



POLICY AND PROCEDURE

TITLE: Financial Assistance Program (FAP) and Discount Policy	
AFFECTED AREA(S)/DEPARTMENT(S): Revenue Cycle	
ORIGINATING DEPARTMENT: Admitting	
DATE ORIGINAL APPROVED: 01/01/2008 01/01/2008	DATE OF LAST APPROVED REVIEW/REVISION: 05/28/2026
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Effective Date:

This policy is effective based on the date of approval.

1. PURPOSE:

Barton Health seeks to deliver consistently exceptional care while managing its resources responsibly. This policy establishes a financial assistance program (FAP) that allows Barton Health to provide financial assistance to patients in need. This policy also ensures that patients and the community at large are made aware that financial assistance is available and that they receive reasonable assistance with the application process.

2. DEFINITIONS:

- ***Amount Generally Billed:*** An amount that is calculated based on an annually calculated percentage against gross charges for emergency and medically necessary care. Barton Health calculates the AGB using the “lookback” method described in section 4(b)(2) of the IRS and Treasury’s 501(r) final rule. Barton Health uses data based on claims processed by Medicare fee for-service and all

private commercial insurers for all medical care over the past year to determine the percentage of gross charges that is typically allowed by these insurers. In 2026 the AGB percentage for inpatient and outpatient services is 29% based on calendar year 2025 data; the AGB is updated annually.

- **Applicant**: The individual patient or the patient's guarantor, as applicable, who applies for Financial Assistance.
- **Charity Care**: Free health care services, also described as full Financial Assistance (i.e., 100% discount), offered to qualifying patients. Charity Care relieves the patient and their guarantor of their financial obligation to pay for Eligible Services. Charity Care does not reduce the amount, if any, that a third party may be required to pay for Eligible Services provided to the patient.
- **Discounted Care**: Partial Financial Assistance to qualifying patients that reduces the financial obligation of the patient and his or her guarantor to pay for Eligible Services (as defined below), but not free. Discounted Care does not reduce the amount, if any, that a third party may be required to pay for Eligible Services provided to the patient.
- **Essential Living Expenses**: 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 child care, child or spousal support, transportation and auto expenses, including insurance, gas and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
- **Family**: A patient's Family includes the patient and:
 - (a) For persons 18 years of age and older, a spouse, domestic partner, dependent children under 21 years of age, or any age if disabled, whether living at home or not.
 - (b) For persons under 18 years of age, or for a dependent child 18 to 20 years of age, inclusive, parent, caretaker relatives, parents or caretaker relatives' other dependent children under 21 years of age or any age if disabled.
- **Family Income**: The Income earned by the patient's Family.
- **Federal Poverty Level (FPL)**: The FPL is defined by the poverty guidelines updated periodically in the Federal Register by the HHS under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current FPL guidelines can be referenced at: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.
- **Financial Assistance**: Charity Care or Discounted Care, as described in this Policy.

- *Financial Assistance Policy's Provider List*: A listing of practitioners (doctors, physicians assistants, nurse practitioners, etc.) who offer discounts consistent with this FAP. The public can readily obtain this list free of charge online at www.bartonhealth.org under the heading of Patients & Family, Billing/Financial Assistance, Financial Aid, "Providers covered by Barton Health Financial Assistance Program". This document can also be obtained on paper by contacting Customer Service, Financial Counselor, or Barton Health Hospital's Front Office.
- *Gross Charges*: The amount listed on the Barton Health Hospital facility's chargemaster for each Eligible Service. Also referred to as "full charges."
- *Income*: Modified Adjusted Gross Income (MAGI), as defined by the IRS.
- *Medically Necessary Care*: Hospital services and supplies and other health care services are considered Medically Necessary Care unless either the referring provider or the supervising provider attests that the hospital services at issue were not medically necessary. The attestation must be signed by the provider. The attestation must be obtained before a hospital can deny patient eligibility. Supervising provider means the primary physician or, if there is no primary physician in the patient's record, the health care provider who had primary responsibility for a patient's health care.
- *High Medical Costs*: Annual out of pocket costs incurred by the patient at the hospital that exceed the lesser of 10 percent of the patient's current Family Income or Family Income in the prior 12 months, or, annual out of pocket expenses that exceed 10 percent of the patient's Family Income, if the patient provides documentation of the patient's expenses paid by the patient or patient's Family in the prior 12 months.
- *Reasonable Payment Plan*: An extended payment plan in which the monthly payments are not more than 10% of a patient's Family Income per month, after excluding deductions for Essential Living Expenses (as defined above).

3. SCOPE OF SERVICES:

Financial Assistance may be granted to patients to assist with patient liability to Barton Health, including Medicare and commercial cost-sharing amounts. Medi-Cal share of cost is not eligible for Charity Care or Discounted Care.

