

SAN RAMON REGIONAL MEDICAL CENTER, LLC
Policies and Procedures

Department: Patient Access, Finance	Category: Administrative, Compliance
Subject: Charity Care	Original Effective Date: [July 30, 2013] Revised effective date 1/1/2016]
Individuals Covered: Inpatients, Outpatients	Authorized Approval] Joint Venture Board Approved: [July 30, 2013] Revision approved date: November 17, 2015

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Policy: San Ramon Regional Medical Center (“San Ramon”) is committed to providing high quality, comprehensive health care services, regardless of a patient’s ability to pay. San Ramon strives to ensure that the financial situation of people who need health care services does not prevent them from seeking or receiving care. Financial assistance, commonly called Charity Care, is not considered to be a substituent for personal responsibility, and patients are expected to cooperate with San Ramon’s procedures for obtaining financial assistance and to contribute to the cost of their care based on individual ability to pay. San Ramon will provide emergency medical care to all individuals, regardless of their ability to pay or eligibility under this policy. Any decisions made under this policy, including the decision to grant or deny financial assistance, shall be based on an individualized determination of financial need, and shall not take into account on race, ethnicity, religion, gender, sexual orientation, gender identity or expression, national origin, age, disability, veteran status or other characteristics protected by law.

The determination of Charity Care generally should be made at the time of admission, or shortly thereafter. However, events after discharge could change the ability of the patient to pay. Designation as Charity Care will only be considered after all payment sources have been exhausted.

The discount amount is based on household income compared to the Federal Poverty Limit (FPL) for the current year. Those with household income under 400% FPL who satisfactorily complete an application will be eligible for free care.

Uninsured or Under-insured Patients (as defined below) with family income under 400% FPL will be eligible for care at a sliding scale discount from the “amounts generally billed” to commercially insured or Medicare patients under the look back method (as such terms are defined in Section 501(r)(5) and the regulations thereunder), for such charges. Once a patient is determined to be eligible for discounted care, that patient shall not receive any future bills based on undiscounted gross charges. The amounts generally billed will be calculated on at least an annual basis. San Ramon will permit members of the public to readily obtain, in writing and free of charge, San Ramon’s actual amounts generally billed percentage as well as the manner in which San Ramon calculated such percentage.

Uninsured patients whose family income under 400% FPL of the federal poverty level will receive San Ramon discounted rates on a case by case basis based on their specific facts and circumstances in the discretion of San Ramon. However, in no event shall the discounted rates charged such patients be

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greater than the amounts generally billed to commercially insured or Medicare patients.

This Policy is drafted with the intention of satisfying the requirements in Section 501(r) of the Internal Revenue Code of 1986, as amended, regarding financial assistance and emergency medical care policies, limitations on charges to persons eligible for financial assistance, and reasonable billing and collection efforts.

Accordingly, this Policy includes:

- Eligibility criteria for financial assistance and whether such assistance includes free or discounted care;
- The basis for calculating amounts charged to patients under this Policy;
- The methods by which patients apply for financial assistance under this Policy;
- Limitations on the actions that may be taken in the event of non-payment including collections actions and reporting to credit agencies;
- The methods by which San Ramon will widely publicize the Policy within the communities it serves.
- Limitations on the amounts charged for emergency or other medically necessary care provided to individuals eligible for assistance under this Policy to not more than the amounts generally billed by San Ramon for patients who have insurance, either commercial or Medicare, covering such care.

Definitions:

Allowable Medical Expenses: The total of family medical bills that if paid, would qualify as deductible medical expenses for Federal income tax purposes without regard to whether the expenses exceed the IRS-required threshold for taking the deduction. Paid and unpaid bills may be included.

Conifer: San Ramon’s outsourced provider for Patient Access and Revenue Cycle Services; which is responsible for financial counseling, billing, collection and payment processing.

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Federal Income Tax Return: The form which is submitted to the IRS for purposes of reporting taxable income. The form must be a copy of the actual, signed and dated form submitted to the IRS, whether submitted on paper or electronically.

Federal Poverty Guideline (FPG): Guidelines set by the Federal Government which establish income levels for households living above or below defined poverty or subsistence annual incomes.

Household Income: Income of all family members who reside in the same household as the patient, or in the household which the patient claims on his or her tax returns or other government documents as his or her home address.

Non-Elective Services: Services or supplies that the treating physician determines are needed for the diagnosis or treatment of a medical condition and meet the standards of good medical practice.

Out-of-Pocket Costs: Costs which the patient pays for out of personal funds and/or income.

Patient Financial Assistance: Commonly known as “Charity Care,” a program which will prospectively or retroactively reduce the amount owed by the patient for services provided by San Ramon.

