

**Title: Charity and Discount Care**

**Effective Date: January 1, 2007**

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**Definitions:**

The following classes of patients are financially eligible for discount or charity:

**Self pay patient:** Any patient with all of the following:

- No third party insurance
- No Medi-Cal benefits
- No compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital
- Family income at or below 350% of the current Federal Poverty Level (FPL) as defined by the United States Department of Health and Human Services

**High medical cost patient:** Any patient with health insurance or Medi-Cal coverage with all of the following:

- Family income at or below 350% of FPL
- Out of pocket medical expenses in prior 12 months exceeds 10% of family income
- Patient does not otherwise receive discount as a result of third party coverage

**Policy:**

It is the policy of BHC Alhambra Hospital, in compliance with California State law AB774 (Hospital Fair Pricing Policies) to provide discounts from standard billed charges for all self pay and high medical cost patients as defined above.

**Procedures:**

1. At the time of admission or as soon a practical after admission, all patients with no third party coverage or with a potential deductible or co-pay responsibility will be provided with notice of the availability of discounts or charity and the related application.
2. All individuals with no third party coverage will also be notified that we have available applications for Medi-Cal and Healthy Families programs. Such applications will be provided to patient or responsible party if requested.
3. All applications for discount will be evaluated for a discount or charity within 2 working days of receipt. Income and asset levels are subject to verification by review of supporting documentation according to the following guidelines:
  - a. Reported income levels must be supported by either a check stub or income tax return.
  - b. Asset level will consider only monetary assets excluding retirement or deferred compensation plans and may include only 50% those monetary assets exceeding \$10,000.
  - c. Failure to provide sufficient supporting documentation may exclude patient from qualifying for discount or charity.
4. After review of applications and supporting documentation, discounts or charity will be provided at the following levels:
  - a. Discounts and charity for those who qualify as Self Pay patients:

- i. All self pay patients with income level between 251% and 350% of the FPL will have their stay discounted to no higher than the highest of what Medicare or Medi-Cal would pay for the stay. Additional discount is available at the discretion of the hospital.
    - ii. All self pay patients with income level between 101% and 250% of the FPL will have their stay discounted to no higher than 50% the higher of what Medicare or Medi-Cal would pay for the stay. Additional discount is available at the discretion of the hospital.
    - iii. Charity: All self pay patients with income level at or below 100% of the FPL and monetary assets less than \$10,000 qualify for charity and their stay will be discounted 100%. Self pay patients with income level at or below 100% of the FPL and monetary assets greater than \$10,000 may qualify for charity care or discount at the discretion of the hospital. In no case will the out of pocket costs expected from the patient exceed the portion of the patient's monetary assets greater than \$10,000.
  - b. Discounts for those who qualify as High Medical Cost patients:
    - i. All patients who qualify as High Medical Cost patients will be billed for deductibles and coinsurance only to the extent that third party payments received plus amounts billed to the patient do not exceed the higher of the payment that would be received from Medicare or Medi-Cal.
    - ii. The hospital at its discretion may provide a greater discount to the patient than allowed under section 4.b.i. of this policy.
5. Prior to commencing collection activities against a patient, the business office will provide a statement that non-profit credit counseling services may be available and a summary of their rights under various laws. This statement is contained in attachment to this policy.
6. Information gathered in assessing the patient's qualification for discount or charity will not be used for collection activity by the hospital.
7. Any amounts due from the patient under this policy are eligible for extended, interest free payment plans. Determination of payment plan will be based on the patient's ability to pay the obligation and will not exceed three years.
8. Patients may be referred to a collection agency after exhaustion of normal collection efforts. However, no patient will be referred to a consumer credit reporting agency by the hospital or its collection agency for non-payment prior to 150 days after initial billing.
9. The hospital or its agents will not use wage garnishments or liens on primary residences to collect debts from any patient.

### 2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,210	\$12,770	\$12,270
2	13,690	17,170	15,750
3	17,170	21,470	19,750
4	20,650	25,820	23,750
5	24,130	30,170	27,750
6	27,610	34,520	31,750
7	31,090	38,870	35,750
8	34,570	43,220	33,750
For each additional person, add	3,480	4,350	4,000

**SOURCE:** *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3847-3848

Debt Collection Notice (to be provided to all patients prior to commencing debt collection activities):

“State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at [www.ftc.gov](http://www.ftc.gov).”