SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
DEPARTMENT: BUSINESS OFFICE	PAGE: 1 OF: 10
	EFFECTIVE: 01/2015
APPROVED BY:	REVISED: 01/2015

POLICY

It is the policy of Modoc Medical Center (MMC) to offer eligible patients with unpaid balances an option of making monthly payments for medically necessary services that are received at MMC. There are various types of payment plans, including regular payment plans, discounted payment plans, reasonable payment plans, and extended payment plans available to patients that can be offered based on income, size of family, and a patient's ability to pay for their medical bills, as further outlined in this policy.

PURPOSE

Modoc Medical Center is committed to providing quality services in a caring environment and to make a positive, measurable difference in the health of individuals we serve. Helping to meet the needs of the low-income, uninsured and underinsured persons is an important element of our commitment to the community. MMC's payment plan policy provides the means for MMC to demonstrate commitment to achieving our values for a specific population within our community. The payment plan policy has been developed in written form to effectively communicate how our commitment will be applied consistently to patients who are eligible for the various payment plan options we offer at MMC to help patients pay off their medical bills within their financial means to do so.

PROCEDURE

Eligibility

Patients who receive medically necessary services at MMC and who have difficulty paying their medical bills because of financial hardship may be eligible for different types of payment plans, based on their income and essential living expenses. Patients that feel they would qualify to participate in a discounted payment plan or a reasonable payment plan will be required to fill out a Financial Assistance Application. The application will help Patient Financial Services to identify the various payment programs and discounts that a patient qualifies for so that MMC can assist those patients who cannot afford to pay their medical bills in full and may require assistance. Financial Assistance Applications will be processed within 10 business days of receipt by Patient Financial Services.

As part of the Financial Assistance Application process, Patient Financial Services will make all reasonable efforts to obtain from the patient or his or her representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by MMC. This review will include an initial determination of whether or not the patient may qualify for Medicare coverage, Medi-Cal coverage or for a California Health Benefit Exchange product.

Discounted Payment Plan

MMC offers discounted payment plans in addition to regular payment plans for patients who do not have the financial capabilities to pay their bills. Payment plans that are initiated after discounts/write-offs are made are called discounted payment plans. Given the MMC service area demographics and our commitment to meeting the health care needs of our community, the primary qualifying levels for discounted payment plans are based on 200% of the federal poverty level guidelines. In subsequent years, this percentage may be evaluated and modified as necessary. Pursuant to AB 774 Sect. 127405 (2), Modoc Medical Center has established eligibility levels for financial assistance at less than 350% of the federal poverty level as appropriate to maintain its financial and operational integrity. Modoc Medical Center is a rural hospital as defined in Section 124840. Discounts/write-offs are based on the federal poverty level as updated each year and are made based on the following criteria:

- Patients between 101% and 150% of federal poverty level qualify for an 80% discount on their bill.

- Patients between 151% and 200% of the federal poverty level qualify for a 60% discount on their bill.

All patients wishing to receive a discounted payment plan will be required to complete a Financial Assistance Application and provide the documentation required by the application. This application will help Patient Financial Services determine the eligibility of a patient to participate in a discounted payment plan or other form of financial assistance. All professional fees charged by emergency physicians at MMC will qualify for discounts/write-offs under the discounted payment plan provisions described above if the patient is found to be eligible for this program.

If a patient qualifies for a discounted payment plan, after the discounts/write-offs are applied to the outstanding medical bills of the patient, a payment plan will be established according to the minimum payment schedule listed in this policy. In the event that a patient does not agree with the minimum payment schedule listed in this policy, Patient Financial Services may establish a reasonable payment plan with the patient as described below.

Reasonable Payment Plan

A reasonable payment plan is one that is based on a patient's family income and essential living expenses, as outlined in the Financial Assistance Application and as defined in SB 1276. Essential living expenses include: 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.

