

<p>TITLE: FULL CHARITY CARE, SELF-PAY AND HIGH MEDICAL COST FINANCIAL ASSISTANCE DISCOUNT POLICY</p>	<p>NUMBER: 6:3100</p>
<p>Responsible: Managed Care Operations Mgr.</p> <p style="text-align: right;"><u>Date</u></p> <p>Reviewed / No Changes:</p> <p>Reviewed & Revised: 11/24</p>	<p><u>Approvals</u></p> <p>Admin Team</p> <p style="text-align: right;"><u>Date</u></p> <p style="text-align: right;">11/24</p>

PURPOSE

To define the process for Charity Care, Self-Pay and High Medical Cost financial assistance discount programs available to Natividad patients.

POLICY

Natividad complies with State law relative to Charity Care, Self-Pay Discount program, High Medical Cost Discount program and debt collection policies. Patients with income at or below one hundred percent (100%) or four hundred percent (400%) of the Federal Poverty Level (FPL) meeting certain conditions are eligible to apply for Financial Assistance for services provided by Natividad.

PROCEDURE

1. Definitions:

- a. Charity Care: Charity Care (or Full Charity) means free care.
- b. Federal Poverty Level (FPL): Poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.
- c. Financial Assistance: Includes Charity Care, Self-Pay Discount, and High Medical Cost Discount programs.
- d. Financially Qualified Patient: A patient who has a family income that does not exceed four hundred percent (400%) of the FPL and is either a Self-Pay patient or patient with High Medical Costs.
- e. Self-Pay Discount: Financial assistance that provides an allowance off billed charges, applied after application process has been completed and approved for Self-Pay Patients at or below four hundred percent (400%) of the FPL and who do not meet the circumstances for Charity Care.
- f. Self-Pay Patient: Patient who, with respect to the service provided, has no third-party coverage from a health insurer, health care service plan, Medicare,

- Medi-Cal, or other State or Federal coverage program. For this purpose, third party coverage includes Workers' Compensation, auto insurance medical benefits or another insurance/liability coverage for the services as determined and documented by the hospital. A patient who has third party coverage is considered self-pay with respect to the service provided if the services are non-covered, denied or in excess of the applicable coverage limits.
- g. High Medical Cost Discount: Financial Assistance that provides an allowance off billed charges, applied after the Financial Assistance application process has been completed and approved for patients at or below four hundred percent (400%) of the FPL that have High Medical Costs and who do not meet the circumstances for Charity Care.
 - h. High Medical Costs: Either (1) annual out-of-pocket costs incurred by the individual at Natividad that exceed the lesser of ten percent (10%) of the patient's current family income or family income in the prior twelve (12) months or (2) annual out-of-pocket expenses (Natividad and non-Natividad) that exceed ten percent (10%) of the patient's current family income, if the patient provides documentation of the patient's medical expenses incurred by the patient/family or the patient's family in the prior twelve (12) months.
 - i. Natividad Hospital Based Physicians: Doctors who provide services at Natividad and are billed under Natividad's provider identification number.
 - j. Out of Pocket Costs and Out of Pocket Expenses: Any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
 - k. Patient's Family: For persons eighteen (18) years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, or 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. For persons under eighteen (18) years of age or for a dependent child eighteen (18) to twenty (20) years of age, inclusive, parent, caretaker relatives, and parent's or caretaker relatives' other dependent children under twenty-one (21) years of age, or any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act.
 - l. Reasonable Payment Plan: Monthly payments that are not more than ten percent (10%) of a patient's family income for a month, excluding deductions for essential living expenses. Essential living expenses means expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

2. General Guidelines:

- a. All patients are encouraged to contact or visit the Financial Counseling office (831) 755-4165, at 1441 Constitution Blvd., Salinas, CA 93906, Monday through Friday, excluding holidays, 8 a.m. – 4:30 p.m. to apply for assistance.
- b. All Self-Pay patients and those claiming to have High Medical Costs will be given an English/Spanish version of the **FULL CHARITY CARE, SELF-PAY**

