



# LOMA LINDA UNIVERSITY CHILDREN'S HOSPITAL

## OPERATING POLICY

<b>CATEGORY:</b>	FINANCE	<b>CODE:</b>	CH-C-22
<b>SUBJECT:</b>	FINANCIAL ASSISTANCE	<b>EFFECTIVE:</b>	07/2024
		<b>REPLACES:</b>	12/2022
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### PURPOSE:

The purpose of this policy is to define the criteria which will be used by Loma Linda University Children's Hospital (LLUCH) to comply with the requirements set forth in state and federal laws, including section 501(r) of the Internal Revenue Code (IRC) of 1986, as amended, and the regulations there under and the California Hospital Fair Pricing Policies Act including Title 22 regulations 96051 et seq.

California acute care hospitals must implement policies and practices that conform to California law and IRC Section 501(r), including requirements for written policies providing discounts and charity care to financially qualified patients. This policy is intended to meet such legal obligations and provides for both charity care and discounts to patients who are financially eligible and qualify under the terms and conditions of the LLUCH Financial Assistance Policy (FAP).

### SCOPE OF POLICY:

This policy pertains to financial assistance provided to patients by LLUCH for medically necessary services. All requests for financial assistance from patients, patient families, physicians or hospital staff shall be addressed in accordance with this policy. This policy does not apply to physician services rendered at LLUCH. The emergency physicians are not employed by LLUCH and have adopted a separate policy that provides discounts to uninsured patients or patients with high medical costs. (A list of providers that are NOT covered under the LLUCH FAP can be obtained at <https://medical-center.lomalindahealth.org/financial-assistance#LLUCH>).

### PHILOSOPHY:

As a faith-based organization, LLUCH strives to meet the health care needs of patients in its geographic service area. The LLUCH Mission is "To Continue the Healing Ministry of Jesus Christ and to Make Man Whole." LLUCH's Mission is expressly demonstrated through this FAP. The first and foremost responsibility of LLUCH is to see that its patients receive compassionate, timely, and appropriate medical care with consideration for patient privacy, dignity, and informed consent.

LLUCH regularly provides hospital services to patients who live locally in and around Loma Linda. As a major teaching university and tertiary hospital, LLUCH also serves as a regional

resource, caring for complex patient needs and regularly accepts transfers from many other hospitals. LLUCH also offers many highly specialized treatment programs, some of which are unique. To help meet the needs of its patients, LLUCH is committed to providing access to financial assistance programs when patients are uninsured or underinsured and may need help in paying their hospital bill. These programs include government sponsored coverage programs, charity care and discounted payment charity care as defined herein.

In accordance with Federal Emergency Medical Treatment and Labor Act (EMTALA) regulations, LLUCH is prohibited from engaging in any actions that discourage individuals from seeking emergency medical care, such as demanding that emergency department patient's pay before receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care.

#### DEFINITION OF TERMS:

##### Amount Generally Billed (AGB):

The Internal Revenue Service requires LLUCH to establish a methodology by which patients eligible for financial assistance will not be charged more than AGB for emergency and other medically necessary services. For purposes of this requirement, LLUCH adopts the prospective method based on Medicare rates.

##### Discount Partial Charity Care Payment:

Discount Payment through the FAP is defined as partial charity care which results from any medically necessary inpatient or outpatient hospital service provided to a patient who is uninsured or whose insurance coverage does not otherwise provide a discount from the usual and customary rates of LLUCH; and 1) desires assistance with paying their hospital bill; 2) has an income at or below 400% of the federal poverty level; and 3) who has established qualification in accordance with requirements contained in the LLUCH FAP.

##### Eligibility:

LLUCH uses **only** family size and family income in relation to Federal Poverty Level (FPL) Guidelines to determine individual patient eligibility. Family income is determined using only a copy of the patient's federal tax return or recent pay stubs. Other "Monetary Assets" are **not** considered when determining patient financial assistance eligibility including any or all retirement funds, any or all deferred compensation plans. No other Monetary Assets are considered in making an eligibility determination, including the first ten thousand dollars (\$10,000), or nor more than 50 percent of monetary assets greater than ten thousand dollars (\$10,000).

