CITY OF ALAMEDA HEALTH CARE DISTRICT
ADMINISTRATIVE POLICY No. 83

TITLE: Community Care Guidelines

PURPOSE: California Assembly Bill 774 became effective January 1, 2007. The law mandates that as a condition of obtaining or holding an acute care hospital license, Hospitals must limit bills to the uninsured with family incomes at or below 350% of the Current Federal Poverty Level (FPL) and individuals with high cost medical bills compared to their family income. Bills are limited to what a hospital would receive from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program in which it participates, whichever is greater, for comparable health services.

Patients are hereby notified that a physician employed or contracted to provide services in the emergency department of Alameda Hospital is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the current federal poverty level.

SCOPE: Administration, Finance, Business Services and Admissions, Emergency Department

---

A. Procedure – Financially Qualified Patient:

1. "Financially Qualified Patient" means a patient who is both of the following:

    a. A patient who is a self-pay patient,
    b. A patient who has a family income that does not exceed 350 percent of the current Federal Poverty Level.

2. Who is a Self-Pay Patient?

    a. "Self-Pay Patient" means a patient who **does not have** third-party coverage from a health insurer, health care service plan, Medicare, Medi-Cal or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.

3. Who is a High Cost Medical Patient?

    a. "A patient with high medical costs" means a person whose family income does not exceed 350 percent of the current Federal Poverty Level and who does not receive a discounted rate from the hospital as a result of his or her third-party coverage. For these purposes, "high medical costs" means any of the following:

        1. Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months.

2. Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

3. Patients whose income is up to 500% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Alameda Hospital.

4. Eligibility for financial assistance under the Alameda Hospital "Community Care Program" will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy.. The granting of financial assistance shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family size, assets, scope and extent of a patient's medical bills, and employment status.

    a. Special circumstances for eligibility may include:

        1. If a patient is determined to be homeless he/she may be deemed eligible for charity care, in the sole discretion of Alameda Hospital.

        2. Deceased patients who do not have any third party coverage, an identifiable estate, or for whom no probate hearing is to occur, may be deemed eligible for charity care, in the sole discretion of Alameda Hospital.

5. For purposes of this determination, monetary assets **shall not** include retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans.

6. Furthermore, the first ten thousand dollars ($10,000) of a patient's monetary assets shall not be counted in determining eligibility.

7. Alameda Hospital recognizes that there may be unusual or extenuating circumstances which may exceed the specific criteria as established in this policy and warrant special consideration. In such cases, a description of the unusual circumstances should be forwarded by Hospital staff to the Business Office Manager, , or Chief Financial Officer or designee who will make the determination as to the amount, if any, of charitable or financial assistance allowance to be granted.

8. Alameda Hospital recognizes that the financial status of patients may change over time. Hospital Financial Counselors or other designated personnel will actively assist families in securing eligibility for any medical financial assistance from County, State, Federal or other program with the cooperation of patients and their families.

9. The Business Office Manager or designee will review all applications to determine eligibility for the Community Care Program. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.

10. The Business Office Manager or designee will use the following table to determine the amount of Community Care allowed excluding deductibles, co-pays, share of cost, or elective procedures. This schedule will be maintained and updated annually by the Business Office Manager or designee.

Current Federal Poverty Level	**Community Care Allowance [write off]**
1. Below 200%	100% write off
2. 201% to 350%	Discount charges down to estimated Medicare rates.
3. 351% -500%	May be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances
4. 351% - Unlimited	See Self Pay or Uninsured Patient Cash Payment Discounts – Policy No. 83 A.

11. Any other type of discount not adhering to the above schedule is not considered a Community Care discount and will follow the terms and conditions set forth in the Discount Policy.

12. In all cases Alameda Hospital will not collect more than the reimbursement allowable under Medicare guidelines.

13. Patient guarantors must complete a Community Care Program Application within 10 (ten) days of hospital discharge. The hospital will have 30 days to processthe Community Care Program Application and determine discount level available to the patient guarantor. The patient portion may be paid in full or the Hospital can arrange for a payment plan that is agreeable by both parties.

    a. Patients or guarantors have the right to appeal a non-eligible decision within 30 days of the denial letter. Appeals will be forwarded to either the Business Office Manager, or the CFO who will jointly decide to uphold or overturn the original decision within 30 days.

