



# COLLEGE MEDICAL CENTER

MANUAL: Administrative

POLICY #: AD-00-125

SUBJECT: **Charity Care and Discount Payment Policy**

EFFECTIVE: 02/2014

APPROVALS: Chief Financial Officer

REVISED: 06/2015

REVIEWED:

## **POLICY STATEMENT**

College Medical Center strives to provide quality services in a caring environment and to help meet the needs of the low-income uninsured and underinsured population in the community. The hospital's charity care and discount policy provides the means for College Medical Center to demonstrate its commitment to achieving its mission and values. The criteria College Medical Center will follow are documented in this policy.

Patients who do not have third party insurance coverage for their entire hospital bill, and who have difficulty paying their hospital bills because of financial hardship, and patients with high medical costs are covered under the terms of this policy.

Emergency Department physicians are not employees of College Medical Center but are required to offer similar or discounted care as mandated by law.

## **GENERAL PROCESS AND RESPONSIBILITIES**

All patients unable to meet their financial obligations to the hospital will be offered an opportunity to complete a Financial Evaluation Form. It is our goal to have all patients screened for eligibility for Medicare, Medi-Cal or any other third party coverage.

Patients must contact the Emergency Department physicians to work out arrangements for their bill.

## **DISCOUNTED PAYMENT FOR ALL UNINSURED, SELF-PAY PATIENTS AND PATIENTS WITH HIGH MEDICAL COSTS**

All patients who do not have any third party insurance coverage, and who do not qualify for any government payment program, will receive a 50% discount from billed charges without taking into consideration their ability to pay and before the application of any additional charity care discount, if eligible.

Patients with high medical costs may negotiate a payment plan taking into consideration the patient's living expenses and income or use the formula stipulated in the law to create a "reasonable" payment plan.

## **FINANCIAL EVALUATION FORM**



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By completing the financial evaluation form, uninsured or underinsured patients may have all or part of their hospital bills covered by the hospital's charity and discount policy. The evaluation form is used to help determine the extent of a patient's financial means. Hospital staff will assist the patient with completion of the form during their stay. However, it is the patient's responsibility to cooperate with the information gathering process. Failure by the patient to cooperate will result in the denial of charity or discounted care.

Each patient who completes the financial evaluation form enables College Medical Center to accomplish certain essential steps in the charity care process:

- Allows the hospital to determine if the patient has declared income and /or assets giving them the ability to pay for the health care services they will receive;
- Gives the hospital permission to complete a credit check for each individual prior to rendering services;
- Provides a document to support a financial status determination; and
- Provides an audit trail in documenting the hospital's commitment to providing charity and discounted care.

In order to determine that a patient does not have the ability to pay, hospital staff will make a good faith effort to obtain the following information:

- Individual or family income.
- Employment status. This will be considered in the context of the likelihood future earnings will be sufficient to meet the cost of paying for these healthcare services within a reasonable period of time.
- 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 percentage of charity care, if income is at or below the established income levels.
- Eligibility for Medi-Cal at present or potential for eligibility in the future.

Information used will be based upon a signed declaration of the patient or patient's family, verification through credit checks, and/or other documentation provided by the patient or the patient's family. Additional information may be required for special



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circumstances or as determined by hospital management. It is understood that in some cases information will not be obtainable and College Medical Center staff will indicate this on the financial evaluation form.

The charity care discount is based upon the current federal poverty guidelines, as updated annually by the Department of Health and Human Services.

Given the College Medical Center service area demographic and the organization's mission to meet the health care needs of its community, the primary qualifying levels are based upon incomes up to 200% of the federal poverty level guidelines for 100% write-off of patient balances for charity care, with a sliding scale of decreasing percentage write-offs for incomes up to 350% of the federal poverty guideline, as shown in the following table:

Charity write-off for family incomes compared to the federal poverty guidelines:

0 to 200% of the federal poverty guideline – 100% charity write-off  
201 to 250% of the federal poverty guideline – 75% charity write-off  
251 to 300% of the federal poverty guideline – 50% charity write-off  
301 to 350% of the federal poverty guideline – 25% charity write-off  
Over 351% of the federal poverty guideline – 0% charity write-off

To qualify for charity care coverage for either the entire hospital bill or a portion of the hospital bill, the following criteria must be met:

- If the hospital is unable to obtain adequate information regarding ability to pay for any patient treated in the emergency department, the patient may be granted 100% charity care after appropriate billing and/or other attempts to collect information.
- Services denied or non-covered by Medi-Cal or other programs, which provide care to low-income patients, may be considered for write-off under the charity care policy.
- Patient co-pays, deductibles, and share of cost will not be reduced further under this policy. Charity and discount payments will be determined after co-pays, deductibles, and share of cost are met.
- Hospital staff will be responsible for calculating the charity discount recommendations using the Financial Evaluation Form (Exhibit B) and the current Federal Poverty Guidelines (Exhibit A).