Any patient whose income is 200% or less than the current year FPL, is eligible for full charity. **All** patients whose income is above 201%, but less than 400% of the FPL, including those patients who may have "High Medical Costs," are eligible for a financial assistance discount. Patients who meet other special circumstances may also become eligible for full charity or a payment discount. Details for each specific patient situation are described more fully in the policy section E. below.

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Federal Poverty Level (FPL) Guideline:

The FPL guidelines establish the gross income and family size eligibility criteria for Charity Care and Discounted Payment status as described in this policy. The FPL guidelines are updated periodically by the United States Department of Health and Human Services.

Full Charity Care:

Full Charity Care is defined as any medically necessary inpatient or outpatient hospital service provided to a patient who has an income below 200% of the current federal poverty level and who has established qualification in accordance with requirements contained in the LLUCH FAP.

Good Faith Estimate:

An amount quoted by LLUCH Registration staff that represents a reasonable approximation of the actual price to be paid for services received by the patient at LLUCH. Registration staff will make their best efforts to develop and quote a Good Faith Estimate; however, registration staff may not be able to fully predict the actual medical services that will subsequently be ordered by the patient's attending, treating or consulting physician(s).

Gross Charges:

The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Hospital Bill Complaint Program:

The Hospital Bill Complaint Program is a state program, which reviews hospital decisions about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Go to [HospitalBillComplaintProgram.hcai.ca.gov](http://HospitalBillComplaintProgram.hcai.ca.gov) for more information and to file a complaint.

LLUCH Financial Assistance Policy Qualification Requirements:

Depending upon individual patient eligibility, LLUCH financial assistance may be granted for full charity care or discount partial charity care payment. If a person requests charity care or a discounted payment and fails to provide information that is reasonable and necessary for LLUCH to make a determination, including family size information and copy of their tax return or recent pay stubs, LLUCH may consider that failure in making its determination. Financial assistance may be denied when the patient/responsible person does not meet the LLUCH FAP qualification requirements.

Medically Necessary Services:

Financial assistance under this policy shall apply to medically necessary services as defined by California Welfare & Institutions Code §14059.5. A service is medically necessary or a medical necessity when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain. In the event that the hospital determines a particular service is not medically necessary, the referring physician and/or the supervising health care provider must sign an attestation indicating the rationale for

determining the hospitals service(s) as not medically necessary. Said attestation must be completed prior to the denial of full or partial financial assistance by LLUCH.

Patient's Family: The following shall be applied to all cases subject to the LLUCH FAP:

1. For persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the California Family Code, and dependent children under 21 years of age, whether living at home or not.
  - 1.1 Domestic partners are two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring.
  - 1.2 A domestic partnership shall be established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State pursuant to this division, and, at the time of filing, all of the following requirements are met:
    - a. Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity.
    - b. The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
    - c. Both persons are at least 18 years of age, except as provided below:
    - d. A person under 18 years of age who, together with the other proposed domestic partner, otherwise meets the requirements for a domestic partnership other than the requirement of being at least 18 years of age, may establish a domestic partnership upon obtaining a court order granting permission to the underage person or persons to establish a domestic partnership.
    - e. Both persons are capable of consenting to the domestic partnership
2. For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

Qualified Payment Plan:

Payment plans established by patients who have qualified for Discount Payment through the Financial Assistance Policy are classified as a Qualified Payment Plan. A Qualified Payment Plan shall have no interest charges applied to any or all balances due from the patient/guarantor. In the event that LLUCH and the patient/guarantor cannot reach agreement on terms for a qualified payment plan, the hospital shall use the formula described in Health & Safety Code Section 127400 (i), in order to establish terms for a "Reasonable payment plan," as defined in statute.

