MONROVIA MEMORIAL HOSPITAL	
Title: FINANCIAL ASSISTANCE CHARITY CARE	Number: BUS 301.1
Department: BUSINESS OFFICE	Page 1 of 6
Department Mgr Approval:	Initial Date: 5/26
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I. PURPOSE

To establish criteria and procedure for the provision of Charity Care and Financial Assistance consistent with the requirements of all applicable federal and California laws regulating charity care provided by the hospital, including AB 532, AB 1020, and AB 2297.

II. DEFINITIONS

"Charity Care and/or Financial Assistance" means medically necessary hospital health care rendered to Indigent Persons when Third-Party Coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductible or coinsurance amounts required by a third-party payer based on the criteria in this policy.

"Covered California" means California's Health Insurance Marketplace program that provides assistance and shopping for affordable healthcare and possibly financial assistance. Covered California will also assist in determining qualifications for Medi-Cal.

"Patient's Family" means the following:

(1) For persons 18 years of age and older, the patient's spouse, domestic partner, as defined in Section 297 of the California Family Code, and dependent children under 21 years of age, or of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act, whether living at home or not.

(2) For persons under 18 years of age, or for a dependent child 18 to 20 years of age, inclusive, the patient's parent, caretaker relatives, and the parent's or caretaker relatives' other dependent children under 21 years of age, or of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act.

"High Medical Costs" means one of the following: (i) Annual out-of-pocket costs incurred by the individual at Hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months, or (ii) Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

"Indigent Persons" are those patients who qualify for Charity Care and/or Financial Assistance pursuant to this policy based on the federal poverty level, adjusted for family size.

"Third-Party Coverage" means an obligation on the part of an insurance company, health care services contractor, health maintenance organization, group health plan, government program (Medicare, Medi-Cal, workers compensation, veteran benefits), tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others (for example, auto accidents or personal injuries) which have resulted in the medical condition for which the patient has received hospital health care services.

III. POLICY

Monrovia Memorial Hospital (hereinafter "Hospital") is committed to the provision of health care services to all persons in need of medical attention regardless of ability to pay. To protect the integrity of operations and fulfill this commitment, the following criteria for the provision of Charity Care and/or Financial Assistance, consistent with the requirements of AB 532, AB 1020, and AB 2297, are established. These criteria will assist staff in making consistent objective decisions regarding eligibility for Charity Care and/or Financial Assistance.

A. Eligibility Criteria for Charity Care and/or Financial Assistance

Charity Care and/or Financial Assistance is generally secondary to all other financial resources available to the patient, including the following: group or individual medical plans; Workers' Compensation; Medicare; Medicaid or medical assistance programs; other state, Federal, or military programs; any other Third-Party Coverage (e.g. auto accidents or personal injuries); or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

In those situations where appropriate primary payment sources are not available, for medically necessary hospital care received on or after January 1, 2022, or where the patient has High Medical Costs (as defined above), Hospital will consider patients for Charity Care and/or Financial Assistance under this policy, when Third-Party Coverage, if any, has been exhausted, based on the following criteria:

Income as a Percentage of Federal Poverty Level	**Percentage Discount**	**Category**
Less than or equal to 200 percent	100 percent	Charity Care
201-300 percent	75 percent	Financial Assistance
301-400 percent	50 percent	Financial Assistance

Note regarding terminology: “Charity Care” is used in this policy to refer to the scenario where the patient or guarantor has **no** financial responsibility. “Financial Assistance” is used in this policy to refer to the scenario where the patient or guarantor has **some** financial responsibility but at a discounted rate (i.e., a discount payment).

Charity Care:

The full amount of patient or guarantor responsibility for hospital charges will be determined to be Charity Care for a patient whose family income, as determined at the time of the first bill, is at or below 200% of the applicable federal poverty level, adjusted for family size.

Financial Assistance:

- Seventy-five percent of patient or guarantor responsibility for hospital charges will be determined to be Financial Assistance for a patient whose family income, as determined at the time of the first bill, is between 201% and 300% of the applicable federal poverty level, adjusted for family size.
- Fifty percent of patient or guarantor responsibility for hospital charges will be determined to be Financial Assistance for a patient whose family income, as determined at the time of the first bill, is between 301% and 400% of the applicable federal poverty level, adjusted for family size.

