

PATIENTS' HOSPITAL OF REDDING

POLICIES & PROCEDURES

SUBJECT: BUSINESS OFFICE	SECTION: BILLING	SUB-SECTION: CHARITY CARE / DISCOUNT
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PURPOSE:

To define and establish guidelines for low income and or underinsured patients to have access to quality medically necessary health care at Patients' Hospital of Redding (PHR). This hospital shall render services to all members of the community who are in need of medical care provided by this facility regardless of the patient's ability to pay for such services. The determination of charity care or discount will be based on the patients' ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, sexual orientation, the perception of sexual orientation, military status or national origin.

Hospitalizations for patient convenience or cosmetic procedures would not be considered medically necessary.

PROCEDURE:

Confidentiality:

It will be the policy of PHR to protect the confidentiality of all patients in regards to all medical or financial information garnered as a result of application to any aspect of this financial assistance program.

Publication/Patient Information:

A notice will be posted in the main lobby at Patient Registration advising patients of our program with contact information. Admit packages will contain a brochure on billing and financial assistance programs. The Conditions of Admission will contain a statement advising patient of the need to provide all insurance information to the hospital, and the availability of Charity Care, government programs and discount programs, along with a notice of assistance available in 15 other languages identified by the State Department of Health Care Services. At time of discharge, patients will be given the notice Help With Paying Your Bill explaining the hospital policy for charity care/discounts.

Per the Hospital Fair Pricing Act, all documents related to hospital discounts will be submitted biennially (even years) or when there is a significant change made to a policy, to the Hospital Report Submission Portal (<https://hdc.hcai.ca.gov/>).

Staff Training:

Applicable scheduling and business office staff will be trained in and have access to this program in order to provide assistance to patients. This program will be widely published and offered to applicable patients who have been identified as either self-pay or patients with non-discounted high deductible plans.

Application Process:

Patients will be advised at time of scheduling or authorization of the availability of government programs, Charity Care and Discount programs. Notification may include conversations directly with patient or their guarantor or notice sent via mail at time financial obligation is determined.

Patients will be offered any or all of the applications for Medi-Cal and subsidiary companies or PHR Charity Care Discount Policy. This application is also available, upon request, from any patient who self identifies the need for assistance. For ease of assuring all interested patients are aware of possible assistance, the Financial Assistance packet will contain all applications for all programs available. Staff will provide assistance in completing application if needed or requested.

Eligibility Criteria:

Government programs have several programs available with eligibility determined by specific program guidelines. It will not be the duty of PHR staff to determine such eligibility, though a matrix of those programs and eligibility is available to staff for informational purposes only.

Hospital Charity Care/Discount will be available to any patient whose family/domestic partnership income falls at or below 400% of the Federal Poverty Level (FPL). It will not include monetary assets, real property, retirement plans, deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans.

In addition to Charity Care, discounts will be provided to self insured individuals whose income and assets exceed 400% of the FPL, but whose annual medical costs exceed 10% of their income or to certain high deductible insurance plans that are not already discounted. Individuals who fall in this area will have their out of pocket cost restricted to what is reimbursed or in good faith expected to be reimbursed for that procedure by the highest government program. Insurance companies are prohibited from reducing reimbursement because the hospital has reduced or waived the patient's portion of their bill pursuant to the Charity Care/Discount policy.

Individuals who are not eligible under any of the above requirements and who are self-pay will receive a cash pay discount.

If the hospital bills a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, the hospital must notify the patient that they may be eligible for health coverage through the California Health Benefits Exchange, or other state or county-funded health coverage. The hospital must also provide the patient with a referral or list of local consumer assistance centers that are housed at legal services offices.

Financial Assistance Chart:

Patient Eligibility

Patient Obligation

Medi-Cal, Healthy Families

Co-pay, or obligation indicated by government program

Low-Income less than 400% FPL

Rate restricted to highest reimbursement from a government program.

Low-Income less than 200% FPL

100% Cash Discount

Income greater than 400% FPL

Cash Pay (see Cash Pay Policy)
Discount (50% discount of billed charges).

High Medical Cost -greater than 400% FPL

Restricted or discounted rate limited to the highest reimbursement rate from a government program.

Application Process:

Patients will be notified of the facility's Charity Care/Discount program. Applications will be made available. Once the patient has applied, billing and collection activities will be restricted. (See Collection Policy)

Upon receipt of an application for Charity Care or Discount, the hospital will make every effort to determine eligibility within 10 days of receipt. Written notification of acceptance or denial will be sent to the patient. All applications will be reviewed by the Patient Accounts Representative and the Business Office Manager. The Business Office Manager will approve those applications that meet state guidelines for Charity Care, with final approval by the Administrator.

If the application is denied, the patient will be provided a written reason for denial and is allowed to ask for reconsideration. Any requests for reconsideration will be forwarded to Administration for review and determination.

Alternative Payment Arrangements:

All patients eligible for Charity Care/Discount program will be offered extended payment arrangements with no interest, taking into consideration the patient's family income and essential living expenses. If a payment plan arrangement cannot be reached with the patient, the hospital must institute a reasonable payment plan, with monthly payments of less than 10 percent of a patient's family income for a month after deductions for essential living expenses. Any patient on an extended payment arrangement will be expected to make a good faith effort to meet that obligation. In the event they do not meet that obligation the account may be assigned to collections and collection action taken as defined by state and federal law. Any external collection agency must comply with the hospital's definition and application of a reasonable payment plan. (See Collection Policy)

Recordkeeping:

All applications for Charity Care will be logged and applications kept on file. Approved applications and all correspondence to the patient will be maintained in the patient file.

Reporting:

All Charity Care write-offs will be recorded as such in financial statements and records.

2025 HHS Poverty Guidelines (excerpt)

HHS updated January 15, 2025

HOUSEHOLD SIZE	2025 FEDERAL POVERTY GUIDELINES		
	ANNUAL	200% FPG	400% FPG
1	\$15,650	\$31,300	\$62,600
2	\$21,150	\$42,300	\$84,600
3	\$26,650	\$53,300	\$106,600
4	\$32,150	\$64,300	\$128,600
5	\$37,650	\$75,300	\$150,600
6	\$43,150	\$86,300	\$172,600
7	\$48,650	\$97,300	\$194,600
8	\$54,150	\$108,300	\$216,600
For each add'l family member add	\$5,500		

DOCUMENTATION:

Charity Care Uninsured Letter (Form)
Charity Care Denial Letter (Form)
Charity Care Appeal (Form)
Financial Assistance Programs Informational (Form)
Charity Care Discount Application (Form)

NEW: 02/07
REVISED: 01/20, 01/21, 05/22, 01/24, 1/25
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