**A. GENERAL PATIENT RESPONSIBILITIES**

1. **To Be Honest:** Patients must be honest and forthcoming when providing all information requested by LLUCH as part of the financial assistance screening process. Patients are required to provide accurate and truthful eligibility documentation reasonably necessary for financial assistance coverage through any government coverage program or the LLUCH FAP. Honesty implies and requires full and complete disclosure of required information and/or documentation.
2. **To Actively Participate and Complete Financial Screening:** All uninsured patients and those who request financial assistance will be required to complete a Financial Assistance Application (FAA). Prior to leaving LLUCH, patients should verify what additional information or documentation must be submitted by the patient to LLUCH. The patient shares responsibility for understanding and complying with the document filing deadlines of LLUCH or other financial assistance programs. Hospital financial counselors are available to provide such assistance.
3. **To Pay Any or All Required Out-of-Pocket Amounts Due:** Patients should expect and are required to pay any or all amounts due at the time of service. Said amounts due may include, but are not limited to:
  - 3.1 Co-Payments
  - 3.2 Deductibles
  - 3.3 Deposits
  - 3.4 Medi-Cal/Medicaid Share of Cost Amounts
  - 3.5 Good Faith Estimates
4. **To Share Responsibility for Hospital Care:** Each patient shares a responsibility for the hospital care they receive. This includes follow-up in obtaining prescriptions or other medical care after discharge. The patient also shares a responsibility to assure that arrangements for settling the patient account have been completed. It is essential that each patient or their family representative cooperates and communicates with LLUCH personnel during and after services are rendered.

**B. HOSPITAL PROCESS and RESPONSIBILITIES**

1. Eligibility under the LLUCH FAP is provided for any or all patients whose family income is less than 400% of the current federal poverty level, if not covered by third party insurance or, if covered by third party insurance which does not

result in full payment of the account. Eligibility includes those patients who may have High Medical Costs.

2. The LLUCH FAP utilizes a single, unified patient application for both full charity care and discount payment. The process is designed to give each applicant an opportunity to receive the maximum financial assistance benefit for which they may qualify. The FAA provides patient information necessary for determining patient eligibility by the hospital and such information will be used to qualify the patient or family representative for maximum coverage available through government programs and/or under the LLUCH FAP.
3. Eligible patients may qualify and apply for the LLUCH FAP by following application instructions and making every reasonable effort to provide LLUCH with documentation and health benefits coverage information such that LLUCH may make a determination of the patient's qualification for coverage under the appropriate program. Eligibility alone is not an entitlement to qualification under the LLUCH FAP. LLUCH must complete a process of application evaluation and provide family size information and either a tax return or recent pay stubs to verify income before full charity care or discount payment charity care may be granted.
4. The LLUCH FAP relies upon the cooperation of individual patients who may be eligible for full or partial assistance. To facilitate receipt of accurate and timely patient financial information, LLUCH will use a FAA. All patients unable to demonstrate financial coverage by third party insurers will be offered multiple opportunities to complete the FAA.
5. Uninsured patients will also be offered information, assistance and referral to government sponsored programs for which they may be eligible, and provided information regarding insurance coverage through Covered California, Presumptive Medi-Cal or other programs for which the patient may be eligible. Uninsured patients will also be provided contact information for local consumer legal assistance programs which may assist the uninsured patient with obtaining coverage.
6. **HELP PAYING YOUR BILL**
  - 6.1 **There are free consumer advocacy organizations that will help you understand the billing and payment process. You may call the Health Consumer Alliance at 888-804-3536 or go to [healthconsumer.org](http://healthconsumer.org) for more information.**
7. Underinsured patients whose income is below 400% of the federal poverty level and who personally owe an amount after their insurance has paid may also be eligible for financial assistance. Any patient who requests financial assistance will be asked to complete a FAA.