14. In the absence of a completed Community Care Program Application the hospital will follow the regular collection steps and accounts may be assigned to a third party billing agency at full billed charges. The third party billing agency may charge interest on the balance assigned by the hospital to the agency.

B. Procedure – Community Care Program Qualifications & Calculations

1. Financial obligations not eligible for consideration for Community Care Program are co-pays, deductibles, indemnity balances, Medi-Cal share of cost, and balances due from workers' compensation or auto insurance coverage's.

2. Not all services are eligible for the Community Care Program, such as elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible. Special consideration may be made by the Business Office Manager, their designee, Chief Financial Officer, or Chief Executive Officer.

3. A patient may qualify for the Community Care Program or financial assistance prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to or at time of visit. If a funding source cannot be identified after full compliance by the patient or guarantor, an allowance or discount may be provided.

4. A Community Care Program Application, provided by Alameda Hospital staff, may be completed with the assistance of a Financial Counselor or by completing, signing and returning it to an Alameda Hospital Financial Counselor. This document must be completed within 10 calendar days from date of discharge.

5. The Community Care Program Application shall remain valid for services rendered within a 180 day period if the Financial Counselor determines that the patient or Guarantors income will not change during this time period.

6. The financial assessment will include a review of the family's gross income, number of family members, employment status, outstanding balances of medical bills, and assets when appropriate. A credit report may also be required. Copies of prior year tax return (preferred documentation), W-2 Forms, most current pay stubs, or other proof of income are required. Other documents proving status of assets may be required as needed.

7. Community Care Program information is available from Alameda Hospital through various means, including the publication of notices in patient bills and by posting notices in high volume areas such as the Emergency Department, Clinics, Admitting, Patient Financial Services and other places as Alameda Hospital may determine. Such information shall be provided in English and Spanish, and will be translated for patients/guarantors who speak other languages.

8. Any patient account recommended for partial or total Community Care Program, allowance, after meeting the guidelines set forth in this policy, requires the following signature approval process to be followed:

    a. Up to $1,999 Supervisor or Lead

    b. $2,000 - $24,999 Business Office Manager

    c. $25,000 - $99,999 CEO/Associate Administrator /CFO

    d. $100,000 or greater CEO/Associate Administrator /CFO

9. Alameda Hospital will assign any financial obligation to a debt collector after 60 calendar days of non-payment of an established payment plan or 90 calendar days of non-payment on an account where the patient guarantor is not in process with an eligibility application for a government sponsored insurance program or is not attempting in good faith to settle an outstanding bill.

10. Interest or finance charges will not be added to any account that has been approved for the Community Care Program.

11. In the course of debt collection involving low-income uninsured patients who are at or below 350% of the Current Federal Poverty Level, Alameda Hospital will follow all guidelines established by AB 774. This provision will not preclude Alameda Hospital from pursuing reimbursement from third party liability settlements.

12. All documentation will be maintained by Financial Counselors in accordance with regulatory guidelines.

13. This policy does not apply to professional services provided to Hospital patients by physicians or other medical providers including but not limited to Radiology, Anesthesiology, Pathology or Emergency Room services.

CITY OF ALAMEDA HEALTH CARE DISTRICT
ADMINISTRATIVE POLICY No. 83 A

TITLE: Self Pay or Uninsured Patient Cash Payment Discounts

PURPOSE: To encourage prompt payment, a cash discount shall be offered to patients with no insurance who are self pay that do not qualify or choose not to apply for Community Care Program discounts. The following guidelines are established.