The amount of patient or guarantor responsibility for hospital charges that is not Charity Care and/or Financial Assistance may be paid on an extended payment plan, as described in Section III.C Extended Payment Plans.

Catastrophic Charity: The Hospital may write off as Charity Care and/or Financial Assistance amounts for patients with family income in excess of 400 percent of the Federal Poverty Level when circumstance indicate severe financial hardship or personal loss.

Consideration of Assets: The Hospital may waive or reduce Medi-Cal and Medicare cost-sharing amounts as part of its Charity Care and/or Financial Assistance. In waiving or reducing Medicare cost-sharing amounts, the Hospital may consider the patient's monetary assets to the extent required for the Hospital to be reimbursed under the Medicare program for Medicare bad debt without seeking to collect cost-sharing amounts from the patient as required by federal law, including, but not limited to, Section 413.89 of Title 42 of the Code of Federal Regulations. "Monetary assets" include only assets that are convertible to cash and do not include retirement or deferred compensation plans qualified under the Internal Revenue Code, nonqualified deferred compensation plans, or assets below the maximum community spouse resource allowance under Section 1396r–5(d) of Title 42 of the United States Code.

B. Limit on Amounts Owed

Notwithstanding the above, for patients whose family income, as determined at the time of the first bill, is equal to or less than 400% of the applicable federal poverty level and who are not eligible for Charity Care for the full amount of hospital charges, in no event will such patient or guarantor responsibility exceed the amount the Hospital would expect in good faith to receive for providing such services from Medicare or Medi-Cal, whichever is greater.
If there is no established payment rate for the service by Medicare or Medi-Cal, the Hospital shall establish an appropriate discounted payment rate.

C. Extended Payment Plans
Hospital shall allow a patient or guarantor who is eligible for Financial Assistance to pay any amounts that are such patient or guarantor's responsibility on an extended payment plan. Such extended payment plan shall be negotiated between the parties, but if the parties cannot agree on an extended payment plan, the patient or guarantor will owe monthly payments that are not more than 10% of the patient's family income for a month, excluding deductions for "essential living expenses," which are defined as expenses for the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
Hospital can declare such extended payment plan become inoperative if the patient or guarantor fails to make all consecutive payments due during a 90-day period, but Hospital shall not declare

such extended payment plan inoperative until attempting to contact the patient by phone and providing notice in writing of an opportunity to renegotiate the extended payment plan. Such extended payment plan shall be extended beyond the 90-day period if the patient has a pending appeal for coverage of the services, as defined in Health & Safety Code section 127426. In no event shall the patient or guarantor owe interest on payments due under an extended payment plan.

D. Communications to the Public

Hospital's Charity Care and Financial Assistance policy shall be made publicly available through the following elements:

1. The Hospital will make available on its web site, current versions of this policy, and the Hospital's Charity Care application form.
2. Written information about the Hospital's Charity Care and Financial Assistance Policy shall be made available to any person who requests the information, either by mail, by telephone, or in person.

IV. PROCEDURE

A. Timing of Income Determinations

Annual Family Income of the applicant will be determined as of the time the patient is first billed.

B. Identification of Patients Eligible for Certain Third-Party Coverage

For services provided to patients on or after Jan 1, 2022, the following procedures will apply for identifying patients who may be eligible for health care coverage through California Medi-Cal or managed providers (e.g., Cal-Optima, I E H P) or Covered California.

1. As a part of the Charity Care and/or Financial Assistance application process for determining eligibility for Charity Care and/or Financial Assistance, Hospital will query as to whether a patient meets the criteria for health care coverage under California Medi-Cal programs or Covered California.
2. If information in the application indicates that the patient is eligible for coverage, Hospital will assist the patient or their guarantor in applying for such coverage by, among other things, providing the patient or their guarantor with information about the necessary forms that must be completed or connecting them with other individuals or agencies who can assist.

