 - 4. Confirmation from another facility that the patient has died and that no estate or probate is pending.

d. Administrative Charity Care

- i. In situations where medically necessary services were provided, and the patient cannot complete the standard application due to medical, social, or other documented reasons, the charges may still be considered for Charity Care if the patient’s income was at or below 138% of the FPL. If the patient’s income is later determined to be between 139% and 400% of the FPL, the case will be evaluated under the Discount Payment Policy.
 - 1. The account(s) must include all supporting documentation attached and be submitted to the Chief Financial Officer or Chief Executive Officer for approval.

3. **Standard Enrollment Process:**

- a. An informal determination of Charity Care eligibility will be made by the Patient Financial Counselor. The counselor may recommend that the patient complete an application; however, a recommendation is not required for the patient to apply.
- b. Once the application is submitted, all properly completed applications will be reviewed and a decision made within 10 business days.
- c. To be considered, applications must be filled out completely and accurately and include one of the following:
 - i. A current W-2 form or income tax return from the previous year, or
 - ii. Pay stubs from the last three months.
- d. Any other accounts with unpaid balances at time of application will be reviewed for Charity Care eligibility using the same documentation.
- e. PDH may verify application information, including contacting employers to confirm employment.
- f. Applicants will receive a letter with the decision:
 - i. **Approval letters** will include a statement showing the original charges, adjustments made, and the remaining balance (which may be \$0.00), along with contact information in case the patient has questions;
 - ii. **Denial letters** will include the reason for denial, note whether the patient may qualify under the Discount Payment Policy or another self-pay policy, and provide contact information for the Patient Financial Counselor.
- g. For any additional services provided within one year after an approved Charity Care application, the patient must submit updated documentation showing that they still do not have coverage for those services.
- h. Any disputes about eligibility under the Charity Care Policy should be directed to the Patient Financial Services Manager and will be resolved within 10 business days.
 - i. PDH will not report any negative information to credit reporting agencies for patients who qualify for financial assistance under this policy.

4. **Participant Accounts Maintenance:**

An electronic folder will be created for each Charity Care applicant. The folder will include the following:

- a. The patient's information and application
- b. Copies of all correspondence between PDH and the participant
- c. Detailed bills for all accounts included in the application
- d. The adjustment form showing discounts applied

- e. Any additional notes or relevant information
- f. Charity Care and Financial Discount Calculation Worksheet

5. Availability of the Charity Care Policy:

- a. Notice of the Charity Care Policy will be posted in the following locations:
 - i. Emergency Department
 - ii. Patient Financial Services offices
 - iii. Admissions office
 - iv. Laboratory
 - v. Imaging
 - vi. Hospital website
- b. If a patient receives services and has not shown proof of insurance or other coverage at the time of care or at discharge, the hospital will provide the patient with:
 - i. A statement of charges for the services provided
 - ii. A request that the patient let PDH know if they have private insurance, Medicare, Medi-Cal, or other coverage – and information that the patient may be eligible for coverage and can get an application from PDH
 - iii. A statement that the patient may qualify for Charity Care, along with a copy of the Charity Care Application
 - iv. The name and phone number of a Patient Financial Counselor who can provide more information about Charity Care and other assistance programs, and help with the application process.

References:

This policy is based on the Hospital Fair Pricing Policies Act (California Health and Safety Code Sections 127400 through 127446). Under H&S Code Section 127405, PDH has set financial assistance eligibility at under 400% of the Federal Poverty Level, consistent with maintaining its financial and operational integrity. PDH is a rural hospital as defined in H&S Code Section 124840.

The procedures described above are designed to comply with the Hospital Fair Pricing Policies Act (H&S Code Sections 127400 through 127446).

Questions about the Hospital Fair Pricing Policies Act can be directed to a Patient Financial Counselor or the California Department of Health Care Access and Information (HCAI) at:

<https://hcai.ca.gov/affordability/hospital-fair-billing-program/>

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

Attachment A:

Financial Assistance Income Reference Table – 2025 Federal Poverty Guidelines

Note for Charity Care Policy: Only patients with income at or below 138% FPL are eligible for Charity Care. Patients with higher income may qualify for Discount Payment under the Discount Payment Policy.

Note for Discount Payment Policy: Patients with income between 139% and 400% FPL may be eligible for Discount Payment. Patients with income above 400% FPL do not qualify for financial assistance under these policies.

Household Size	Up to 138% FPL (Charity Care – 100% Write-off)	139%–175% FPL (Discount – 50%)	176%–225% FPL (Discount – 40%)	226%–400% FPL (Discount – 30%) Above 400% FPL – No Discount
1	\$0 – \$21,597	\$21,598 – \$27,387	\$27,388 – \$35,273	\$35,274 – \$62,600
2	\$0 – \$29,187	\$29,188 – \$37,012	\$37,013 – \$47,664	\$47,665 – \$84,600
3	\$0 – \$36,777	\$36,778 – \$46,638	\$46,639 – \$59,135	\$59,136 – \$106,600
4	\$0 – \$44,367	\$44,368 – \$56,263	\$56,264 – \$71,049	\$71,050 – \$128,600
5	\$0 – \$51,957	\$51,958 – \$65,888	\$65,889 – \$83,048	\$83,049 – \$150,600
6	\$0 – \$59,547	\$59,548 – \$75,513	\$75,514 – \$94,888	\$94,889 – \$172,600
7	\$0 – \$67,137	\$67,138 – \$85,138	\$85,139 – \$106,815	\$106,816 – \$194,600
8	\$0 – \$74,727	\$74,728 – \$94,763	\$94,764 – \$118,548	\$118,549 – \$216,600
Each additional person	Add \$5,500	Add \$5,500	Add \$5,500	Add \$5,500