Services rendered by Barton Health subject to this policy include Medically Necessary hospital facility charges for services rendered by Barton Health under its license. Providers in the following groups have agreed to offer Financial Assistance consistent with this policy when delivering emergency or other Medically Necessary care at Barton Health:

- Barton Health Medical Foundation
- Tahoe Carson Valley Medical Group
- Lake Tahoe Orthopedic Institute
- Tahoe Orthopedic and Sports Medicine

The providers associated with these groups that agree to offer Financial Assistance consistent with this policy are listed on the Financial Assistance Policy's Provider List.

This policy does not apply to the following, except as required by law:

- Physician services other than services provided by practitioners on the Financial Assistance Policy's Provider List. This includes physicians affiliated with South Lake Tahoe Anesthesia Group and Sierra Nevada Medical Imaging;
- Purchases from Barton Health retail operations, such as gift shops and cafeteria; and
- Services that are not Medically Necessary.

This policy does not create an obligation for Barton Health to pay for patient services rendered by physicians or other medical providers including, but not limited to, anesthesiologists, radiologists and pathologist charges which are not included in the hospital's facility bill.

Emergency Physicians, as defined in California Health & Safety Code § 127450, who provide emergency medical services at Barton Health are also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below the FPL.

The contact information for the Emergency Physician Billing Company is:

- Emergency Physician billing company at 855-691-9890
- Barton Health Memorial Hospital's Customer Service Department at 530-543-5930

4. APPLYING FOR FINANCIAL ASSISTANCE:

A patient, patient's guarantor or other designated patient representative may apply for Financial Assistance by completing a Financial Assistance Application (FAA). The FAA is a unified patient application for both Charity Care and Discounted Care. This enables Barton Health to provide the maximum Financial Assistance available to the patient.

Upon request, Barton Health shall provide direct assistance to facilitate completion of the FAA. The FAA includes the office and phone number to call if the patient has any question concerning the FAP or applying for Financial Assistance. Eligibility for Charity Care or Discounted Care shall be determined at any time, and Barton Health shall not impose time limits for applying for Charity Care or Discounted Care, nor deny eligibility

based on the timing of a patient's FAA.

The Barton Health FAP and Application are available free of charge. A patient may obtain a copy as follows:

- In person at any Point of Service/Registration area within the hospital
- By contacting the hospital's Customer Service department at 530-543-5930 or the Patient Financial Counselor at 530-543-6086
- By mailing in a written request to Barton Health Attn: Financial Counselor 2170 South Ave. South Lake Tahoe, CA 96150
- Via e-mail to: financialassistance@bartonhealth.org
- On the Barton Health website at <https://www.bartonhealth.org/tahoe/financial-aid.aspx> or the public Department of Health Care Access and Information (HCAI) web site <https://hcai.ca.gov/affordability/hospital-fair-billing-program/hospital-policies>.

The FAA will be available in the primary languages of the Barton Health Memorial Hospital service area.

Individuals applying for Financial Assistance must be honest and forthcoming when providing all information requested by Barton Health as part of the FAA process. For both Charity Care and Discounted Care, the FAA must be accompanied by one of the following forms of documentation of Income:

- Copy of income tax return (Form 1040) for patient and spouse or domestic partner from the year the patient was first billed or 12 months prior to when patient was first billed.

--OR--

- Copies of two (2) most recent pay stubs for applicant and spouse or domestic partner. Paystubs must be from within the 6-month period before or after patient is first billed (or in preservice when application is submitted).

The documents provided for the FAA will only be used in reaching a Financial Assistance determination and will not be used for collection activities.

Barton Health will consider each Applicant's FAA complete when required documentation is submitted. A patient must "make every reasonable effort" to provide documentation of income and health benefit coverage. In some cases (e.g., homeless, undocumented resident) Barton Health may utilize presumptive eligibility determinations.

Barton Health's Customer Service Department can also assist the patient to qualify for private or public health insurance or sponsorship that may fully or partially cover charges for care rendered by the hospital by providing applications to government

programs and access to a hospital financial counselor. Programs include private or public health insurance or sponsorship including, but not limited to; private health insurance, including coverage offered through the California Health Benefit Exchange (Covered California), Medicare, Medi-Cal, Healthy Families, California Children's Services (CCS), and other state-funded programs designed to provide health coverage.

A patient may continue with the FAP application process for Charity Care while any application for private or public health funding is pending.

If an FAA is received but is incomplete, a letter will be sent to the patient outlining what is missing from the FAA. If the additional information is not received within a reasonable time frame, Barton Health will send a denial letter to the patient stating that the FAA was not complete and the missing information was not received. A patient may resubmit a completed FAA at any time. Once a completed FAA is provided, it will be processed.