Payment Plan: Plan which sets a series of equal payments over an extended period of time to satisfy the patient-owed amounts of bills for San Ramon services.

Qualifying Assets: Monetary assets which are counted toward the patient’s income in determining if the patient will meet the income eligibility for the program. For purposes of this policy, “Qualifying Assets” shall mean 50% of the patient’s monetary assets in excess of \$10,000, including cash, stocks, bonds, savings accounts or other bank accounts, but excluding IRS qualified retirement plans and deferred-compensation plans. Certain real property or tangible assets (primary residences, automobiles, etc.) shall not be included in Qualifying Assets; however, additional residences in excess of a single primary residence will be included, as will recreational vehicles. Qualifying Assets will not include the principal amounts of funds contained within an IRS recognized retirement account, such as an IRA, 401K or 403B retirement accounts.

Qualifying Patient: Patient who meets the financial qualifications for the Patient Financial Assistance program as defined in Procedure Section C.1.

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Third Party Payer: Any person or entity (corporation, company health plan trust, automobile med pay benefit, etc.) financially responsible for reimbursement of all or a portion of a patient’s medical bills.

Under-insured Patient: An insured patient with “high medical costs.” These are insured patients whose family income is under 400% FPL and has either (1) incurred, or whose family has incurred, annual out-of-pocket costs at the hospital that exceed 10% of the patient’s family income in the prior 12 months or (2) incurred or whose family has incurred annual out-of-pocket costs with other providers that exceed 10% of the patient’s family income in the prior 12 months. Patients must provide documentation of out-of-pocket costs incurred at providers.

Procedure:

A. Services Eligible Under This Policy

1. Non-Elective Services

Patient Financial Assistance is available for any non-elective service provided at San Ramon owned and operated facilities. Patient Financial Assistance eligibility may also be extended to other elective medical or surgical services rendered by and at San Ramon on a case-by-case basis after the appropriate approval process.

San Ramon does not provide Patient Financial Assistance for the professional fees charged by physicians and other providers for their services, even if those services were rendered at San Ramon. In accordance with California Health and Safety Code, emergency physicians who provide emergency medical care at San Ramon are required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the FPG. Detailed policies for emergency physician discounts shall be maintained by the individual physicians or their representative networks.

2. Community Benefit

The Patient Financial Assistance Program is intended to assist members of the local community in paying for necessary healthcare services. This policy does not apply to

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patients outside of the community except on a case-by-case basis to be determined by San Ramon management. For purposes of this policy, the community is defined as the area composed of the lowest number of contiguous zip codes from which San Ramon draws at least 75 percent of its inpatients during the most recent calendar year.

B. Communication of Patient Financial Assistance Options

1. This Policy shall be widely publicized to the communities served by San Ramon. Accordingly, at a minimum, San Ramon shall take the following actions in a manner consistent with Section 501(r) of the Internal Revenue Code, and any related regulations, to widely publicize this financial assistance policy. San Ramon shall provide the following in English and in Spanish¹:
 - a. This Policy, the Patient Financial Assistance Application, and a plain language summary of the Policy on San Ramon’s public website, <http://www.sanramonmedctr.com>.
 - b. Notice of the availability of Patient Financial Assistance and instructions for patient screening via: (i) conspicuous public displays in the Emergency Department, Patient Access department and other areas as appropriate; (ii) patient brochures available in the Emergency Department, Patient Access department and other areas as appropriate; and (iii) statements in patient bills.
 - c. Paper copies of this Policy, the Patient Financial Assistance Application, and a plain language summary of this Policy upon request and without charge, both in public locations in the hospital facility and by mail.

2. In addition, San Ramon shall:
 - a. Inform and notify residents of the community served by San Ramon about this Policy in a manner reasonably calculated to reach those members of the community who are most likely to require financial assistance. For example, San Ramon will publicize this Policy through local social service agencies and

¹Spanish is the primary language of a population with limited proficiency in English that constitutes more than ten (10) percent of the residents of the community served by San Ramon.

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nonprofit organizations that address the health needs of the community’s low-income populations.

- b. Use any other methods of publication or dissemination as determined by San Ramon to widely publicize this Policy.

Other venues may be used to educate and inform the patient and/or physician population of the availability of the Patient Financial Assistance Program as deemed appropriate.