8. The FAA should be completed as soon as there is an indication the patient may be in need of financial assistance. The application form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged. Financial Assistance applications are accepted at any point where the patient makes a request, or when the hospital or its agents identify an individual patient's potential need. Thus, the FAA may be completed and submitted at any time.
9. Full and partial charity care may be determined even after a patient account has been forwarded to an external agency for collection. If this occurs, the account will be returned to LLUCH by the collection agency.
10. Completion of a FAA provides:
  - 10.1 Information necessary (family size and family income) to confirm financial assistance and eligibility; and
  - 10.2 Documentation (tax return or recent pay stub) which confirm qualification for financial assistance; and
  - 10.3 An audit trail documenting LLUCH's commitment to providing financial assistance.
11. However, a completed FAA is not required if LLUCH, in its sole discretion, determines it has sufficient patient financial information from which to make a financial assistance qualification decision. (See Section E. SPECIAL CHARITY CARE CIRCUMSTANCES)

**C. CHARITY CARE: QUALIFICATION: FULL CHARITY CARE AND DISCOUNT PAYMENT**

1. Qualification for full or discount payment financial assistance shall be determined solely by the patient's and/or patient family representative's inability to pay. Based upon FPL criteria. Eligibility for financial assistance shall not be based in any way on age, gender, gender identity, sexual orientation, ethnicity, national origin, veteran status, disability, or religion. While financial assistance shall not be provided on a discriminatory or arbitrary basis, LLUCH retains full discretion, consistent with laws and regulations, to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance.
2. Qualification of eligible patients may be determined at any time LLUCH is in receipt of a completed FAA and its supporting documentation.

3. LLUCH shall provide direct assistance during registration to patients or their family representative to facilitate completion of the FAA. Completion of the FAA and submission of any or all required supplemental information may be required for establishing qualification for financial assistance.
4. Recognizing that LLUCH provides a high volume of lower acuity emergency and urgent care services to the local community, efforts are made to reduce the burden of application in certain cases. Although charges for emergency medical care can be quite high, such cases are less frequent than many other minor care visits. When the emergency or urgent care visit charges are less than \$5,000, the patient or family representative may only be required to submit a completed and signed FAA. Tax returns or recent pay stubs may not be required in such cases. However, in the event charges exceed \$5,000, the patient or family representative must provide proof of income documents in the form of either a federal income tax return or copies of recent pay stubs.
5. It may be necessary for the patient and/or family representative to subsequently deliver supporting documentation to LLUCH. Instructions for submission of supporting documents shall be provided to the patient at the time a FAA is completed. The patient and/or patient family representative who requests assistance in meeting their financial obligation to LLUCH shall make every reasonable effort to provide information necessary for LLUCH to make a financial assistance qualification determination. The FAA and required supplemental documents are submitted to the Patient Business Office. The location of this office shall be clearly identified on the application instructions.
6. LLUCH shall provide personnel who have been trained to review FAAs for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response.
7. Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include:
  - 7.1 Family income based upon federal income tax returns, recent pay stubs, or other relevant information provided by the patient in the absence of said documents: and
  - 7.2 Family size
  - 7.3 Other Monetary Assets such as retirement funds, any deferred compensation, the first ten thousand dollars (\$10,000) of assets and/or only fifty percent (50%) of assets above \$10,000 are not considered in determining patient eligibility. Eligibility for any or all patients whose income is less than four hundred percent (400%) of the FPL is based solely on family size and tax return or pay stub information.