- AND HIGH MEDICAL COST FINANCIAL ASSISTANCE DISCOUNT POLICY** and a Medi-Cal application, Healthy Families Program application, and/or other state- or county-funded health coverage program applications at the time of registration (inpatient, outpatient, observation and emergency department). If for any reason a written version is not given to the patient at the time of service, during the discharge process, or when the patient leaves the facility, a copy will be mailed to the patient within seventy-two (72) hours of providing services.
- c. The **FULL CHARITY CARE, SELF-PAY AND HIGH MEDICAL COST FINANCIAL ASSISTANCE DISCOUNT POLICY** and Debt Collection Notice are posted in English/Spanish in high volume inpatient and outpatient service areas of Natividad, including but not limited to the emergency department, billing office, inpatient admission, outpatient and observation registration areas, Financial Counseling office, the Business office.
- d. Resources available to help patients understand the billing and payment process, as well as information regarding Covered California and Medi-Cal presumptive eligibility include the following:
- 1) Covered California, Medi-Cal, Medi-Cal presumptive eligibility, California Children's Services.
 - 2) Health Consumer Alliance provides information at <https://healthconsumer.org>.
 - 3) Natividad list of shoppable services at: <https://www.natividad.com/insurance-and-billing/>.
- e. Natividad's **FULL CHARITY CARE, SELF-PAY AND HIGH MEDICAL COST FINANCIAL ASSISTANCE DISCOUNT POLICY** and application, link provided here: <https://www.natividad.com/insurance-and-billing/>. The Natividad Financial Counseling Unit (FCU) application process will be completed for all Financial Assistance Discount programs.
- 1) Applicants will be screened and must comply with the application process for other forms of assistance, such as the California Health Benefits Exchange (Covered California), Medi-Cal and California Children's Services. However, Natividad will not require an applicant to apply for other forms of assistance before the patient is screened for, or provided, discount payment. As part of the screening process, applicants must also undergo a Medi-Cal eligibility screening.
 - 2) A patient or their legal representative who requests Financial Assistance shall make every reasonable effort to provide Natividad with documentation of income and health benefits coverage. If the person fails to provide such information that is reasonable and necessary for Natividad to make a determination, Natividad may consider that failure in making its determination.
 - 3) Where applicable, Natividad may require the patient's or the patient's family's waiver or release, authorizing Natividad to obtain account information from government, financial or commercial institutions, or other entities that hold or maintain the monetary assets, to verify the patient's financial status and to determine the patient's eligibility for Medi-Cal. Natividad will not consider the monetary assets of the patient when determining eligibility for Financial Assistance.
 - 4) A pending application for another health coverage program shall not preclude eligibility for Financial Assistance under this policy.

5) A patient who is not covered by Medicare may be presumed eligible for Financial Assistance in the absence of a completed application if other available information substantiates a financial hardship. Examples include patient financial information from credit reports or other sources, the patient is experiencing homelessness, or an account is returned to the hospital from a collection agency that has determined the patient or family representative does not have the resources to pay their bill.

Documentation of the patient or family representative's inability to pay for services will be maintained in the patient file.

- f. This policy is limited to services provided by and billed by Natividad, including Natividad Hospital Based Physicians; it excludes providers who perform their own billing.
- g. Eligibility for Financial Assistance is determined at any time Natividad is in receipt of information related to eligibility.
- h. Patients will be given a written statement if they qualify or are denied for one of the Financial Assistance Discount programs.
 - 1) Statement will indicate the Financial Assistance Discount program name.
 - 2) Statement will indicate approval or denial, the denial reason, and the appeal process.
 - 3) The original statement will be given or mailed to the patient.
 - 4) A copy of the statement will be in the Financial Counseling office.
- i. Any time this policy is substantially updated or at least biennially on January 1, it will be sent to the California Department of Health Care Access and Information (HCAI), formerly the Office of Statewide Health Planning and Development (OSHPD).
- j. For all patients, adverse information will not be turned over to a consumer credit reporting agency. Additionally, Natividad, its assignees, or agents will not commence civil action against the patient for nonpayment before one hundred eighty (180) days after initial billing. This one hundred eighty (180)-day period will be extended if the patient has a pending appeal for coverage of the services, until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with Natividad about the progress of any pending appeals.
- k. If the patient is attempting to qualify for Financial Assistance under this policy and is attempting in good faith to settle an outstanding bill with Natividad by negotiating a Reasonable Payment Plan pursuant to the Payment Plans Policy (BUS-1003) or by making regular partial payments of a reasonable amount, Natividad shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with State law.
- l. Natividad allows for Reasonable Payment Plans under its Self-Pay or High Medical Costs Discount Programs and pursuant to its Payment Plans Policy (BUS-1003), providing patients with the opportunity to pay any discounted price over time. To be placed on a Reasonable Payment Plan, a Financially Qualified Patient must make a request with the Natividad billing department as shown on their billing statement which will take into consideration the patient's family income and essential living expenses when negotiating the terms of the payment plan. Natividad may also consider the availability of a patient's health savings account held by the patient or the patient's family. Should Natividad and the patient fail to agree to terms for the Reasonable Payment Plan, then Natividad will use the following formula: monthly

- payments that are not more than ten percent (10 %) of a patient's family income for a month, excluding deductions for essential living expenses. "Essential living expenses" means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
- m. Information obtained by Natividad in connection with determining patient eligibility for Financial Assistance Discount programs will not be used by Natividad for debt collection activities.
 - n. Natividad reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order to qualify for the Financial Assistance Discount programs.
 - o. Elective bariatric or cosmetic surgeries are not eligible for Financial Assistance.
 - p. This Full Charity Care/Self-Pay/High Medical Cost Discount Financial Assistance policy does not apply to claims that are part of third-party liability settlement agreements.
 - q. For payment plan options, including a Reasonable Payment Plan, see Natividad's Payment Plans policy (BUS-1003), as may be amended from time to time.
 - r. While this policy does not apply to physicians who do not bill for their services through Natividad, emergency physicians who provide emergency medical services in Natividad's emergency care department are also required by law to provide discounted care for uninsured patients or patients with High Medical Costs and who have family income at or below four hundred percent (400%) of the FPL. This statement shall not be construed to impose any additional responsibilities to Natividad. The emergency room physicians billing group has discount payment plans available upon request from a patient.
 - s. An Access to Healthcare Crisis may be related to an emergent situation whereby state/federal regulations are modified to meet the immediate healthcare needs of the Natividad community during the Access to Healthcare Crisis. During the Access to Healthcare Crisis, Natividad may "flex" its patient financial assistance policy to meet the needs of the community in crisis. These changes will be included in the patient financial assistance policy as an addendum. Patient discounts related to an Access to Healthcare Crisis may be provided at the time of crisis, regardless of the date of this policy.

