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	<b>POLICY &amp; PROCEDURE MANUAL</b>		
	Last Reviewed: November 25, 2019		Policy Number
	Last Revised: November 25, 2019		
Responsible Dept./Committee: Finance			
<b>Title:</b>	<b>Financial Assistance Policy</b>		
<b>Scope:</b>	<b>Full and Partial Financial Assistance for the Financially Qualified Patients</b>		

**POLICY STATEMENT**

The purpose of this policy (the “Policy”) is to define Cedars-Sinai Marina Del Rey Hospital’s and Cedars-Sinai Medical Care Foundation’s policy for eligibility determination and the processing of Full and Partial Financial Assistance for Financially Qualified Patients as described below. Collectively, both of these nonprofit entities will be referred to as “CS-MDRH” in this Policy. Recognizing its charitable mission, it is the policy of CS-MDRH to provide a reasonable amount of services without charge, or at significantly discounted prices, to Eligible Patients who cannot afford to pay for all or a portion of their care.

**POLICY**

It is CS-MDRH’s policy to be fully compliant with applicable State Law, Federal Law and industry practices, and to apply the general guidelines for Full and Partial Financial Assistance for Financially Qualified Patients to patients who do not have or cannot obtain adequate financial resources and who demonstrate material financial need through the financial screening process. Additional means of funding to cover the cost of services will be explored in the manner provided in this Policy and other CS-MDRH policies. This Policy applies to all emergency and other medically necessary care provided by CS-MDRH.

**POLICY GUIDELINES**

CS-MDRH provides the following notices regarding Full and Partial Financial Assistance for the Financially Qualified Patients:

- A. Posted Signage. Notice of this Policy is posted in the following locations: the Emergency Department, the Admitting Department, centralized and decentralized registration areas and other outpatient settings as deemed appropriate.
- B. Notices Hand-Delivered to Patients. During the registration or admission process (or otherwise prior to discharge), patients shall be provided a Plain Language Summary of this Policy and CS-MDRH’s other financial assistance programs in the form of the Summary of Financial Assistance Policy and Other Programs

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(Attachment A). Patients will be asked to acknowledge receipt of Attachment A via an electronic signature. The notice to a specific Patient will be considered continually in effect until a revision to the form is required (and a new acknowledgement obtained) or three years from the date of the original acknowledgement.

C. Patient Statement Notices. CS-MDRH will print a notice on the side of the last page of the patient billing statements that will describe its financial assistance programs and that will inform patients how to apply for Financial Assistance under this Policy and other assistance programs (Attachment F).

D. Other Written Communications. In order to administer the requirements of this Policy, CS-MDRH may provide Patients with additional written communications. Standard letters and notices to Patients in this regard are included in the Attachments to this Policy.

1. CS-MDRH will print any written notice or communication described in this Policy, including any Plain Language Summary of the Policy, on a billing statement or along with other descriptive or explanatory matter, provided that the required information is conspicuously placed and of sufficient size to be clearly readable.
2. CS-MDRH may provide electronically any written notice or communication described in this Policy to any Patient who indicates he or she prefers to receive the written notice or communication electronically.

E. Translations:

1. Patient communications shall comply with the requirements of CS-MDRH's Language Assistance Plan. Without limiting the foregoing, notices, formal communications and CS-MDRH signage under this Policy shall be in English and in the additional languages required by California Health and Safety Code §1259, California Health and Safety Code §12693.30, California Health and Safety Code §127410(a) and Title VI of the Civil Rights Act (42 USC §200d). As of January 1, 2015, the additional language is Spanish.

F. Publicizing The Policy:

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1. CS-MDRH shall take various efforts to widely publicize its financial assistance programs. These efforts will change from time to time and will generally include the distribution of information to targeted community organizations, among a variety of other means of alerting the CS-MDRH community to the availability of CS-MDRH financial assistance programs.
2. This Policy, the Application Form and the Plain Language Summary shall be available on the CS-MDRH website.

**DEFINITIONS**

G. Amounts Generally Billed

1. (“AGB”) means the amounts generally billed for emergency or other medically necessary care to Patients who have insurance covering such care, determined in accordance with 26 C.F.R. §1.501(r)-5(b). Consistent with IRS regulations per §501(r)-5(b) CS-MDRH uses the look-back method for determining amounts generally billed (“AGB”), as applicable for determining charge limitations for patients eligible for financial assistance under CS-MDRH’s financial assistance policy. The AGB is determined based on the most recent prior 12-month fiscal period and is updated annually. The look-back method employs *paid* claims for Medicare fee-for-service and all private health insurers that pay CS-MDRH consistent with IRS guidelines. AGB amounts are determined by category of medically necessary care for inpatient and outpatient (non-Emergency and emergency). The annually updated percentages are set forth on Attachment M to this Policy and are available to the public on the State of California OSHPD website at <https://syfphr.oshpd.ca.gov/>.