8. Financial Assistance qualification may be granted for charity care or discount payment depending upon the patient or family representative's level of qualification as defined in the criteria of this FAP. A financial assistance determination will be made only by approved LLUCH personnel according to the following levels of authority:
- |     |                                       |                                 |
|-----|---------------------------------------|---------------------------------|
| 8.1 | Manager of Patient Business Office:   | Accounts less than \$50,000     |
| 8.2 | Director of Patient Business Office:  | Accounts less than \$100,000    |
| 8.3 | Asst. Vice President Business Office: | Accounts less than \$250,000    |
| 8.4 | Vice President, Revenue Cycle:        | Accounts greater than \$250,000 |
9. Once determined, Financial Assistance qualification will apply to the specific services and service dates for which application has been made by the patient and/or patient family representative. In cases of continuing care relating to a patient diagnosis which requires on-going, related services, LLUCH, at its sole discretion, may treat continuing care as a single case for which qualification applies to all related on-going services provided by LLUCH. Other pre-existing patient account balances outstanding at the time of a qualification determination by LLUCH will be included as eligible for write-off at the sole discretion of LLUCH management.
10. Patient obligations for Medi-Cal/Medicaid Share of Cost payments will not be waived under any circumstances. However, after collection of the patient Share of Cost portion, any non-covered or other unpaid balance relating to a Medi-Cal/Medicaid Share of Cost patient may be considered for Charity Care.
11. Patients whose income is less than 200% of the FPL receive full charity and those patients between 201% and 400% of FPL will not pay more than Medicare or Medi-Cal would typically pay, whichever is greater, for a similar episode of service. This shall apply to all medically necessary hospital inpatient, outpatient, recurring and emergency services provided by LLUCH.
12. FAP eligible patients will always be charged less than Gross Charges.

**D. FULL CHARITY AND DISCOUNT PAYMENT - INCOME QUALIFICATION LEVELS**

**UNINSURED PATIENT**

1. If an uninsured patient's family income is 200% or less of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, the patient qualifies for full charity care.

2. If the patient’s family income is between 201% and 400% of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, the following will apply:

2.1 If the services are not covered by any third party payer so that the patient ordinarily would be responsible for the full-billed charges, the patient's payment obligation will be a percentage of the Medicare amount (fully loaded Medicare payment rate, i.e., wage index, IME, DME, etc., and patient payment obligation) the Medicare program would have paid for the service if the patient were a Medicare beneficiary. The actual percentage paid by any individual patient shall be based on the sliding scale shown in Table 1 below:

**TABLE 1  
Sliding Scale Discount Schedule**

<b>Family Percentage of FPL</b>	<b>Discount off M/Care Allowable</b>	<b>Patient OOP Payment Percentage (of M/Care)</b>
201 – 250%	75%	25%
251 – 300%	50%	50%
301 – 350%	25%	75%
351 – 400%	15%	85%

3. If the patient’s family income is greater than 400% of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, the following will apply:

3.1 If the services are not covered by any third party payer so that the patient ordinarily would be responsible for the full-billed charges, the total patient payment obligation will be an amount equal to 100% of the gross amount (fully loaded Medicare payment rate, i.e., wage index, IME, DME, etc., and patient payment obligation) the Medicare program would have paid for the service if the patient were a Medicare beneficiary.

**E. INSURED PATIENT**

1. If an insured patient’s family income is 200% or less than the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, LLUCH will accept the amount paid by the third party insurer and the patient will have no further payment obligation.

2. If an insured patient's family income is between 201% and 400% of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance qualification requirements, the following will apply:
  - 2.1 For services received by patients covered by a third party payer such that the patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment), then the patient's payment obligation will be an amount equal to the difference between what insurance has paid and the Medicare amount (fully loaded Medicare payment rate, i.e., wage index, IME, DME, etc., and patient payment obligation) of what Medicare would have paid if the patient were a Medicare beneficiary (i.e., if insurance has paid more than the Medicare allowable amount, the patient will owe nothing further, but if the patient's insurance has paid less than the Medicare allowable amount, the patient will pay the difference between the insurance amount paid and the Medicare allowable amount).
3. If the patient's family income is greater than 400% of the established poverty income level, based upon current FPL Guidelines, the following will apply:
  - 3.1 For services received by patients covered by a third party payer such that the patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment), then the patient's payment obligation will be an amount equal to the difference between what insurance has paid and the gross amount that Medicare would have paid for the service, plus twenty-percent (20%). For example, if insurance has paid more than the Medicare allowable amount plus 20%, the patient will owe nothing further; but if the patient's insurance has paid less than the Medicare allowable amount plus 20%, the patient will pay the difference between the insurance amount paid and an amount equal to the Medicare allowable amount plus 20%.