A reasonable payment plan can be requested by any patient who feels their medical bills are beyond their capacity to pay. Under a reasonable payment plan, the monthly payment is calculated by applying 10% to the patient family's monthly income that remains after the essential living expenses are deducted from their monthly income.

A reasonable payment plan is only initiated when a patient cannot agree to the minimum monthly payment schedule outlined in this policy. Reasonable payment plans must be approved by the CFO or designee.

Regular Payment Plan

A regular payment plan can be instituted for patients that need to pay their medical bills off over time because of the financial burden that would be caused if they were to pay their bills off in a single payment. Regular payment plans will be set up by Patient Financial Services according to the minimum monthly payments established in this policy, and do not require approval by the CFO or designee. Minimum payment amounts are based on the total bill outstanding for the guarantor responsible for the bill. Regular payment plans do not require an accompanying Financial Assistance Application.

If the payment plan becomes a financial hardship, a Financial Assistance Application to reduce minimum payments must be completed, signed and returned by the patient with all the necessary documentation to Patient Financial Services in order for the patient's monthly payment amount to be reduced. All deviations from the payment schedule below must be forwarded to the CFO or designee for approval.

The minimum monthly payment amounts are established for payment plans as outlined below:

PAYMENT SCHEDULE

Account Balance After Discount if Applicable	Minimum Monthly Payment
Up to $100	Payment in Full
$101-$300	$25
$301-330	$50
$331-360	$55
$361-390	$60

$391-420	$70
$421-450	$75
$451-480	$80
$481-500	$85
$501-1,200	$100
$1,201-3,000	$150
$3,001-$5,000	$200
$5,001 +	$250 +

Extended Payment Plans

The term of payment plans may extend for as long as necessary if they meet the minimum monthly payment guidelines above. If the financial circumstances warrant a reduction of the minimum monthly payment amount as listed above, a Financial Assistance Application must be completed by the patient and the reduction in the monthly payment amount and extension of the payment plan must be approved by the CFO or designee.

General Provisions

All payment plans and discounts, as listed above that are initiated with a Financial Assistance Application will be formalized with a letter to the patient stating whether or not their Financial Assistance Application was approved and which programs they may access under this policy. A formal payment agreement must be signed by the responsible party in order to finalize all types of payment plans and applicable discounts.

If two consecutive monthly payments are not received or they do not fall within the payment schedule, the payment plan may be revoked and further collection procedures may be made, up to and including account transfers to a collection agency or litigation. In these cases the patient will be notified in writing that their payment plan is past due and will be transferred to a collections agency if payment is not received or a new payment plan is not established. Reasonable effort will be made to also contact the patient by phone to communicate consequences of non-payment and opportunity to renegotiate the payment plan if applicable. Under no circumstance will adverse information be reported to a consumer credit reporting agency or civil action commence against the patient for nonpayment at any time prior to 150 days from the initial billing for medical services.

REFERENCES

CA SB 1276 (Chapter 758, Statutes of 2014), CA AB 774 (Statutes of 2006), and SB 350 (Chapter 347, Statutes of 2007)

POLICY

It is the policy of MMC to offer charity care discounts to patients that receive medically necessary healthcare services and are uninsured, underinsured, or do not have sufficient income to pay for their medical bills as outlined below.

PURPOSE

Modoc Medical Center (MMC) is committed to providing quality services in a caring environment and to make a positive, measurable difference in the health of individuals we serve. Helping to meet the needs of low-income, uninsured and underinsured persons is an important element of our commitment to the community. MMC's charity care policy provides the means for MMC to demonstrate commitment to achieving our values for a specific population within our community. The charity care policy has been developed in written form to effectively communicate how our commitment will be applied consistently to all patients who apply and are eligible for this program.

PROCEDURE

Covered Patient Services

Covered services include all medically necessary inpatient and outpatient services provided by MMC.