H. Application

1. Means CS-MDRH’s Application for Financial Assistance attached to this Policy at Attachment C.

I. Application Period

1. Means the period during which CS-MDRH must accept an Application for financial assistance under this Policy. CS-MDRH may accept and process

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a Patient's Application submitted outside of the Application Period. The Application Period begins on the date the care is provided and ends on the later of the 240th day after the date that the first post-discharge billing statement for the care, unless another period is provided by this Policy.

#### J. Assets

1. Mean only "monetary assets." This includes assets that are readily convertible to cash, such as bank accounts and publicly traded stocks. Retirement plans, deferred compensation plans (both qualified and nonqualified under the IRS code) will not be considered.

#### K. Eligible

1. Means that a Patient meets the requirements for Full or Partial Financial Assistance under this Policy.

#### L. Essential Living Expenses

1. Are 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.

#### M. Extraordinary Collection Actions

1. Refers to Collection Actions that CS-MDRH will not undertake before making reasonable efforts to determine whether a Patient is eligible for financial assistance under this Policy. Extraordinary Collection Actions are specifically described later in this Policy.

#### N. Federal Poverty Level (FPL)

1. Is defined as a measurement used to determine poverty in the United States and is published yearly by the Department of Health and Human Services ("DHHS") on their website, <http://www.dhhs.gov>.

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O. Financially Qualified Patient

1. Is a Patient who has requested financial assistance from CS-MDRH, has completed and submitted an Application, and review of the Application shows that the Patient is eligible for either Full or Partial financial assistance and the Application is approved in accordance with this Policy or who has been determined by Cedars-Sinai to be presumptively eligible for financial assistance under this Policy.

P. Full Financial Assistance

1. Are arrangements under this Policy for health care services to be provided at no charge to the patient.

Q. Guarantor

1. Is the individual financially responsible for payment of hospital services received by the Patient.

R. High Medical Costs

1. Are the annual out-of-pocket costs of a Patient whose family income does not exceed 600% of the Federal Poverty Level that are in excess of 10% of the Patient's Family income in the prior twelve (12) months. To calculate the costs, they must either be provided at CS-MDRH or the Patient must provide sufficient documentation of the expenses paid by the Patient or the Patient's Family.

S. Income Testing

1. Means the process for measuring a Patient's income for the purposes of determining a Patient's eligibility for financial assistance as set forth below.

T. Medi-Cal Denial

1. Means a portion or an entire claim submitted to the Medi-Cal program that was denied for payment. This refers to either inpatient or outpatient services. It also refers to a denial where Medi-Cal is either the primary or secondary payer, and it includes the situation where the Medi-Cal beneficiary has

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exhausted their Medicare Part A benefits and Medi-Cal becomes the primary payer. Medi-Cal beneficiaries, by definition, are deemed indigent. Consistent with Medicare guidelines per CMS Pub. 15-2 §4012, CS-MDRH considers Medi-Cal (Medicaid) denials as uncompensated, charity care, and these amounts are reported as such: therefore, there is no attempt to collect these denied amounts from patients. Additionally, these Medi-Cal denials are separate and exclusive of Medicare/Medi-Cal, dual eligible, crossover bad debts. Unpaid Medicare deductible and coinsurance amounts for dual eligible patients are not considered charity care, but rather, any unpaid patient liability, after billing to Medi-Cal as secondary, are reported as Medicare bad debt.

#### U. Medical Indigency

1. Refers to a patient/guarantor who is unable to pay for services due to unexpected high-cost care but who does not qualify for Full or Partial Financial Assistance under this Policy.

#### V. Monetary Assets

1. Mean Assets as defined above.

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W. Partial Financial Assistance

1. Are arrangements under this Policy for health care services to be provided at a reduced charge, and generally pursuant to a Payment Plan or an automatic discount for Self-Pay Patients.

X. Patient

1. Means an existing or prospective patient.

Y. Patient's Family

1. Is defined as the following: (1) For persons 18 years of age and older, spouse, domestic partner and dependent children under 26 years of age, whether living at home or not, (2) For persons under 18 years of age, parent, caretaker relatives and other children under 26 years of age of the parent or caretaker relative.

Z. Payment Plan

1. Is a written agreement between CS-MDRH and the Patient, whereby CS-MDRH has offered and the Patient has accepted the opportunity to pay off their liability in monthly payments not exceeding 10% of the Patient's Family income for a month, excluding deductions for Essential Living Expenses.

AA. Plain Language Summary

1. Is a clear, concise, and easy to understand document that notifies Patients and other individuals that CS-MDRH offers financial assistance under this Policy. The Plain Language Summary shall be drafted in a manner that sets out relevant information including the information required by state and Federal law such as the eligibility requirements and assistance offered under this Policy, a brief summary of how to apply for assistance under this Policy, and information for obtaining additional information and assistance, including copies in other languages.

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**BB. Provided**

1. Means, in the context of Patient communications, when a document is delivered to a Patient. For materials sent by regular U.S. mail, the materials shall be deemed “provided” three business days after mailing. For materials sent by overnight mail or messenger, the materials shall be deemed “provided” when delivered to the Patient’s address. For hand-delivered and emailed notices (if the Patient accepts emailed communications), the materials shall be deemed “provided” when given (i.e., immediately).