#### F. SPECIAL CHARITY CARE CIRCUMSTANCES

1. If the patient is determined by LLUCH Registration staff to be homeless and without third party payer coverage, he/she will be deemed as automatically eligible for full charity care.
2. Deceased patients who do not have any third party payer coverage, an identifiable estate or for whom no probate hearing is to occur, shall be deemed automatically eligible for full charity care.
3. Patients who have been declared bankrupt by a federal bankruptcy court order within the past twelve (12) months shall be deemed eligible for full charity care. The patient or family representative shall provide a copy of the court order document as part of their application.

4. Patients seen in the emergency department, for whom LLUCH is unable to issue a billing statement, may have the account charges written off as full Charity Care (i.e., the patient leaves before billing information is obtained). All such circumstances shall be identified on the patient's account notes as an essential part of the documentation process.
5. Any patient who has received hospital services, provided in good faith by LLUCH, may be deemed eligible for charity care when it is determined that it is not possible to bill any party due to the following circumstances:
  - A. No health care coverage can be identified
  - B. No contact information for the patient or guarantor can be confirmed (e.g., no known valid address, telephone, or other contact data)
  - C. Mail has been returned
  - D. A skip trace has been completed and no additional information has been developed enabling contact with the patient or guarantor
6. LLUCH deems those patients that are eligible for government sponsored low-income assistance programs (e.g., Medi-Cal/Medicaid, California Children's Services, and any other applicable state or local low-income program) to be automatically eligible for full charity care when payment is not made by the governmental program. For example, patients who qualify for Medi-Cal/Medicaid as well as other government programs serving the needs of low-income patients (e.g., CHDP and some CCS) where the program does not make payment for all services or days during a hospital stay, are eligible for Financial Assistance coverage. Under LLUCH's FAP, these types of non-reimbursed patient account balances are eligible for full write-off as Charity Care. Specifically included as Charity Care are charges related to denied stays or denied days of care. All Treatment Authorization Request (TAR) denials provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g., restricted coverage) are to be classified as Charity Care.
7. Any evaluation for financial assistance relating to patients covered by the Medicare Program must include a reasonable analysis of all patient assets, liabilities, income and expenses, prior to eligibility for the Financial Assistance Program.
  - 7.1 Notwithstanding the preceding, the portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other

payer including Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as charity care if:

- a. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
  - b. The patient otherwise qualifies for financial assistance under this policy and then only to the extent of the write-off provided for under this policy.
8. Any uninsured patient whose income is greater than 400% of the current FPL and experiences a catastrophic medical event may be deemed eligible for financial assistance. Such patients who have higher incomes do not qualify for routine full charity care or discount payment care. However, consideration of a catastrophic medical event may be made on a case-by-case basis. The determination of a catastrophic medical event shall be based upon the amount of the patient liability at billed charges, and consideration of the patient's income and assets as reported at the time of occurrence. Management shall use reasonable discretion in making a determination based upon a catastrophic medical event. As a general guideline, any account with a patient liability for services rendered that exceeds \$200,000 may be considered for eligibility as a catastrophic medical event.
9. Any account returned to LLUCH from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Charity Care documentation file.

