

TITLE: CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY	NUMBER: 6:3100
Responsible: Managed Care Operations Mgr. <div style="text-align: right;"><u>Date</u></div> Reviewed / No Changes: Reviewed & Revised: 10/18	<div style="text-align: right;"><u>Approvals</u></div> Admin Team 10/18 JC/BOT 11/18

PURPOSE

To define the process for Charity Care, Self Pay and High Medical Cost discounts.

POLICY

Natividad complies with State law AB774 relative to Charity Care, Self Pay Discount program, High Medical Cost Discount program and debt collection policies. Uninsured patients and patients with High Medical Costs with income at or below 350 percent of the Federal Poverty Level are eligible to apply for Financial Assistance for services provided by NMC.

PROCEDURE

1. Definitions:

- a. Charity Care: Charity Care (or Full Charity) is a discount representing 100% of a patient’s liability for life threatening emergent services only. For purposes of this policy, “life threatening emergent services” are defined as care provided to any person requesting the services or care or whom services or care is requested, for any condition in which the person is in danger of loss of life, or serious injury or illness. The Charity Care discount is equivalent to 100% of billed charges when the patient is uninsured and equivalent to the patient’s unmet deductible, coinsurance, and/or copay when the patient is insured.
- b. Partial Charity Discount: Includes the Self Pay Discount and the High Medical Cost Discount (each a Partial Charity Discount program and collectively Partial Charity Discount programs). A Partial Charity Discount is a discount available to an uninsured patient or an insured patient with High Medical Costs, that reduces an eligible patient’s balance consistent with the discount set forth in Attachment A, but at no time leaving the patient financially responsible for more than the amount of payment the hospital would expect, in good faith, to receive for providing services under Medicare, Medi-Cal, the Healthy Families Program, or another government-sponsored health program of health benefits in which Natividad participates, whichever is greater.
- c. Self Pay Discount: Discount off of billed charges, granted after application process has been completed for patients at or below 350 percent of the Federal Poverty Level that do not have third party coverage from a health insurer, health care service plan, any county plans, Medicare, Medi-Cal, or an injury that is compensable under some third party liability coverage such as Workers’ Compensation, auto insurance medical benefits or another insurance/liability coverage.
- d. High Medical Cost Discount: Discount off of billed charges, granted after application process has been completed for patients at or below 350 percent of the Federal Poverty Level that have High Medical Costs. High Medical Costs means either (1) annual out-of-pocket costs incurred by the individual at Natividad that exceed 10 percent of the Patient’s Family income in the prior 12 months or (2) annual out-of-pocket expenses (Natividad and non-Natividad) 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.
- e. Financial Assistance: Includes both Charity Care and the Partial Charity Discount programs.
 - f. Patient's Family: For persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not. For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.
 - g. Federal Poverty Level: Poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.
 - h. Reasonable Payment Plan: Means monthly payments that are not more than 10 percent of a Patient's Family income for a month, excluding deductions for essential living expenses. Essential living expenses means, 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.

2. General Guidelines:

- a. All patients are encouraged to contact or visit the Financial Counseling office (831) 755-4165, Monday through Friday, excluding holidays, 8 a.m. – 3:00 p.m. to apply for assistance.
- b. All uninsured patients and those claiming to have High Medical Costs will be given an English/Spanish version of the **CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY** and a Medi-Cal application, Healthy Families Program application, and/or other state- or county-funded health coverage program applications at the time of registration (inpatient, outpatient and emergency department).
- c. The **CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY** and Debt Collection Notice are posted in English/Spanish in high volume inpatient and outpatient service areas of Natividad, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas, Financial Counseling office, and the Business office.
- d. The Natividad Financial Counseling Unit (FCU) application process will be completed for all Charity Care and Partial Charity Discount programs.
 - 1) Applicants will be screened and must comply with the application process for other forms of assistance, such as the California Health Benefits Exchange (Covered California), Medi-Cal and California Children's Services.
 - 2) A patient or his or her legal representative who requests Charity Care or a Partial Charity Discount program shall make every reasonable effort to provide Natividad with documentation of income and health benefits coverage. If the person fails to provide such information that is reasonable and necessary for Natividad to make a determination, Natividad may consider that failure in making its determination.
 - 3) Where applicable, Natividad may require the patient's or the Patient's Family's waiver or release, authorizing Natividad to obtain account information from financial or commercial institutions, or other entities that hold or maintain the monetary assets, to verify their value.