**CC. Reasonable Efforts**

1. Refer to the steps CS-MDRH must take prior to undertaking any Extraordinary Collection Actions. These efforts are specifically described later in this Policy.

**DD. Unpaid Deductibles/Co-Insurance**

1. Means 100% of the unpaid deductible and/or co-insurance amounts owed by an insured patient.

**EE. Clinical Determination:**

1. The evaluation of the necessity for medical treatment of any Patient will be based upon clinical judgment, regardless of insurance or financial status. In cases where an emergency medical condition exists, any evaluation of financial arrangements will occur only after an appropriate medical screening examination has occurred and necessary stabilizing services have been provided in accordance with all applicable State and Federal laws and regulations. All CS-MDRH staff should be aware that federal law prohibits making financial inquiries of a Patient with an unstabilized emergency medical condition.



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FF. Exclusions And Limitations On Elective Procedures:

1. The mission of CS-MDRH includes providing financial assistance to the CS-MDRH community for CS-MDRH services. Financial assistance as described in this Policy will be made available to all patients receiving emergency and other medically necessary care. Financial assistance for elective procedures and for follow-up care following discharge is limited to patients who live in the CS-MDRH service area measured ten (10) miles from Marina Del Rey Hospital and is approved by an officer of CS-MDRH.
  
2. CS-MDRH retains the right to prospectively not grant financial assistance in connection with a patient's proposed non-emergency and other non-medically necessary care, based on CS-MDRH need to judiciously allocate its financial and clinical resources.
  
3. Policy Only Applies To CS-MDRH Services And Participating Physicians:
  
4. Members of the Medical Staff of Marina Del Rey Hospital may make financial assistance available to their patients. CS-MDRH will make available a list of information it has regarding these physicians. The list will be available at the CS-MDRH website. The list will indicate whether a Physician agrees that the Physicians, and any of Physician's billing or collection agents will: (i) provide equivalent discounts from Physicians' professional fees to low-income uninsured patients as CS-MDRH provides, based on the criteria set forth in this Policy; (ii) accept CS-MDRH's determination of a Patient's Eligibility for financial assistance; and (iii) comply with all applicable federal, state and local laws, regulations, ordinances and orders with respect to the collection of consumer debt accounts. CS-MDRH will not be responsible for such Physicians' administration of financial assistance programs or their billing practices.

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GG. Eligibility:

1. Additional Financial Resources Available to Patients – Cooperation Required from Patients. Alternative means of funding (i.e., external agency or foundation) to cover the cost of services for Patients will be explored before Full or Partial Financial Assistance under this Policy is approved. Patients approved for assistance under this Policy agree to continuously cooperate in the process needed to obtain reimbursement for CS-MDRH's services from third party sources such as the California Victims of Crime funds, the County Trauma Program, the Medi-Cal program, and health plans that offer coverage through the California Health Benefit Exchange. A Patient's Application for third party coverage for the Patient's health care costs shall not preclude Eligibility for assistance under this Policy. A Patient shall, as a condition to Full or Partial Financial Assistance, Apply for coverage under Medi-Cal, Healthy Families, and the County Trauma Program as applicable and, where appropriate, coverage under the Exchange. The foregoing shall also apply to Patients residing out of state and their application for Medicaid within their State.
  
2. CS-MDRH will make appropriate referrals to local county agencies including Healthy Families, Covered California, Medi-Cal or other programs to determine potential eligibility. Currently, CS-MDRH contracts with Diversified Healthcare to assist in this aspect of Patient support.
  
3. CS-MDRH shall be entitled to bill any third-party insurer providing coverage to a Patient. Health insurers and health plans are prohibited from reducing their reimbursement of a claim to CS-MDRH even if CS-MDRH has waived all or a portion of a Patient's bill pursuant to this Policy.

HH. Full Financial Assistance.

1. Full Financial Assistance (no charge to Patient) will be made available to Patients whose income and Assets are at or below 400% of the current year's Federal Poverty Level. The Patient's Family income will be considered in determining eligibility.

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II. Partial Financial Assistance.

1. Partial Financial Assistance will be made available to Patients whose income is in the range of 401% - 600% of the current year's Federal Poverty Level. The Patient's Family income will be considered in determining eligibility. Assets will not be considered. Refer to Attachment G (Income Sliding Scale) for additional guidelines.

JJ. Patients with Limited Information for Application.

1. The absence of patient financial data available to CS-MDRH does not preclude eligibility for financial assistance. In evaluating all factors pertaining to a Patient's clinical, personal and demographic situation, and alternative documentation (including information that may be provided by other charitable organizations), CS-MDRH may determine a Patient is eligible for Full or Partial Financial Assistance by making reasonable assumptions regarding the Patient's income.

KK. Pre-Service Patients (Elective/Non-Emergent Care).