- 3. San Ramon will prepare a plain language summary of this Policy which will include:
 - a. A brief description of eligibility requirements and assistance offered under this Policy;
 - b. A direct website address and the physical location where copies of this Policy and the Patient Financial Assistance Application can be obtained;
 - c. Instructions on how to obtain a free copy of this Policy and the Patient Financial Assistance Application by mail;
 - d. The contact information (i.e., telephone number and physical address) of a staff member who can provide information about this Policy and the Patient Financial Assistance Application as well as contact information for any nonprofit organization or government agency identified as capable sources of assistance with San Ramon’s Patient Financial Assistance Application;
 - e. A statement that translations of this Policy, the Patient Financial Assistance Application, and the plain language summary are available, as applicable; and
 - f. A statement that no individual eligible under this Policy will be charged more than amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

- 4. San Ramon provides individual notice of Patient Financial Assistance availability to patients who may be at risk of meeting their financial responsibility during the Financial Counseling process.

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C. Qualifying Patients

1. Financially Qualified, Uninsured Patients

Patients may qualify for financial assistance under this policy if they meet one of the following guidelines based on income or expenses and they are not eligible for other private or public health coverage:

- a. Free Care. Patients are eligible to receive free care based on income under this policy if both of the following qualifications apply:
 - 1) Household Income is at or below 400% of the FPG; and
 - 2) Qualifying Assets do not exceed an amount equal to 200% of the patient’s billed charges for services rendered.
- b. Sliding Scale Discounts. Patients ineligible for free care under the qualifications described above may be eligible for Patient Financial Assistance through an exception-based review if their allowable medical expenses have depleted the family’s income and resources so that they are unable to pay for eligible services. Exception-based discounts may be issued on a sliding scale from 0-100% at the discretion of San Ramon. The following two qualifications must both apply:
 - 1) The patient’s Allowable Medical Expenses must be greater than 20% of Household Income; and
 - 2) The patient’s excess medical expenses (the amount by which Allowable Medical Expenses exceed 20% of the household income) must be greater than available Qualifying Assets.

2. Under-Insured Patients

For patients with high deductibles or non-covered services, San Ramon will investigate the patient’s health plan to determine if Patient Financial Assistance discounts are allowed. The patient may be required to submit a Patient Financial Assistance

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Application in order to receive a discount. Per California Health and Safety Code, a patient is eligible to apply for a discount if his or her income is at or below 400% of the FPG and his or her annual out-of-pocket costs for medical expenses exceed 10% of his or her household income in the prior 12 months. Exception-based discounts may be issued on a sliding scale from 0-100% at the discretion of San Ramon.

3. Insured Patients

If the patient has third party insurance which would have covered the qualifying services, the patient is responsible for complying with the conditions of coverage for his or her health insurance. Failure to do so may result in a denial of eligibility under the Patient Financial Assistance program.

D. Patient Responsibility for Patient Financial Assistance

To qualify for Patient Financial Assistance, a patient (or his or her guardian or family member) must:

1. Cooperate with San Ramon in identifying and determining alternative sources of payment or coverage from public and private payment programs;
2. Submit a true, accurate and complete Patient Financial Assistance Application for financial assistance by the required due date (i.e., no later than the 240th day after San Ramon provides the patient with his or her first billing statement for the care);
3. Provide a copy of his or her most recent pay stubs (or certify that he or she is currently unemployed);
4. Provide a copy of his or her most recent Federal Income Tax Return (including all schedules); and
5. Provide such documents and information regarding his or her monetary assets as may be reasonably and specifically requested by San Ramon in the Patient Financial Assistance Application

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In cases where the patient is unable to complete the written Patient Financial Assistance Application, San Ramon will accept a verbal attestation provided such is allowed by state law/ regulation.

Once a patient is determined to be eligible for assistance under this Policy, gross charges may not be used in connection with billing for any service, elective or non-elective, provided to such eligible patient.

E. Eligibility Period

If a patient qualifies for Charity Care for a specific service or hospital stay, a retroactive Patient Financial Assistance write-off will be applied to all patient balances for any services up to six (6) months prior to the application submission date. Other balances may be considered at the discretion of San Ramon. For any services that occur after the application submission date, the patient must submit a new application to be considered for Patient Financial Assistance.

F. Application Process

1. Patients, Guardians or Legal Conservators

Patients, or a patient’s guardian or legal conservator, may apply to the Patient Financial Assistance Program by calling the San Ramon Business Office and requesting an application from a program representative, by requesting an application from a financial counselor on site at San Ramon or by downloading an application from San Ramon’s website.

- a. A patient may apply for multiple outstanding balances on the same application.
- b. San Ramon will not accept applications more than six (6) months following the first patient statement date.
- c. Conifer will review Patient Financial Assistance applications for approval. Balances approved will be submitted for write-off to a transaction code assigned

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to Patient Financial Assistance, and will follow the signature authority of the San Ramon Patient Account adjustment authority/limitations.

- d. Any recoveries to an account which has qualified and was absorbed under the Patient Assistance Program will have the amount of the recovery reversed from the appropriate Patient Financial Assistance adjustment code to ensure Charity Care is reflected appropriately in the general ledger.