- 4) A pending application for another health coverage program shall not preclude eligibility for Financial Assistance under this policy. However, final approval of Financial Assistance may be deferred until the pending application is processed and eligibility is determined.
- e. This policy is limited to services provided by and billed by Natividad; it excludes providers who do their own billing.
 - f. This policy does not apply to Medi-Cal or Managed Care Medi-Cal Shares of Cost.
 - g. Patients must apply for assistance, including submitting to Natividad the reasonable and necessary documentation, within 150 days of the date of the initial patient billing.
 - h. Patients will be given a written statement if they qualify or are denied for one of the Charity Care or Partial Charity Discount programs.
 - 1) Statement will indicate the Charity Care or Partial Charity Discount program name.
 - 2) Statement will indicate approval or denial/denial reason/appeal process.
 - 3) The original statement will be given or mailed to the patient.
 - 4) A copy of the statement will be in the Financial Counseling office.
 - i. Effective January 1, 2008, anytime this policy is substantially updated, it will be sent to the Office of Statewide Health Planning and Development.
 - j. Natividad reserves the right to receive new information retrospectively concerning patients from any source and to consider applicability/acceptance for Charity Care and Partial Charity Discount programs.
 - k. For a patient that lacks coverage, or has provided information that he or she may be a patient with High Medical Costs, adverse information will not be turned over to a consumer credit reporting agency nor will Natividad, its assignees, or agents commence civil action against the patient for nonpayment before 150 days after initial billing. This 150-day period will be extended if the patient has a pending appeal for coverage of the services, until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with Natividad about the progress of any pending appeals. If the patient is attempting to qualify for Financial Assistance under this policy and is attempting in good faith to settle an outstanding bill with NMC by negotiating a Reasonable Payment Plan or by making regular partial payments of a reasonable amount, Natividad shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with AB774 (the California Hospital Fair Pricing Policies Act).
 - l. Information obtained by Natividad in connection with determining patient eligibility for Charity Care or Partial Charity Discount programs will not be used by Natividad for debt collection activities.
 - m. Natividad reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order to qualify for the Charity Care or Partial Charity Discount programs.
 - n. Elective bariatric or cosmetic surgeries are not eligible for Charity Care.
 - o. This Charity Care policy does not apply to claims that are part of third party liability settlement agreements.
 - p. For payment plan options, including a Reasonable Payment Plan, see Natividad's Payment Plans policy, as may be amended from time to time.
 - q. While this policy does not apply to physician services, patients should be aware that an emergency physician who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounted care for uninsured patients or patients with High Medical Costs and who have family income at or below 350 percent of the Federal Poverty Level. This statement shall not be construed to impose any additional responsibilities to Natividad. The emergency

room physicians billing group has discount payment plans available upon request from a patient.

3. Eligibility Criteria For Charity Care Or Partial Charity Discount Programs

Charity Care Policy:

- a. Monetary assets shall not include:
 - 1) The patient's retirement and deferred compensation plans; and
 - 2) The first ten thousand dollars (\$10,000) of the patient's monetary assets, nor fifty percent (50%) of the patient's monetary assets over the first \$10,000.
- b. Qualification for Charity Care is based on income as proven by prior year's income tax returns or pay stubs from the 12 months prior to services and documentation of all out-of-pocket medical expenses. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how he or she supports him or herself/family and should attach such relevant documentation to that letter.
- c. Patient Financial Services will adjust Medi-Cal denials as Charity Care when the patient has limited/emergency only Medi-Cal, the services are denied because they are non-covered and an Advanced Beneficiary Notification is not on file.
- d. Charity Care patients are self pay or patients with High Medical Costs who are at or below 100% of the Federal Poverty Level, have no more than \$10,000 in monetary assets, and have received services from Natividad for the treatment of life threatening emergent conditions.