1. Patients scheduled as elective inpatients or scheduled as non-emergent outpatients require prior approval for financial assistance by the Executive Director of Revenue Cycle Operations or his or her designee. Only medically necessary procedures are eligible for approval. Financial assistance for elective procedures and for follow-up care following discharge is limited to patients who live in the CS-MDRH service area measured ten (10) miles from CS-MDRH and is approved by an officer of CS-MDRH.

LL. Self-Pay Patients.

1. CS-MDRH has made an assumption based on its historical experience and the current insurance environment, that Patients who lack insurance are not able to afford insurance. CS-MDRH presumes that these Patients are eligible for CS-MDRH's financial assistance programs and will make assistance available to all such Patients in accordance with CS-MDRH's policies as in effect unless the Patient makes other arrangements for services provided by CS-MDRH:

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2. Self-Pay Patients will automatically be billed at the following discounted amounts for CS-MDRH:
  - a. Inpatient services (for non-elective admissions): Rate will be total charges multiplied by the Medical Center's AGB percentage for inpatient services.
  - b. Emergency Room services: Rate will be total charges multiplied by the Medical Center's AGB percentage for emergency room services.
  - c. Outpatient services (for services approved by Cedars-Sinai in advance): Rate will be total charges multiplied by the Medical Center's AGB percentage for outpatient, non-emergent services.

MM. Self-Pay Patients would be eligible for such discounts without submitting an Application.

1. This financial assistance does not extend to elective procedures unless a specific agreement is made between CS-MDRH and the Patient. Patients should contact the CS-MDRH's Cashier's Office (see below) for additional information. CS-MDRH affiliated physicians as described above may also provide discounts to uninsured Self-Pay Patients. For other physicians, Patients should ask their physician for information on any discounts that may be provided by the physician's practice.
2. The discounted amount (amount not billed to the patient) is uncompensated (charity) care that will be reported by CS-MDRH in applicable federal and state filings, consistent with Medicare guidelines as set forth in CMS's Provider Reimbursement Manual Chapter 15-2 §4012.

NN. Medically Indigent Patients (Not Otherwise Eligible).

1. Patients who are Medically Indigent but who are not otherwise eligible for financial assistance under this Policy may still request financial assistance in accordance with the process set forth in this Policy. The request for financial assistance due to Medical Indigency must be approved by the

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Executive Director of Revenue Cycle Operations or his or her designee, in their discretion.

A. Financial Assistance Program:

1. Initiating the Financial Assistance Application

- a. The Application process can be initiated by Admitting/Registration, the Patient, the Patient's authorized representative, a Patient Accounting or Patient Relations representative or a Patient Financial Advocate. This process includes the following:
  - i. Patients are provided with the Application, including a cover letter, a Medi-Cal Application and information on Credit Counseling. [Refer to Attachments B, C, D and E]
  - ii. Applicants are offered assistance in completing the forms in the Business Cashier's Office.
  - iii. The Cashier's Office will assist in-house patients.

2. Guidelines for Reviewing Financial Assistance Applications

a. Determination

- i. The Eligibility guidelines and rates of discount are noted on Attachment G.
- ii. The guidelines are calculated using the current Federal Poverty Level.

3. Assets

- a. The consideration of Assets in determining Eligibility is limited to Assets, as defined above.
- b. The first \$10,000 of a Patient's Assets will not be considered, and 50% of a Patient's Monetary Assets above \$10,000 will not be considered for Full Financial Assistance.
- c. Assets are not factored in the determination of eligibility for Partial Financial Assistance.

4. Income

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a. Income for partial periods shall be included in worksheets using annualized data.

5. Deductions

a. Other financial obligations including living expenses and other items of reasonable and necessary nature will be considered.

6. Patient Maximum Out-of-Pocket Expense

a. Any payment from a Patient for services covered by this Policy shall be limited to no greater than the Amounts Generally Billed.

7. Reevaluation

a. Eligibility may be reevaluated by CS-MDRH if any of the following occur:

- i. Patient income change.
- ii. Patient Family size change.
- iii. A determination is made that any part of the Financial Assistance Application is false or misleading in which case the initial Financial Assistance may be retroactively denied.

B. Required Documents from Patients

1. CS-MDRH requests various documents from Patients applying for Full Financial Assistance or Partial Financial Assistance in order to substantiate their eligibility. The documents may include, but are not limited to, the following:

a. Completed Application.

2. Income documents may include:

- a. Current period payroll check stub, or
- b. Prior year's tax return, or
- c. Written explanation

3. Asset documents may include:

a. Copies of prior month's bank statement (all pages)

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- b. Money Market account statements
- c. Stocks
- d. Bonds
- e. Certificate of Deposits
- f. Brokerage accounts
- g. [No documents pertaining to retirement plans, deferred compensation plans (both qualified and nonqualified under the IRS code) are to be requested or reviewed.]