5. FINANCIAL ASSISTANCE ELIGIBILITY

Financial Assistance eligibility will be determined by the patient's Family Income. Qualification for Financial Assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability, or religion. For patients with insurance, any discount shall be applied to the patient's out-of-pocket responsibility. Financial Assistance is intended for the benefit of the patient and shall not be used to reduce the payment obligations of any insurance or third party payor.

Financial Assistance is not dependent on the patient applying for Medicare or Medi-Cal coverage. Furthermore, assignment of all insurance payments, including lawsuit or other legal settlements, to Barton Health, is required up to the amount of gross charges on the patient's bill. The patient is required to pay Barton Health the entire amount of any reimbursement sent directly to the patient or guarantor by a third-party payor for the hospital services received. If the patient receives a legal settlement, judgment or award under a liable third-party action that includes payment for health care services or medical care related to the injury, the patient or guarantor must reimburse Barton Health for the related health care services provided up to the amount reasonably awarded for that purpose.

Eligibility shall be determined at the time Barton Health is in receipt of the patient's paystubs or tax returns. There are not time limits for applying for Financial Assistance, and Barton Health will not deny an application based on the timing of its submission.

For patients who are granted Financial Assistance, Barton Health will limit the expected payment for services to the amount of payment Barton Health would expect to receive from Medicare or Medi-Cal, whichever is greater. If there is no established payment for a service under Medicare or Medi-Cal, Barton Health will establish an appropriate discounted payment.

A. Standard Eligibility

Financial Assistance is provided to eligible patients on a sliding scale based on Family Income up to 400% of the FPL, as follows:

Full Charity Care: Patients are eligible for Charity Care if their Family Income is at or less than 249% of the Federal Poverty Level (FPL). Except as otherwise provided in this Policy, the entire (100%) of the eligible patient's patient liability portion of the bill for Barton Health services will be written off, excluding Medicaid/Medi-Cal share of cost. Amounts due from third-party payers are not impacted by an insured eligible patient's qualification for Charity Care based on High Medical Costs and Family income.

Discounted Care: Patients are eligible for Discounted Care if they are (1) uninsured, or if they are insured with remaining out of pocket costs, and (2) with Family Income between 250% and 400% of the Federal Poverty Level (FPL). Patients eligible for Discounted Care will have their out of pocket liability reduced to lesser of the Medicare rate or the following sliding scale discounts for the services received from Barton Health:

- Family Income between 250% - 299% of FPL: 75% discount on the Amount Generally Billed (AGB).
- Family Income between 300% - 349% of FPL: 50% discount on the Amount Generally Billed (AGB).
- Family Income between 350% - 400% of FPL: 25% discount on the Amount Generally Billed (AGB).

Patients with Family Income over 400% of the Federal Poverty Level (FPL) are not eligible for Financial Assistance.

B. Presumptive Eligibility

Barton Health may grant presumptive Financial Assistance for individuals who are unable to complete the Application or provide financial information by making good faith effort to determine income from the patient's circumstance or based on prior eligibility determination. Such grounds for presumptive eligibility may include:

- Patients who 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) are presumptively eligible for Charity Care. For example, patients who qualify for Medi-Cal/Medicaid as well as other government programs serving the needs of low-income patients (e.g., Child Health and Disability Prevention (CHDP) and some California Children's Services (CCS)) where the program does not make payment for all services or days during a hospital stay, are eligible for Charity Care. These types of non-

reimbursed patient account balances, excluding Medicaid/Medi-Cal “share of cost” or other Medicaid/Medi-Cal patient cost-sharing for such patients, shall be counted 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.

6. DETERMINATION AND NOTICE:

Upon receipt of a FAA and determination of eligibility for Financial Assistance, Barton Health will send a letter indicating the determination status to the patient, family representative, or patient’s guarantor. The determination status letter will indicate one of the following:

- Approval: The letter will indicate the account has been approved, whether the patient has been approved for Charity Care or Discounted Care, the level of approval and any outstanding amount owed by the patient. Information and directions for any further patient actions will also be provided, including a clear explanation of the reduced bill and instructions on how the patient may obtain additional information regarding a payment plan if the patient qualifies for Discounted Care.
- Denial: A clear statement of 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. Instructions on how to appeal the denial will also be provided.

If found eligible under this Policy, Barton Health shall adjust the patient’s outstanding balance for the services subject to Financial Assistance consistent with this Policy. Financial Assistance to past bills is applicable as follows: (1) if tax returns are submitted with the FAA, the services first billed in the year covered by the tax return or the following year; or (2) if paystubs are submitted with the FAA, the services first billed in the six months before or after the paystubs.

If appropriate, Barton Health shall refund the individual any amount they have paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the care) that exceeds the amount they are determined to be personally responsible for paying after Financial Assistance has been applied.

Barton Health shall make any refunds under this section within 30 days of the determination of eligibility for Financial Assistance. Any interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital.