Self Pay Discount Policy:

- a. Applicants must have family income at or below 350% of the Federal Poverty Level.
- b. Applicants must not have third party coverage from a health insurer, health care service plan, any county plans, Medicare, Medi-Cal, or an injury that is compensable under some third party liability coverage such as Workers' Compensation, auto insurance medical benefits or another insurance/liability coverage.
- c. Qualification for this program is based on income as proven by prior year's income tax returns or pay stubs from the 12 months prior to services. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how he or she supports him or herself/family and should attach such relevant documentation to that letter.
- d. Assets are not considered for this program.
- e. Discounts are listed in Attachment A and may change periodically at the discretion of Natividad. However, at no point will the discount amount offered result in the patient being financially responsible for more than the amount of payment the hospital would expect, in good faith, to receive for providing services under Medicare, Medi-Cal, the Healthy Families Program, or another government-sponsored health program of health benefits in which Natividad participates, whichever is greater.
- f. The Patient Financial Services Director/Operations Manager, with the approval of the Chief Financial Officer or Chief Executive Officer, may approve patients up to 400% of the Federal Poverty Level.

High Medical Cost Patients Policy. Eligible applicant attributes:

- a. Family income at or below 350% of the current Federal Poverty Level.
- b. Either (1) annual out-of-pocket costs incurred by the individual at Natividad exceed 10 percent of the Patient's Family income in the prior 12 months or (2) annual out-of-pocket expenses (Natividad and non-Natividad) 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.
- c. Qualification for this program is based on income as proven by prior year's income tax returns or pay stubs from the 12 months prior to services and documentation of all out-of-pocket medical expenses. If the patient does not have either income tax returns or recent pay stubs, the patient should provide a letter explaining how he or she supports him or herself/family and should attach such relevant documentation to that letter.
 - d. Assets are not considered for this program.
 - e. Discounts are listed in Attachment A and may change periodically at the discretion of Natividad. However, at no point will the discount amount offered result in the patient being financially responsible for more than the amount of payment the hospital would expect, in good faith, to receive for providing services under Medicare, Medi-Cal, the Healthy Families Program, or another government-sponsored health program of health benefits in which Natividad participates, whichever is greater.
 - f. The Patient Financial Services Director/Operations Manager, with the approval of the Chief Financial Officer or Chief Executive Officer, may approve patients up to 400% of the Federal Poverty Level.
4. Non-profit credit counseling may be available in the area; patients are encouraged to check the yellow pages of the local telephone book or contact the National Foundation for Credit Counseling (1-800-388-2227; nfcc.org).
5. Dispute Mechanism:
- a. Patients will be given a written denial if they are not accepted for one of the above programs.
 - b. Patients have 10 working days to file a written appeal with reasons for appeal to: Natividad, Managed Care Operations Manager, 1441 Constitution Blvd., Salinas, CA 93906.
 - c. The Manager will respond in writing to the patient and the Patient Financial Services Director within 10 working days.
 - d. Patients may send a final appeal with justification within 10 working days to: Natividad, Chief Financial Officer, 1441 Constitution Blvd., Salinas, CA 93906.
 - e. The Chief Financial Officer will respond in writing to the patient and the Patient Financial Services Director within 10 working days.

STAKEHOLDERS:

Admitting
 Ambulatory Services
 D'Arrigo Family Specialty Clinic
 Financial Counseling Unit
 Natividad Care Center
 Natividad Medical Group
 Patient Financial Services
 Specialty Clinic

REFERENCES: Cal. Health & Safety Code §§ 127400 *et seq.*
 Natividad Payment Plans policy (BUS-1003)

Attachment A:

Discount rates as of June 1, 2011, and effective as of November 2, 2018:

Inpatient: 84% off of billed charges

Outpatient: 91% off of billed charges