4. Unemployment, Social Security or Disability stub.

### C. Complete Applications

1. If a Patient submits a complete Application during the Application Period, CS-MDRH shall:
2. Immediately suspend any Extraordinary Collection Actions to obtain payment for the care.
3. Within a reasonable time make a determination as to whether the Patient is Eligible or that the Application is incomplete.
4. Notify the Patient in writing of the eligibility determination (including, if applicable, the assistance for which the Patient is Eligible) and the basis for this determination within 35 days of the submission of the Application.
5. If the Patient is Eligible for Full Financial Assistance, no further steps are required other than refunding amounts paid as provided at Subparagraph (c) below.
6. If CS-MDRH determines a Patient is Eligible for Partial Financial Assistance, CS-MDRH shall, in addition to the information and steps set out, above, provide the Patient with a billing statement that indicates the amount the Patient owes for the care as an Eligible Patient and how that amount was determined and that states, or describes how the Patient can get information regarding, the AGB for the care.

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7. CS-MDRH shall refund to the Patient any amount he or she has paid for the care (whether to CS-MDRH or any other party to whom it has referred or sold the Patient's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying as an Eligible Patient, unless such excess amount is less than \$5 (or such other amount set by notice or other guidance published by the Internal Revenue Service).
  
8. CS-MDRH shall take all reasonably available measures to reverse any Extraordinary Collection Actions taken against the Patient to obtain payment for the care. Such reasonably available measures generally include, but are not limited to, measures to vacate any judgment against the Patient, lift any levy or lien on the Patient's property, and remove from the Patient's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.



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**COLLECTIONS AND REASONABLE REVIEW EFFORTS AND CONTACTS REQUIRED PRIOR TO COLLECTIONS:**

- A. Suspending Extraordinary Collection Actions while an Application is Pending
  - 1. With respect to any care provided by CS-MDRH to a Patient, if the Patient has submitted an Application during the Application Period, CS-MDRH shall suspend all Extraordinary Collection Actions until the Application process is complete.
  
- B. Extraordinary Collection Actions
  - 1. The following actions against a Patient related to obtaining payment of a bill for care covered under this Policy are Extraordinary Collection Actions:
    - a. Selling a debt to another party (other than debt sales described below).
    - b. Reporting adverse information to consumer credit reporting agencies or credit bureaus.
    - c. Deferring or denying, or requiring a payment before providing, medically necessary care because of the Patient's nonpayment of one or more bills for previously provided care covered under this Policy (which is considered an Extraordinary Collection Action to obtain payment for the previously provided care, not the care being potentially deferred or denied). If CS-MDRH requires a payment before providing medically necessary care to a Patient with one or more outstanding bills for previously provided care, such a requirement for payment will be presumed to be because of the Patient's nonpayment of such bill(s) unless CS-MDRH can demonstrate that it required the payment from the Patient based on factors other than, and without regard to, the Patient's nonpayment of past bills.
  
- C. Actions that require a legal or judicial process, including but not limited to —
  - 1. Placing a lien on a Patient's property (other than a lien specifically permitted by this Policy);
  - 2. Foreclosing on a Patient's real property;

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3. Attaching or seizing a Patient's bank account or any other personal property;
  4. Commencing a civil action against a Patient;
  5. Causing a Patient's arrest;
  6. Causing a Patient to be subject to a writ of body attachment; and
  7. Garnishing a Patient's wages.
- D. Reasonable Steps Needed to Determine Eligibility of All Patients Prior to initiating any Extraordinary Collection Actions, CS-MDRH shall have taken the following steps as applicable:
1. Presumptive Eligibility for Full Financial Assistance. CS-MDRH has determined that the Patient is Eligible for Full Financial Assistance for the current services based on information it has obtained or assessed without looking to the Patient to provide all information required by the usual Application process, or the fact that the Patient has no health insurance. CS-MDRH's determination may include reliance on a prior determination by CS-MDRH, information provided by another provider of the Patient, or a general assessment of information available to CS-MDRH staff.
  2. Presumptive Eligibility for Partial Financial Assistance. CS-MDRH has determined that the Patient is Eligible for Partial Financial Assistance for the current services based on information it has obtained or assessed without looking to the Patient to provide all information required by the usual Application process. CS-MDRH determination may include reliance on a prior determination by CS-MDRH, information provided by another provider of the Patient, or a general assessment of information available to CS-MDRH staff.
  3. In such cases, CS-MDRH shall
    - a. (a) notify the Patient of the basis for the presumptive eligibility determination and the manner in which the Patient may apply for more generous assistance available under the Policy;
    - b. (b) give the Patient 240 days to apply for more generous assistance; and if the Patient submits a complete Application seeking more generous assistance, determines whether the Patient is Eligible for a more generous discount and takes the other steps required by this Policy with regard to complete Applications. Self-Pay patients receiving the discounts described in this Policy shall receive such notice by means of the Plain Language Summary printed on their statements.