**G. CRITERIA FOR RE-ASSIGNMENT FROM BAD DEBT TO CHARITY CARE**

1. All outside collection agencies contracted with LLUCH to perform account follow-up and/or bad debt collection shall adhere to the LLUCH FAP. All LLUCH collection agencies shall have the LLUCH FAA and make them available to patients when account follow-up and/or bad debt collection efforts are made.
2. All outside collection agencies contracted with LLUCH to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to charity care:
  - 2.1 All patient accounts must have no applicable insurance (including governmental coverage programs or other third-party payers) or the patient is substantially underinsured; and

- 2.2 The patient or family representative must have a credit and/or behavior score rating within the lowest 25<sup>th</sup> percentile of credit scores for any credit evaluation method used; and
  - 2.3 The patient or family representative has not made a payment within 180 days of assignment to the collection agency; and
  - 2.4 Attempts to communicate with the patient or guarantor by telephone and/or mail have been unsuccessful; and
  - 2.5 The collection agency has determined that the patient/family representative has no visible means of making payment and is therefore unable to pay; and
  - 2.6 The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score; and
  - 2.7 The patient or guarantor does not possess real property; and
  - 2.8 The address provided to the hospital by the patient or guarantor is incorrect, or was not provided; and
  - 2.9 No employment and/or employer information is obtainable.
3. All account collection agents contracted by LLUCH shall return bad debt accounts to LLUCH for reclassification as charity care when it has been determined the patient may be eligible for charity care or other financial assistance.
  4. All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care will be evaluated by LLUCH Billing Department personnel prior to any re-classification within the hospital accounting system and records.

#### H. PATIENT NOTIFICATION

1. Once a determination of eligibility is made, a letter indicating the determination status will be sent to the patient or family representative. The determination status letter will indicate one of the following:
  - 1.1 Approval: The letter will indicate the account has been approved, the level of approval and any outstanding amount owed by the patient. Information and directions for any further patient actions will also be provided.

- 1.2 Denial: The reasons for eligibility denial based on the FAA will be explained to the patient. Any outstanding amount owed by the patient will also be identified. Contact information and instructions for payment will also be provided.
- 1.3 Pending: The applicant will be informed as to why the FAA is incomplete. All outstanding information will be identified and the notice will request that the information be supplied to LLUCH by the patient or family representative.

#### I. QUALIFIED PAYMENT PLANS

1. When a determination of discount has been made by LLUCH, the patient shall have the option to pay any or all outstanding amount due in one lump sum payment, or through a scheduled term Qualified Payment Plan.
2. LLUCH shall discuss payment plan options with each patient that requests to make arrangements for term payments. Individual payment plans will be arranged based upon the patient's ability to effectively meet the payment terms. As a general guideline, payment plans will be structured to last no longer than 12 months.
3. LLUCH shall negotiate in good faith with the patient; however there is no obligation to accept the payment terms offered by the patient. In the event that LLUCH and an individual patient or guarantor cannot reach an agreement to establish a Qualified Payment Plan, the hospital will use the "Reasonable payment plan" formula as defined in Health & Safety Code Section 127400 (i) as the basis for a payment plan. A "Reasonable payment plan" means monthly payments that are not more than 10 percent of a patient's family income for a month, excluding deductions for essential living expenses. In order to apply the "Reasonable payment plan" formula, LLUCH shall collect patient family information on income and "Essential living expenses" in accordance with the statute. LLUCH shall use a standardized form to collect such information. Each patient or guarantor seeking to establish a payment plan by applying the "Reasonable payment plan" formula shall submit the family income and expense information as requested, unless the information request is waived by representatives of LLUCH.
4. No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the FAP.
5. Once a payment plan has been approved by LLUCH, any failure to pay all consecutive payments due during a 90-day period will constitute a payment plan default. It is the patient or guarantor's responsibility to contact the LLUCH Patient Business Office if circumstances change and payment plan terms cannot be met. However, in the event of a payment plan default, LLUCH will

make a reasonable attempt to contact the patient or their family representative by telephone and also give notice of the default in writing. The patient shall have an opportunity to renegotiate the extended payment plan and may do so by contacting a Patient Business Office representative within Fourteen (14) Days from the date of the written notice of extended payment plan default. If the patient fails to request renegotiation of the extended payment plan within Fourteen (14) Days, the payment plan will be deemed inoperative and the account will become subject to collection.