Eligibility for Charity Care

Patients who receive medically necessary services at MMC and who have difficulty paying their medical bills because of financial hardship may be eligible for charity care discounts. If a patient has not provided proof of insurance coverage for medical services, they shall be provided a written statement that they may be eligible for third-party coverage through the California Health Benefit Exchange, Medicare, Medi-Cal, or Childrens' Services Programs.; MMC will provide a Medi-Cal application; information regarding eligibility for California Health Benefit Exchange; information regarding all financial assistance programs offered by MMC including charity care discounts, and telephone number of the hospital employee from whom the patient may obtain information about financial assistance programs, and how to apply for that assistance.

In order for a patient to be eligible for charity care discounts all of the following conditions must be met:

- The patient does not have or does not qualify for private health insurance (including coverage offered through the California Health Benefit Exchange), Medicare, or Medi-Cal as determined and documented by MMC;

- The patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by MMC;

- The patient's household income does not exceed 100% of the Federal Poverty Level; **and**

- The patient's allowable, qualified monetary assets do not exceed five thousand dollars ($5,000);

    - In determining a patient's monetary assets, the hospital **shall not** consider: retirement or deferred compensation plans; the first ten thousand dollars ($10,000) of monetary assets, and fifty percent (50%) of the patient's monetary assets over the first ten thousand dollars ($10,000).

Eligibility for charity care discounts is based upon the most current available federal poverty guidelines that are incorporated herein by reference. The federal poverty guidelines are published annually and this policy will be updated by incorporating each subsequent edition.

Special Eligibility and Enrollment Exceptions

A. High Medical Costs/Medically Indigent

1. A patient whose family income does not exceed 350% of the federal poverty level and their annual out-of-pocket medical expenses for non-elective/medically necessary services with MMC and other healthcare providers exceed 10% of the patient's family gross income in the prior 12 months, is considered "Medically Indigent" as defined by AB 774.

2. Those who have been informally determined to be Medically Indigent as defined above will be provided an opportunity to complete a Financial Assistance Application by Patient Financial Services.

3. Supporting documentation to show what medical expenses have been paid for in the prior 12 months is required to determine eligibility under this special provision of the charity care policy.

B. Homeless/Indigent Patients

1. Patients who are determined to be indigent/homeless by either clinical documentation or are unable to provide sufficient demographic information such as mailing address, phone number, or residential address can be considered for charity care discounts. No Financial Assistance Application will be required of a patient who has been determined to be homeless/indigent. All eligible discounts under this provision shall be approved by the CFO or designee.

C. Deceased No Estate

1. Upon confirmation that a patient is deceased and has no estate, third-party coverage, or spouse, the deceased patient account will automatically be eligible for charity care discounts upon MMC's verification of the following items:

    a. Copy of death certificate from patient family or other source.

    b. Confirmation that the patient does not have a living spouse.

    c. Confirmation that the patient does not have an estate.

Application

All patients unable to pay for medical services provided by MMC will be offered an opportunity to complete an application form referred to as a Financial Assistance Application. This form is available in Patient Financial Services in English and Spanish. Financial data requested on the form needs to be completed for evaluation purposes. Patient Financial Services is available for any questions the patient may have.

By completing the Financial Assistance Application, uninsured patients who do not have the financial means to pay, uninsured patients with partial financial means to pay, and insured patients that are unable to pay patient liabilities may have all or part of their medical bills written off by MMC. If the patient qualifies for charity care discounts, under this policy their bill will be written off at 100%. MMC staff will assist the patient with completion of the application. However, it is the patient's responsibility to provide the required information. Willful failure by the patient to provide the required documentation may result in the inability of MMC to provide financial assistance.

Each patient who completes the Financial Assistance Application enables MMC to accomplish certain essential steps in the financial assistance process:

- Allows MMC to determine if the patient has declared income and/or assets that could be used to pay for healthcare services provided by MMC;

- Provides documents to support a financial status determination; and
- Provides information that documents MMC's commitment to providing financial assistance.