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- Hospital staff will determine if the case is catastrophic or non-catastrophic by dividing the patient's responsibility of the hospital charges by the patient's gross annual income. Should the result be greater than 100%, the case is considered catastrophic, and qualifies for 100% write-off for charity care for incomes up to 350% of the federal poverty guideline.
- A patient, who is homeless and uninsured, may be considered for presumptive charity.
- A deceased patient, who is uninsured, has no family, and no estate, may be considered for presumptive charity.

## **CHARITY CARE DETERMINATION PROCESS**

Every reasonable effort will be made to make an individual patient's charity care determination as soon as possible. This may occur before or after services to the patient begin. College Medical Center will not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after initial billing. If it is determined that the patient does not have the ability to pay during the billing and collection process, charity care will be considered according to the criteria in this policy. College Medical Center will work to assist any patient unable to pay and who cooperatively provides information regarding their ability to pay.

## **APPEALS**

If the patient disagrees with the decision on the application, he/she has the right to appeal to hospital administration for further review.

## **EXTENDED PAYMENT PLAN**

Payment plans will be interest free. Hospital staff may extend a payment plan for up to twelve months. Payment plans from 13 to 24 months must be approved by the Business Office Manager. Payment plans in excess of 24 months must be approved by the Chief Financial Officer.

## **DEFINITIONS:**



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**Self-Pay Patient:** A patient who does not have third-party insurance coverage, Medicare, Medicaid, Workers' Comp, or Auto insurance.

**High Medical Cost Patient:** A patient whose family income does not exceed 350% of the Federal Poverty Level and has annual out-of-pocket costs incurred by the patient at the hospital that exceed 10% of the family income in the prior 12 months.

**Reasonable Payment Plan:** Monthly payments are not more than 10% of the patient's family income for a month, excluding deductions for essential living expenses.

**Essential Living Expenses:** Rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental insurance payments, school or child care, child or spousal support, transportation and auto expenses including gas, and repairs, installment payments, laundry and cleaning and other extraordinary expense.

Exhibit A



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## 2015 Poverty Guidelines

### U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs

The following figures are the 2015 HHS poverty guidelines which are scheduled to be published in the *Federal Register* on January 22, 2015. (Additional information will be posted after the guidelines are published.)

#### 2015 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$4,160 for each additional person.	
1	\$11,770
2	15,930
3	20,090
4	24,250
5	28,410
6	32,570
7	36,730
8	40,890

Exhibit B Charity Evaluation Form



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Patient Name: TEST, JANE

Patient Visit Number: **[FIN #]**

## CHARITY CARE EVALUATION FORM

Schedule of Current Income and Expenditures

TEST, JANE \_\_\_\_\_

TEST, JANE \_\_\_\_\_

15966 ANYSTREET  
SOMEWHERE, CA 11111 \_\_\_\_\_

**[Patient Phone #]** \_\_\_\_\_  
Phone

Social Security Number: **[SS#]** \_\_\_\_\_  
(Patient) (Spouse)

## EMPLOYMENT AND OCCUPATION

**[Employer Name]** \_\_\_\_\_  
Employer

**[Position Title]** \_\_\_\_\_  
Position

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
If self-employed, give name of business

\_\_\_\_\_  
Spouse's Employer

\_\_\_\_\_  
Position

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
If self-employed, give name of business



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Patient Name: TEST. JAME

Patient Visit Number: [FIN #]

## CURRENT MONTHLY INCOME

	Patient	Spouse
Gross pay from employment: (Before deductions)	\$ _____	\$ _____
Income from operating business: (If self-employed)	\$ _____	\$ _____
Tax Return:	\$ _____	\$ _____
Total current monthly income: (Add all figures from above)	\$ _____	\$ _____

## ASSETS AND DEBTS

Please provide your best estimate of the value of any homes, cars or similar assets. Also, indicate how much debt you currently have.

### Assets:

- a. Home and Property: \$ \_\_\_\_\_
- b. Automobiles: \$ \_\_\_\_\_
- c. Retirement plan: \$ \_\_\_\_\_
- Investments/other (specify): \$ \_\_\_\_\_

### Debts:

- a. Amount owed on mortgages: \$ \_\_\_\_\_
- b. Amount owed on automobiles: \$ \_\_\_\_\_
- c. Amount owed on credit cards: \$ \_\_\_\_\_
- d. Other: \$ \_\_\_\_\_





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**FAMILY STATUS**

List all dependents you support

Name	Age	Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I certify that the above stated information is true and correct. I authorize College Hospital to contact the employer's institutions on this application or a credit reporting agency to verify its accuracy. I further authorize the employers, institutions and/or credit reporting agencies to release such information to College Hospital.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Patient or Guarantor)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Spouse)