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4. Reasonable Efforts Based on Billing Statement Notification and Amounts not Eligible. CS-MDRH shall notify Patients of its financial assistance programs before initiating any Extraordinary Collection Actions to obtain payment for the care and refrain from initiating such Extraordinary Collection Actions for at least 120 days from the date CS-MDRH provides the billing statement for the care if the Patient has not submitted an Application or CS-MDRH has determined the Patient is not Eligible for financial assistance for the amounts sought to be collected based on the Patient's Application.
5. Notifications to Patients 30 Days Before Actions. In addition to the foregoing, at least 30 days before first initiating any Extraordinary Collection Actions, CS-MDRH shall have provided the Patient with a written notice that indicates financial assistance is available as described in this Policy, identify all the Extraordinary Collection Action(ies) that CS-MDRH intends to initiate to obtain payment for the care, and that state a deadline after which such Extraordinary Collection Actions may be initiated (which date shall be no earlier than 30 days after the date that the written notice is provided). The notice shall include the Plain Language Summary of CS-MDRH's financial assistance programs (Attachment A).
6. Additional Oral Notice Before Actions. In addition to all written notices, prior to initiating any Extraordinary Collection Actions, CS-MDRH shall make a reasonable effort to orally notify the Patient about CS-MDRH financial assistance programs and about how the Patient may obtain assistance with the Application process.
7. Notification Before Actions in the Event of Multiple Episodes of Care. CS-MDRH may satisfy the notification requirements described above for multiple episodes of care and notify the Patient of its planned Extraordinary Collection Actions in notices that cover multiple billing statements. However, if it aggregates outstanding bills for multiple episodes of care it must refrain from initiating Extraordinary Collection Actions on all the episodes of care until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.
8. Notification before Deferring or Denying Care Due to Nonpayment for Prior Care. In cases where CS-MDRH proposes to defer or deny services, or require a payment before providing nonemergent, medically necessary care because of the Patient's nonpayment of one or more bills for previously provided care covered under this Policy (which is considered an Extraordinary Collection Action to obtain payment for the previously provided care, but not an Extraordinary Collection Action for the care being potentially deferred or denied), CS-MDRH shall notify the Patient about this Policy and

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the CS-MDRH financial assistance programs which notice may be less than 30 days before the time the Patient would receive the services but the notice shall be made as soon as possible. CS-MDRH shall provide the notices required by subparagraphs (iv) (Notifications to Patients 30 Days Before Actions) and (v) (Additional Oral Notice Before Actions) above, but subject to the timelines set forth in this section. In addition to such notices, CS-MDRH shall provide the Patient with an Application form and stating the deadline, if any, after which CS-MDRH will no longer accept and process an Application submitted (or, if applicable, completed) by Patient for the previously provided care at issue (if an Application had not been previously submitted). This deadline must be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date that the first post-discharge billing statement for the previously provided care was provided. If the Patient submits an Application for the previously provided care on or before the deadline described above (or at any time, if CS-MDRH didn't provide any such deadline to the Patient), processes the Application on an expedited basis.

9. Incomplete Applications. If a Patient submits an incomplete Application during the Application Period, CS-MDRH shall notify the Patient about how to complete the Application and give the Patient through the expiration of the Application Period to complete the Application (or such longer period of time as elected by CS-MDRH. During this period, CS-MDRH shall suspend all Extraordinary Collection Actions to obtain payment for the care and provide the Patient with a written notice that describes the additional information and/or documentation required for the Application and include the CS-MDRH contact information for Application processing.
10. Incomplete Application Completed. If a Patient who has submitted an incomplete Application during the Application Period subsequently completes the Application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the Patient will be considered to have submitted a complete Application during the Application Period, and CS-MDRH will have made reasonable efforts to determine whether the Patient is Eligible only if it and takes the other steps required by this Policy with regard to complete Applications.
11. Anti-Abuse Rule for Complete Applications – Questionable Information. CS-MDRH shall not make determinations that a Patient is not Eligible for financial assistance based on information it has reason to believe is unreliable or incorrect or on information obtained from the Patient under duress or through the use of coercive practices. A coercive practice includes delaying or denying emergency medical care to a Patient until the Patient

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has provided information requested to determine whether the Patient is Eligible for financial assistance for the care being delayed or denied.

E. Reasonable Efforts Must be Taken with Guarantors

1. Extraordinary Collection Actions include steps taken adversely not only with regard to a Patient but with regard to any Guarantor of a Patient account.

F. Patient Waivers Do Not Relieve CS-MDRH of Reasonable Efforts Obligation

1. Obtaining a verbal or written waiver from a Patient, such as a signed statement that the Patient does not wish to apply for assistance under the Policy or receive the information to be provided Patients under this Policy, will not itself constitute a determination that the Patient is not Eligible and will not satisfy the requirement to make reasonable efforts to determine whether the Patient is Eligible before engaging in Extraordinary Collection Actions against the Patient.