2. Presumptive Eligibility

- a. On an individual patient basis, Conifer staff will complete a Patient Financial Assistance Application to include a full explanation of the reason the patient or patient’s parent/guardian cannot apply on his/her own behalf, and the patient’s documented extenuating medical or socio-economic circumstances which preclude the patient from completing the application him/herself.
- b. San Ramon may also assign accounts to presumptive eligibility, without a Patient Financial Assistance application submitted by the patient, based on predetermined criteria collected from approved sources. These criteria include:
 - 1) The patient having documented in his/her medical record as being homeless or verification received through San Ramon or a family member that the patient is currently incarcerated; or
 - 2) The patient qualifies for a government program with eligibility requirements that reasonably meet the qualifications for the San Ramon Patient Financial Assistance program within six (6) months of the date the patient received services at San Ramon; or
 - 3) After reasonable collection efforts consistent with the Billing and Collections Policy have not produced any payment, and San Ramon has identified with reasonable effort and assurance that the patient’s estimated income is at 250% or less of the FPG.

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If a patient is determined to be presumptively eligible for financial assistance, such patient shall receive free care for the specific service or hospital stay.

3. Eligibility Determinations

San Ramon must make and document patient eligibility determinations timely upon receiving completed applications. San Ramon will notify patients in writing of the determination (including, if applicable, the assistance for which the individual is eligible) and San Ramon’s basis for making this determination.

While debts may be referred to Conifer or any other third party to assist with collection actions at any time, including during the first 120 days after San Ramon provides the patient with his or her first billing statement, San Ramon may not sell debts to third parties during the first 120 days unless and until an eligibility determination has been made.

G. Refund of Amounts Previously Paid

In the event a patient or any member of the patient’s immediate family pays all or part of his or her bill for services rendered, and is subsequently determined to qualify for Patient Financial Assistance, San Ramon shall promptly refund to such patient or his or her immediate family member, as applicable, the amount of any such overpayment to San Ramon.

H. Use of Information

San Ramon shall not use any information submitted by a patient regarding a patient’s monetary assets in connection with his or her application for any collection activities of San Ramon. Information provided by a patient regarding the patient’s monetary assets will only be used for the determination of whether or not such patient qualifies for financial assistance under this policy.

I. Appeal Regarding Application of this Policy

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In the event any patient believes his or her application for Patient Financial Assistance was not properly considered in accordance with this policy, or he or she otherwise disagrees with the application of this policy in his or her case, a patient may submit a written request for reconsideration to the Chief Financial Officer, who shall be the final level of appeal.

J. Reservation of Rights

San Ramon reserves the right to limit or deny financial assistance at its sole discretion, consistent with its policies and all applicable laws. San Ramon reserves the right to designate certain services that are not subject to this Charity Care Policy. This policy shall not alter or modify San Ramon policies regarding efforts to obtain payments from Third Party Payers, patient transfers, emergency care, state-specific regulations, state-specific requirements for statutory Charity Care classification, or programs for uncompensated care.

K. Coordination with Billing and Collections

San Ramon shall make reasonable efforts to determine whether an individual is eligible for financial assistance before engaging in any “extraordinary collection actions” as such term is defined in Section 501(r)(6) of the Internal Revenue Code. San Ramon shall adopt a specific billing and collections policy consistent with Section 501(r)(6) of the Internal Revenue Code, separate and apart from this Policy, and shall both widely publicize and make copies of this billing and collections policy widely available on a website and upon request. This billing and collections policy will describe the actions San Ramon, or an authorized party, may take in the event of nonpayment.

L. Coordination with Emergency Medical Care Policy

At all times, San Ramon shall maintain an emergency medical care policy that requires it to provide, without discrimination, care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act (EMTALA), section 1867 of the Social Security Act (42 U.S.C. 1395dd)) to individuals regardless of their eligibility under San Ramon’s financial assistance policies. At no time may any San Ramon personnel or San Ramon contractors engage in any actions that discourage individuals from seeking emergency medical care, which includes conducting debt collection activities in the Emergency Department or in other hospital venues

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where such activities could interfere with the treatment of emergency medical conditions without discrimination.

M. Overrides Other Policies

To the extent any other San Ramon policies or portions of policies conflict with this Policy and/or Section 501(r) of the Code and the applicable regulations, this Policy and/or Section 501(r) will prevail.

N. Enforcement

All employees whose responsibilities are affected by this Policy are expected to be familiar with the basic procedures and responsibilities created by this Policy. Failure to comply with this Policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

References: California Health and Safety Code

Author: Patient Access, Finance

Reviewer: LLC Board

Month: July 30, 2013

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