To determine that a patient does not have the ability to pay, Patient Financial Services will make all reasonable efforts to obtain the following information, from the patient or other sources:

- Individual or family income and expense.
- Employment status. This will be considered in the context of the likelihood that future earnings will be sufficient to pay for healthcare services within a reasonable period.
- Individual or family net worth including assets, both liquid and non-liquid, less liabilities and claims against assets.
- Family size. This is used to determine the benchmark for 100% financial assistance, if income is at or below the established income levels. For persons 18 years of age or older, family size should include spouse, domestic partner, and children under 21 years old. For persons under 18 years of age, family size should include parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.
- Whether private or public health insurance or sponsorship may fully or partially cover the charge for care rendered by MMC, including eligibility for Medi-Cal, Medicare, or private insurance including California Health Benefit Exchange products.

Information provided on the Financial Assistance Application will be based upon a signed declaration of the patient or patient's family, or documentation provided by the patient or the patient's family. Additional information may be required as determined by MMC management. In some cases, information may not be obtainable from the patient or other sources and MMC staff will indicate such on the application.

All applications that are completed and qualify for charity discounts shall remain in effect for a period of 180 days from the date of the approval letter, for services that are medically necessary. After 180 days, another application will be required in order for the patient to obtain charity care discounts.

Standard Enrollment Process

The following process will be followed in order to properly assist patients in determining their eligibility for the charity care program or other discount programs offered by MMC:

- Patient Financial Services will make an informal determination of charity care eligibility based on information that is communicated by the patient verbally.

- After the informal determination by Patient Financial Services is made, potentially eligible patients will complete a Financial Assistance Application. All properly submitted applications will be reviewed and considered for implementation within 10 business days of receipt.

- All applications must be filled out completely and accurately with the following required information attached:

    - Documentation of non-coverage from Medi-Cal for the dates of service being considered;

    - Documentation of household income, as outlined in the Financial Assistance Application;

    - Documentation of monetary assets, as outlined in the Financial Assistance Application (statements on retirement or deferred-compensation plans shall not be included for purposes of this policy);

    - Completed Medicare Secondary Payer (MSP) Questionnaire indicating the patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance.

- Any additional accounts for the responsible party with outstanding balances at time of application will be screened for charity care discount eligibility using the same information collected above.

- Verification of accuracy of application information will be made by Patient Financial Services.

- A letter of approval or denial will be issued to each applicant. Letters of approval will indicate the amount to be written off and indicate that a zero dollar ($0) balance remains on the accounts that are to be written off under this policy. Letters of denial for the charity care program will indicate eligibility for discounted payment plans or other opportunities to pay down the outstanding medical bills to MMC.

- A note will be made on the patient's guarantor indicating that the patient qualifies for charity care discounts for a period of 180 days from the date of the approval letter. After

the 180-day period of time, the patient will be required to complete another Financial Assistance Application to determine continued eligibility.

Patient Notification of the Charity Care Policy

In the event of MMC providing service to a patient who has not provided proof of insurance coverage by a third party at the time the care is provided or upon discharge, MMC shall provide a written notice to the patient that includes, but is not limited to the following:

- A statement of charges for services rendered by the facility;
- A request that the patient inform the facility if the patient has health insurance coverage, Medicare, Medi-Cal, Healthy Families Program, or other coverage;
- A statement that if the patient does not have coverage, they may be eligible for Medicare, Healthy Families Program, Medi-Cal, coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage, a discounted payment plan, or charity care;
- The name and telephone number of the Patient Financial Services representative that can be contacted to obtain applications to the above-listed third party coverage and MMC's Financial Assistance Application.
- Information regarding the requirements to be eligible for discounted payment plans or charity care discounts.

REFERENCES

CA SB 1276 (Chapter 758, Statutes of 2014), CA AB 774 (Statutes of 2006), and SB 350 (Chapter 347, Statutes of 2007)