G. Collection Agencies and Sales of Debt

1. CS-MDRH shall ensure that all parties who provide services as collection agencies or who have acquired the debt of a Patient shall comply with the requirements of this Policy of not engaging in any Extraordinary Collection Actions unless reasonable steps have been taken by CS-MDRH or the applicable third party to determine if the Patient is Eligible for assistance under this Policy.
2. CS-MDRH sale of a Patient's debt for care provided will not be considered an Extraordinary Collection Action if, prior to the sale, CS-MDRH enters into a legally binding written agreement with the purchaser of the debt pursuant to which —
  - a. The purchaser is prohibited from engaging in any Extraordinary Collection Actions to obtain payment for the care;
  - b. The purchaser is prohibited from charging interest on the debt in excess of the rate in effect under Internal Revenue Code Section 6621(a)(2) at the time the debt is sold (or such other interest rate set by notice or other guidance published in the Internal Revenue Bulletin);
  - c. The debt is returnable to or recallable by CS-MDRH upon a

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determination by it or the purchaser that the Patient is Eligible;

- d. If the Patient is Eligible and the debt is not returned to or recalled by CS-MDRH, the purchaser is required to adhere to procedures specified in the agreement that ensure that the Patient does not pay, and has no obligation to pay, the purchaser and CS-MDRH together more than he or she is personally responsible for paying as an Eligible Patient;
- e. If the Patient submits an Application after the referral or sale of the debt but before the end of the Application Period, the party will suspend Extraordinary Collection Actions to obtain payment for the care;
- f. If the Patient submits an Application after the referral or sale of the debt but before the end of the Application Period and is determined to be Eligible for the care, the party will do the following in a timely manner:
  - g. Adhere to procedures specified in the agreement that ensure that the Patient does not pay, and has no obligation to pay, the party and CS-MDRH together more than he or she is required to pay for the care as an Eligible Patient.
  - h. If applicable and if the party (rather than CS-MDRH) has the authority to do so, take all reasonably available measures to reverse any Extraordinary Collection Action taken against the Patient; and
  - i. If the party refers or sells the debt to yet another party during the Application Period, the party will obtain a written agreement from that other party including all of the elements described in above.

#### H. Liens on Certain Judgments, Settlements, or Compromises

1. Any lien that CS-MDRH is entitled to assert under state law on the proceeds of a judgment, settlement, or compromise owed to a Patient (or his or her representative) as a result of personal injuries for which CS-MDRH provided care is not an Extraordinary Collection Action.

#### I. Collection Procedures and Payment Plans

1. Collection requirements with regard to any amounts payable by a Patient under this Policy shall comply with this Policy, comply with applicable state

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and federal law, and be consistent with CS-MDRH's current debt collection practices.

2. CS-MDRH shall reasonably consider and enter into Payment Plans with patients who will have a financial obligation under this Policy. CS-MDRH will not charge interest on amounts owed by a Patient pursuant to this Policy including, without limitation, amounts owed under a Payment Plan.
  - a. A Payment Plan may be cancelled, at CS-MDRH discretion, after the Patient fails to make all consecutive payments due during any one hundred twenty (120) day period.
  - b. Prior to cancelling a Payment Plan, CS-MDRH collection agency or assignee will make a reasonable attempt to notify the Patient, by phone at the last known phone number and in writing at the last known address, that the Payment Plan may be cancelled and there might be an opportunity to renegotiate.
  - c. CS-MDRH, its collection agencies or assignees, in good faith, will attempt to renegotiate the terms of the defaulted Payment Plan if requested by the Patient. CS-MDRH is, however, not required by law to compromise further solely on the basis of the Patient's default.
  - d. If the Patient fails to make all consecutive payments of a Payment Plan and fails to renegotiate a Payment Plan, then nothing limits or alters the Patient's obligation to make payments from the first date due on the obligation owing to the hospital pursuant to any contract or applicable statute.
  - e. CS-MDRH, its collection agencies or assignees, will not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to effective date of the cancellation of the Payment Plan.
3. The following provisions address the timing and under whose authority Patient debt is advanced for collection. Any Collection Action shall only be conducted by CS-MDRH Revenue Cycle Operations Department.
  - a. CS-MDRH will not initiate any Extraordinary Collection Action except in accordance with this Policy.

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- b. Each external collection agency shall agree in writing that it will adhere to CS-MDRH standards and scope of practices with regard to Collection Actions, including, without limitation, the Payment Plan provisions of this Policy.
- c. In determining the amount of a debt CS-MDRH may seek to recover from patients who are Eligible under this Policy, CS-MDRH shall consider only income and Monetary Assets as defined and limited by the Policy.
- d. At time of billing, CS-MDRH shall provide a written summary of the services and charges including the same information concerning services and charges provided to all other patients who receive care at CS-MDRH.
- e. If a Patient attempting to qualify for eligibility under this Policy is attempting in good faith to settle an outstanding bill with CS-MDRH by negotiating a Payment Plan or by making regular partial payments of a reasonable amount, CS-MDRH shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with this article.
- f. CS-MDRH and its agents shall not, in dealing with patients Eligible under this Policy use wage garnishments or liens on primary residences as a means of collecting unpaid CS-MDRH bills.
- g. CS-MDRH collection agencies or other assignees shall not, in dealing with any Patient use as a means of collecting unpaid CS-MDRH bills, any of the following:
  - i. A wage garnishment, except by order of the court upon noticed motion, supported by a declaration filed by the movant identifying the basis for which it believes that the Patient has the ability to make payments on the judgment under the wage garnishment, which the court shall consider in light of the size of the judgment and additional information provided by the Patient prior to, or at, the hearing concerning the Patient's ability to pay, including information about probable future medical expenses based on the current condition of the Patient and other obligations of the Patient.