C. Process for Eligibility Determination for Charity Care and/or Financial Assistance

Initial Determination

1. Hospital will allow a patient to apply for Charity Care and/or Financial Assistance at any point from pre-admission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services.
2. Hospital shall use an application process for determining eligibility for Charity Care and/or Financial Assistance. Requests to provide Charity Care and/or Financial Assistance will

be accepted from sources such as: physicians; community or religious groups; social services; financial services; personnel; and the patient provided that any further use or disclosure of the information contained in the request shall be subject to the Health Insurance Portability and Accountability Act Privacy Regulations and the Hospital's Privacy Policies. All requests shall identify the patient and their guarantor.

3. Pending final eligibility determination, Hospital will not initiate collection efforts or request deposits, provided that the patient and/or their guarantor is cooperative with the Hospital's efforts to reach a final determination of sponsorship status.
4. If Hospital becomes aware of factors which might qualify the patient for Charity Care and/or Financial Assistance under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as Charity Care and/or Financial Assistance.

Final Determination

1. **Prima Facie Write Offs.** In the event that the patient's identification as an Indigent Person is obvious to Hospital personnel, and Hospital can establish that the applicant's income is clearly within the range of eligibility, Hospital will grant Charity Care and/or Financial Assistance based solely on this initial determination. In these cases, the Hospital is not required to complete full verification or documentation.
2. Charity Care and Financial Assistance forms, instructions, and written applications shall be furnished to the patient and/or their guarantor when Charity Care and/or Financial Assistance is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the Hospital, should be accompanied by documentation to verify information indicated on the application form. In order to determine income eligibility for Financial Assistance, the Hospital may only request recent pay stubs or income tax returns from a patient and/or guarantor. The Hospital may accept other forms of documentation of income but shall not require those other forms.
3. During the initial request period, the patient and the Hospital may pursue other sources of funding, including Medi-Cal and Medicare. Documentation requested to verify income shall reflect the patient's family income at the time the patient was first billed.
4. If the available documentation does not accurately reflect the patient's family income at the time of the first bill, the Hospital may consider other documentation permitted under this Policy.If the patient or their guarantor is not able to provide any of the documentation described above, the Hospital may rely upon written and signed statements from the patient or the guarantor for making a final determination of eligibility for classification as an Indigent Person.

Time frame for Final Determination and Appeals

1. Each Charity Care applicant that has been initially determined eligible for Charity Care and/or Financial Assistance shall be provided with at least 14 calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her care application prior to receiving a final determination of sponsorship status.

2. The Hospital shall notify the applicant of its final determination within 14 days of receipt of all application and documentation material.
3. The patients or their guarantor may appeal the determination of eligibility for Charity Care and/or Financial Assistance by providing additional verification of income or family size to the CFO/Controller.
4. The timing of reaching a final determination of Charity Care and/or Financial Assistance status shall have no bearing on the identification of Charity Care and/or Financial Assistance deductions from revenue as distinct from bad debts.
5. If the patient or guarantor has paid some or all of the bill for medical services and is later found to have been eligible for Charity Care and/or Financial Assistance at the time services were provided, (A) the hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due under this article, including interest. Interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital. However, a hospital is not required to reimburse the patient or pay interest if the amount due is less than five dollars ($5.00). The hospital shall refund the patient within 30 days. (B) The Hospital may reimburse the patient, but is not required to do so, if the hospital or the department determines that a patient qualified for financial assistance at the time the patient was first billed and either of the following has occurred: (1) It has been five years or more since the last payment to the hospital, hospital assignee, or debt buyer. (2) The patient debt was sold to a debt buyer in accordance with state law in effect at the time the debt was sold, if sold before January 1, 2022. (3) This section does not diminish or eliminate any rights or responsibilities a hospital may have, nor any rights that a patient may have under existing federal and state laws, including, but not limited to 26 CFR Sec. 1.501(r)-6.

D. Adequate Notice of Denial

1. When an application for Charity Care and/or Financial Assistance is denied, the patient and the guarantor shall receive a written notice of denial, which includes:
    - The reason or reasons for the denial
    - The date of decision
    - Instructions for appeal or reconsideration
2. When the applicant does not provide requested information and there is not enough information available for the Hospital to determine eligibility, the denial notice also includes:
    - A description of the information that was requested and not provided, including the date the information was requested
    - A statement that eligibility for Charity Care and/or Financial Assistance cannot be established based on information available to the Hospital
    - A statement that eligibility will be determined if the applicant provides all specified information previously requested but not provided.