3. Eligibility Criteria for Full Charity Care, Self-Pay, or High Medical Cost Discount Programs

(Full) Charity Care Policy: Eligible applicant attributes:

- a. Qualification for Charity Care is based on income as proven by prior year's income tax returns or pay stubs from the twelve (12) months prior to services and documentation of all out-of-pocket medical expenses. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how he or she supports him or herself/family and

- should attach such relevant documentation to that letter.
- b. Patient Financial Services will adjust Medi-Cal denials as Charity Care when the patient has limited/emergency-only Medi-Cal, the services are denied because they are non-covered, and an Advanced Beneficiary Notification is not on file.
 - c. Charity Care patients are Self-Pay or patients with High Medical Costs who are at or below one hundred percent (100%) of the current FPL and have received services from Natividad for the treatment of life-threatening emergent conditions.

Self-Pay Discount Policy: Eligible applicant attributes:

- a. Applicants must have family income at or below four hundred percent (400%) of the current FPL.
- b. Applicants must not have third party coverage for the service provided from a health insurer, health care service plan, Medicare, Medi-Cal, or other State or Federal coverage program. For this purpose, third-party coverage includes Workers' Compensation, auto insurance medical benefits or another insurance/liability coverage for the services as determined and documented by the hospital.
- c. Qualification for this program is based on income as proven by prior year's income tax returns or pay stubs from the twelve (12) months prior to services. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how he or she supports him or herself/family and should attach such relevant documentation to that letter.
- d. Assets are not considered for this program.
- e. Discounts are listed in Attachment A and may change periodically at the discretion of Natividad. However, at no point will the discount amount offered result in the patient being financially responsible for more than the amount of payment the hospital would expect, in good faith, to receive in total for providing services under Medicare or Medi-Cal, whichever is greater.

High Medical Cost Patients Policy. Eligible applicant attributes:

- a. Family income at or below four hundred percent (400%) of the current FPL.
- b. Either (1) annual out-of-pocket costs incurred by the individual at Natividad that exceed the lesser of ten percent (10%) of the patient's current family income or family income in the prior twelve (12) months or (2) annual out-of-pocket expenses (Natividad and non-Natividad) exceed ten percent (10%) 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 twelve (12) months. "Out-of-pocket costs" and "out-of-pocket expenses" mean any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
- c. Qualification for this program is based on income as proven by prior year's income tax returns or pay stubs from the twelve (12) months prior to services and documentation of all out-of-pocket medical expenses. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how they support themselves/family and should attach such relevant documentation to that letter.
- d. Assets are not considered for this program.
- e. Discounts are listed in Attachment A and may change periodically at the

discretion of Natividad. However, at no point will the discount amount offered result in the patient being financially responsible for more than the amount of payment the hospital would expect, in good faith, to receive in total for providing services under Medicare or Medi-Cal, whichever is greater.

4. Non-profit credit counseling may be available in the area; patients are encouraged to check the yellow pages of the local telephone book or contact the National Foundation for Credit Counseling (1-800-388-2227; nfcc.org) or <https://healthconsumer.org>.
5. Dispute Mechanism:
 - a. Patients will be given a written denial if they are not accepted for one of the above programs.
 - b. Patients have ten (10) working days to file a written appeal with reasons for appeal to: Natividad, Managed Care Operations Manager, 1441 Constitution Blvd., Salinas, CA 93906.
 - c. The Manager will respond in writing to the patient and the Patient Financial Services Director within ten (10) working days.
 - d. Patients may send a final appeal with justification within ten (10) working days to: Natividad, Chief Financial Officer, 1441 Constitution Blvd., Salinas, CA 93906.
 - e. The Chief Financial Officer will respond in writing to the patient and the Patient Financial Services Director within ten (10) working days.

STAKEHOLDERS:

Admitting
Ambulatory Services
D'Arrigo Family Specialty Clinic
Financial Counseling Unit
Natividad Care Center
Natividad Medical Group
Patient Financial Services
Specialty Clinic

REFERENCES: Cal. Health & Safety Code §§ 127400 *et seq.*
Natividad Payment Plans policy (BUS-1003)
Federal Poverty Level

Attachment A:

Partial Allowances (Discounts) effective as of May 1, 2022:

Inpatient: 80% off billed charges

Outpatient: 85% off billed charges