SCOPE: Administration, Finance, Business Services and Admissions, Emergency Department

---

1. Self pay, Prompt Payment Discount Structure:

    a. There will be no discounts on payments made after 90 days from the date of discharge, unless prior arrangements were made and approved by the CEO, CFO, Business Office Manager or their designee.

    b. No discount will be given when setting up a payment plan unless financial hardship is determined by hospital staff.

    c. No discount will be given if an account was assigned to an outside collection agency. The patient may be responsible for any collection costs and interest charged by the collection agency. This rule may be waived and the Community Care Program may be applied if financial hardship is determined by the hospital or by the collection agency.

    d. Discounts are offered only if the balance due is $300 or greater.

    e. The hospital CEO, CFO, Business Office Manager or their designee may authorize other discount(s) on a case-by-case basis or as business necessitates or when the Community Care Program policy applies.

    f. Patients that have been approved for discounts will not be eligible for a cash discount if their payment is returned by the bank for non sufficient funds. The patient will be responsible for all charges for returned checks.

g. The following guidelines will be used to discount Self Pay and Prompt Pay accounts:

NON COMMUNITY CARE - SELF PAY PROMPT PAY DISCOUNT TABLE - POLICY # 83A				
Days from Discharge	**Balance $300 – $10,000**	**Balance $10,001 – $30,000**	**Balance $30,001 – $60,000**	**Balance $60,001 – $100,000**
30 days	40% Discount	50% Discount	55% Discount	60% Discount
31-60 days	30% Discount	30% Discount	30% Discount	30% Discount
61-90 days	20% Discount	20% Discount	20% Discount	20% Discount
91+ days	No Discount	No Discount	No Discount	No Discount

h. The discount amount on account balances over $100,000 will be determined on a case by case basis by the CEO, CFO or their designee.

i. As an alternative to discounts stated above, the hospital may choose to apply one of the hospital's most favorable insurance contract rates.

j. If the above discounted rate is below the Medicare reimbursement, the Medicare reimbursement and not the discount will apply.

k. Elective out-patient surgical procedures with no implants will require a minimum of 25% deposit of estimated gross charges prior to the scheduling of these procedures.

l. Elective out-patient surgical procedures with implant(s) will require a minimum deposit of 25% of estimated gross charges plus 100% of the actual cost of the implant(s).

2. Payment Plan Arrangements

a. The hospital may allow payment plan arrangements on an as needed basis based on patient circumstances, income, outstanding balance, past payment history with the hospital and other factors including the hospital's Community Care Program.

b. When payment plan arrangements are made the patient or guarantor may be asked to sign a contract and or a promissory note that states the terms of the payment arrangements.

c. The CEO, CFO or their designees may chose to outsource accounts with payment plan arrangements over a 12 month period to an agency that will monitor these accounts. Such accounts may incur interest at a rate of 10%.

d. The hospital may choose to sell or to assign such payment plan arrangements to a third party for monitoring and collections as needed.

3. Other Considerations

a. Due to various applicable laws, compliance procedures and insurance contracts, routine waivers of insurance co-payments or deductibles will not be allowed unless

financial hardship or Community Care Program eligibility is determined. This rule applies to all payor sources.

b. On any balances outstanding after insurance payments have been applied, no further discount will be offered as this balance is part of an already discounted rate.

c. Patients on long term payment plans who may become able to pay their balances in full may be extended a discount. The discount amount will be determined at that time based on account balance and other applicable conditions.

d. The above guidelines are applicable to those with an ability to pay. Those with demonstrated hardship shall be evaluated for Community Care Program discounts in accordance with Policy No. 83.

e. Questions concerning any aspect of this policy/guideline should be referred to Administration or their designee.

f. This policy/guideline replaces and supersedes all previous policies/guidelines and is effective immediately.

Approval / Review Path	Management Team, Administration, District Board

City of Alameda Health Care District Policy No. 83 & 83a		
Action:	***Date:***	**By:**
Created	10/03	Finance/PFS
Reviewed/ Revised	**10/04, 09/06, 3/08, 04/10, 01/12**	Management Team
Approvals	N/A	MEC
	10/04, 09/06, 3/08, 04/10, 12/11	Administration
	10/04, 09/06, 3/08, 05/10, 01/12	District Board