However, Barton Health may choose not to reimburse the patient if Barton Health determines the patient would have qualified for Financial Assistance at the time the patient was first billed and it has either (i) been five years or more since the last payment to the hospital, assignee or debt buyer or (ii) the patient's debt was sold before January 1, 2022, in accordance with the law at the time.

In some cases, a patient eligible for financial assistance may not have been identified prior to initiating an external collection action. Barton Health's external collection agency shall be made aware of this policy and shall return the patient account(s) back to Barton Health if a patient is approved for Financial Assistance.

7. APPEAL OF DETERMINATION

Barton Health may deny a patient's eligibility for Charity Care or Discounted Care either because the patient is not financially eligible or because the patient did not provide the documentation that was required to qualify for assistance.

A patient may seek review and appeal the denial by notifying the Hospital's Revenue Cycle Director (or designee) of the patient's desire to appeal. Appeals must include an appeal letter from the patient, or party with financial responsibility, that requests a reevaluation and explains why the patient, or party with financial responsibility, believes the FAA was erroneously denied. The appeal letter may include supporting documents that may prove inability to pay that were not part of the initial consideration.

The Revenue Cycle Director (or designee) shall review the written appeal by the patient and inform the patient of a decision in writing within thirty (30) days of receipt of patient's written appeal notice.

If subsequent to review and determination of Financial Assistance, it is found that the information relied on was in error, the following shall occur:

- If the corrected information in a prior denial of Financial Assistance now qualifies the patient for Financial Assistance, the patient will be notified that they are now eligible for Financial Assistance and the account(s) will be processed as described above.
- If the corrected information in a prior granting of Financial Assistance now disqualifies the patient for Financial Assistance, the patient will be notified that they are not eligible for Financial Assistance and payment is expected on their account(s).

Appeal letters may be dropped off to the Financial Counselor located at 2170 South Ave in South Lake Tahoe or mailed to:

*Barton Healthcare System
Revenue Cycle Director
P.O. Box 9578
South Lake Tahoe, CA 96158*

An external collection agency will be required to comply with the hospital's definition of a financially qualified patient, including the hospital's definition of a Reasonable Payment Plan.

Barton Health has a written policy defining standards and practices for the collection of debt and shall obtain a written agreement from any agency that collects hospital receivables that it will adhere to the hospital's standards and scope of practices. The policy shall not conflict with other applicable laws and shall not be construed to create a joint venture between the hospital and the external entity, or otherwise to allow hospital governance of an external entity that collects hospital receivables.

Once a Charity Care eligibility determination has been made, a Barton Health Notification Form will be mailed to the applicant advising of the decision.

8. REASONABLE PAYMENT PLANS

If found eligible for Discounted Care, the patient may enter into an extended payment plan to allow payment over time. Barton Health and the patient shall negotiate the terms of the payment plan and take into consideration the patient's Family Income, Essential Living Expenses, and the availability of a health savings account of the patient or the patient's Family. Barton Health may require a patient or guarantor to pay Barton Health Hospital any amount sent directly to the patient by third-party payers, including from legal settlements, judgments, or awards.

If Barton Health and the patient cannot agree on the payment plan, Barton Health shall create a payment plan where monthly payments will not be more than 10 percent of a patient's Family Income for a month, excluding deductions for Essential Living Expenses. To apply this formula, Barton Health shall collect patient family information on Income and Essential Living Expenses on a standardized form, unless the information request is waived by representatives of Barton Health.

No interest will be charged to qualified patient accounts for the duration of any payment plan arranged under the provisions of the FAP.

9. PUBLIC NOTICE

Barton Health makes information about the FAP and FAA available through numerous means in compliance with applicable state and federal laws and regulations. Information about the FAP shall be posted in hospital areas that are accessible to the public, such as the emergency department, billing office, inpatient admission and outpatient registration areas, outpatient observation units, or common waiting areas of Barton Health. Notices shall also be posted at any location where a patient may pay their bill. In addition, Barton Health shall post a copy of the FAP and the FAA on its website and make all such documents available for free to download. 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.

Barton Health shall ensure that the FAP and requisite notices are translated into English, Spanish, as well as any other language that is the primary language of the lesser of 1,000 people or 5% of Barton Health's patients, and are made accessible by interpretation or alternative formats to ensure access for limited English proficient and disabled individuals.

10. CHARITY CARE AND DISCOUNTED CARE RECORDING

Barton Health shall report actual Charity Care provided in accordance with this regulatory requirement 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, Barton Health will maintain written documentation regarding its Charity Care criteria, and for individual patients, Barton Health 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.

11. REFERENCES

Title 22, California Code of Regulation Division 7

California Health & Safety Code Sections 127400-127462

California Hospital Association – Financial Assistance Policies

IRC Section 501(r) Final Regulations