6. Preferably, all payment plans should be processed through an outside electronic Funds Transfer (EFT) vendor. In the event, however, the patient or family representative expresses a willingness to pay under a payment plan, without going through an outside EFT vendor, LLUCH will endeavor to accommodate such requests provided the patient pays the Extended Payment Plan via cash, check, money order or credit card.

#### J. DISPUTE RESOLUTION

1. In the event that a dispute arises regarding Financial Assistance Program qualification, the patient may file a written appeal for reconsideration with LLUCH. The written appeal should contain a complete explanation of the patient's dispute and rationale for reconsideration. Any or all additional relevant documentation to support the patient's claim should be attached to the written appeal.
2. Any or all appeals will be reviewed by the Asst. Vice President of the Patient Business Office. The Asst. Vice President shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the

Asst. Vice President shall provide the patient with a written explanation of findings and the determination. All determinations by the Asst. Vice President shall be final. There are no further appeals.

#### K. PUBLIC NOTICE

1. LLUCH shall post notices informing the public of the FAP, the FAA, Public Notice, and the Billing and Debt Collection Policy. Such notices shall be posted in high volume inpatient and outpatient service areas of LLUCH, including but not limited to, the emergency department, billing office, inpatient admission and outpatient registration areas, outpatient observation units, or other common patient waiting areas of LLUCH. Notices shall also be posted at any location where a patient may pay their bill. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance.



1.1 These notices shall be posted in English and Spanish and are available in other languages as required by IRC section 501(r).

1.2 A tagline sheet in all required languages will be included with public notices to assure patient access.

2. Additionally, the Financial Assistance Policy, the Financial Assistance Application, and the Billing and Debt Collection Policy shall be available online at <https://medical-center.lomalindahealth.org/financial-assistance#LLUCH>.

3. Paper copies of the above referenced documents shall be made available to the public upon reasonable request at no additional cost. LLUCH shall respond to such requests in a timely manner.

**L. FULL CHARITY CARE AND DISCOUNT PAYMENT REPORTING**

1. LLUCH shall report actual Charity Care provided in accordance with this regulatory requirements of the Department of Health Care Access and Information (HCAI) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. To comply with regulation, LLUCH will maintain written documentation regarding its Charity Care criteria, and for individual patients, LLUCH will maintain written documentation regarding all Charity Care determinations. As required by HCAI, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

2. LLUCH shall provide HCAI with a copy of this FAP which includes the full charity care and discount payment policies within a single document. The FAP also contains: 1) all eligibility and patient qualification procedures; 2) the unified application for full charity care and discount payment; and 3) the review process for both full charity care and discount payment. These documents shall be supplied to HCAI every two years or whenever a significant change is made.

3. LLUCH will appoint an authorized primary and secondary contact to receive compliance and informational communications from HCAI. Each of these two designated LLUCH personnel will register with HCAI and any changes to the primary or secondary contacts will be communicated to HCAI within ten (10) working days.

4. LLUCH will appoint an authorized primary and secondary contact to review and respond to patient complaints. Each of these two designated LLUCH personnel will register with HCAI and any changes to the primary or secondary contacts will be communicated to HCAI within ten (10) working days.

**M. OTHER**

1. Confidentiality - It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this policy should be guided by these values.
2. Good Faith Requirements - LLUCH makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate. Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, or purposely inaccurate information has been provided by the patient or family representative. In addition, LLUCH reserves the right to seek all remedies, civil and criminal, from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order qualify for the LLUCH FAP.
3. LLUCH has established a Billing and Debt Collection Policy which is available online at <https://medical-center.lomalindahealth.org/financial-assistance#LLUCH>. All actions by LLUCH in obtaining credit information regarding a patient/responsible party or in connection with referring a patient/responsible party to an external collection agency shall be consistent with the Billing and Debt Collection Policy.

APPROVERS: LLUCH Board; LLUCH Chief Executive Officer; LLUCH Chief Financial Officer; LLUCH Hospital Cabinet