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- ii. Notice or conduct a sale of the Patient's primary residence during the life of the Patient or his or her spouse, or during the period a child of the Patient is a minor, or a child of the Patient who has attained the age of majority is unable to take care of himself or herself and resides in the dwelling as his or her primary residence. In the event a person protected by this paragraph owns more than one dwelling, the primary residence shall be the dwelling that is the Patient's current homestead, as defined in Section 704.710 of the California Code of Civil Procedure, or was the Patient's homestead at the time of the death of a person other than the Patient who is asserting the protections of this paragraph.
  
- h. CS-MDRH and its agents shall not report adverse information to a consumer credit reporting agency or commence a civil action against a patient or responsible party for nonpayment prior to the time a Payment Plan is declared to be no longer operative.

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**CONFIDENTIALITY OF APPLICATION INFORMATION:**

A. CS-MDRH shall maintain all information received from Patients requesting eligibility under this Policy as confidential information. Information concerning Assets obtained as part of the Application and approval process shall be maintained in a file that is separate from information that may be used to collect amounts owed CS-MDRH. Such file (and all information that should be in such file) shall not be available to the personnel involved in debt collection. However, nothing prohibits the use of information obtained by CS-MDRH, its collection agencies or assignees independently from the Application process.

**REFUNDS:**

A. CS-MDRH will reimburse patients for amounts they paid in excess of the amount due pursuant to this Policy, including any interest paid, at the rate of seven percent (7%) per annum.

1. If the amount due to the Patient is less than \$5.00, CS-MDRH is not required to reimburse the Patient or pay interest. It will give the patient a credit for the applicable amount for at least 60 days from the date the amount is due.
2. This is applicable to patients applying for Financial Assistance or Partial Financial Assistance on or after January 1, 2007.
3. Interest will accrue starting from the date the Patient's payment was deposited.

**OSHPD REPORTING:**

A. CS-MDRH will submit its Financial Assistance and Partial Financial Assistance Policy to the Office of Statewide Health Planning and Development (OSHPD) by January 1<sup>st</sup> of each calendar year, when a significant change occurs. If no significant change has been made to this Policy, CS-MDRH will notify OSHPD of same to meet the reporting requirements.

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**RELEVANT LAWS:**

California Health and Safety Code, Fair Pricing Policies, Sections 127400 et seq.

Internal Revenue Code Section 501(r).

26 CFR Parts 1, 53 and 602.

CMS Pub. 15-2 §4012

**CONTACTS:**

Questions regarding this Policy and Procedure should be addressed to any of the following individuals:

Cashier's Office 310-482-5105

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**ATTACHMENTS:**

Attachment A	Notice to Patients Regarding Financial Assistance and Charity Care Programs
Attachment B	Medi-Cal Application
Attachment C	Financial Assistance Application
Attachment D	Cover Letter for Financial Assistance Application
Attachment E	Consumer Credit Counseling Letter
Attachment F	Statement of Hospital and Physician Services Template
Attachment G	Income Sliding Scale
Attachment H	Request for Additional Information Letter
Attachment I1	Letter Template: Unable to Grant Financial Assistance (based on assets)
Attachment I2	Letter Template: Unable to Grant Financial Assistance (based on income)
Attachment I3	Letter Template: Unable to Grant Financial Assistance (based on lack of requested documentation)
Attachment J	Financial Assistance Worksheet
Attachment K	Letter Template: Financial Assistance Approval Letter
Attachment K1	Letter Template: Financial Assistance Approval Presumptive Eligibility Letter
Attachment L	Letter Template: Financial Assistance Unable to Honor After Appeal Letter
Attachment M	Annual determination of Amounts Generally Billed

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The CS-MDRH Board of Directors has authorized the amendment of Attachment M to be made in the best judgment of the Cedars-Sinai Senior Vice President of Finance without the need of further Board Approval.

**HISTORY:**

ORIGINAL ISSUE: 1/25/2011

POLICY VERSION EFFECTIVE DATE: 01/01/20

LAST REVIEW DATE: 11/25/2019

**APPROVALS:**

APPROVED BY: Patricia E. Kittell, Vice President, PFS, Cedars-Sinai  
Joanne Laguna, Vice President Hospital Operations, CS-MDRH  
Nolly Dave-Sachdev, Chief Financial Officer, CS-MDRH

REVIEWED BY: Paul Bouganim, Executive Director, Reimbursement, Cedars-Sinai  
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