

	DEPARTMENT: Patient Financial Services - DRAFT	REFERENCE # DRAFT
	TITLE: Charity Care	PAGE <u>1</u> OF <u>8</u>
APPROVED BY:		
REGULATORY AGENCY REFERENCES: HSC 127400, HSC 127405, HSC 127425, Senate Bill No. 1276		
ORIGINATION: 9/27/2005	REVIEWED:	REVISED: 1/1/2007, 7/1/2010, 12/15/2014

Policy Purpose:

PDH is committed to providing a reasonable amount of its services without charge to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised, PDH strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. PDH will provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility for financial assistance or for government assistance.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with PDH’s procedures for obtaining charity, other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for protection of their individual assets.

Policy:

All services, except for cosmetic and elective procedures will be available as uncompensated services. Charity accounts will be written off based on a determination under this Policy that the patient or other responsible party has demonstrated an inability to pay. However, in cases where it is determined that the account has not been paid and no demonstrated hardship under this Policy has been

provided, such accounts will be characterized as “Bad Debt” and collection of such accounts will be pursued, including referrals to a collection agency.

Procedure:

Definitions:

Charity Care – Charity Care results from a provider’s policy to provide healthcare services free or at a reduced rate to individuals who meet the established criteria. It does not include discounts normally given to insurance policy holders, contract processes that are negotiated with insurance companies, or other payors adjusted once the final bill has been created. When the patient is able to pay part of their bill, consideration will be given to adjusting off a portion of that account as partial charity care. Charity care may also include assistance to patient(s) who have incurred high medical costs and are defined as yearly healthcare costs greater than 10% of household income.

Charity Patients are Defined As Follows:

- A. Uninsured patients (those without third party insurance, Medicare, Medi-Cal, or with injuries or conditions qualifying for coverage, such as workers’ compensation or automobile insurance for injuries) who do not have the ability to pay based on criteria described in the Eligibility section below.
- B. Insured patients whose coverage and whose ability to pay are inadequate to cover a catastrophic situation.
- C. Uninsured emergency patients may be considered charity patients unless approved for Hospital Presumptive coverage.
- D. An insured or uninsured patient with high medical costs whose household income does not exceed 250% of the federal poverty level (See Appendix A), but whose out-of-pocket medical costs or expenses exceed 10% of their income for the prior 12 months.
- E. Any patient who demonstrates an inability to pay, versus bad debt, which is the unwillingness of the patient to pay.

Family –Using the definition per HSC 127400 - for persons 18 years or 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. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of provision of financial assistance.

Family Income - Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

1. Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments,

- survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, education assistance, alimony, child support, assistance from outside the household and other miscellaneous sources;
2. Noncash benefits (such as food stamps and housing subsidies) do *not* count;
 3. Determined on a before-tax basis;
 4. Excludes capital gains or losses; and
 5. If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do *not* count).

Uninsured – The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations.

Underinsured – The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross charges – The total charges at PDH’s full established rates for the provision of patient care services before deductions from revenue are applied.

Emergency Medical Conditions – Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically Necessary– As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Services Eligible under This Policy

For purposes of this Policy, “charity” or “financial assistance” refers to healthcare services provided by PDH without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at PDH’s discretion.

Eligibility for Charity

Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

Method by Which Patients May Apply for Charity Care

1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need. The following documents will be considered proof of income:
 - a. Two (2) pay stubs (most recent)
 - b. Bank statement (most recent)
 - c. Most recent tax return
 - d. Copy of unemployment benefits award letter or pay stub within the last 30 days
 - e. A credit report may be run to verify financial and related information that will assist in making a determination about the patient's eligibility for charity care.
 - f. Patient must apply to Covered California and/or Medi-Cal. Eligibility or denial for insurance coverage must be presented to PDH within 90 days of receipt.
 - g. Patient must complete and return *Charity Care Patient Statement of Financial Condition*.
 - h. PDH will include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
 - i. A letter may be requested to be submitted, along with the other documentation, detailing the patient's need for financial assistance and stating a request for aid.
 - j. Documentation must be submitted to:
 - Plumas District Hospital
 - Attn: Patient Financial Counselor
 - 1065 Bucks Lake Road
 - Quincy, CA 95971
2. PDH's values of personalized, compassionate and high quality care shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and PDH shall notify the patient or applicant in writing within 90 days of a completed application.

Presumptive Financial Assistance Eligibility

1. Patient Financial Counselors (PFCs) will assist uninsured patients to apply for Hospital Presumptive Eligibility.
2. For patients aged 65 and over, PFCs will assist the patient with completing and submitting a Date Preservation form or initial Medi-Cal application.

Eligibility Criteria and Amounts Charged to Patients

Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of determination.

1. Gross income should fall within established standard for determination of the FPL, considering family size, geographic area and other pertinent factors.
2. Family size will be considered. For this purpose, "Family" is defined, for an adult patient as spouse, domestic partner, and dependent children under the age of 21, whether living at home or not. For patients under the age of 18, "Family" is defined as the patient's parent(s) and/or caretaker relatives and other children under 21 years of age of the parent or caretaker relative.
3. If a dependent child is over the age of 18 and does not appear on a parent or caretaker's most recent tax return, the dependent child must provide a copy of their own most recent tax return.
4. Patients whose family income is at or below 150% of the FPL are eligible to receive charity.
5. Patients whose family income is above 150% but not more than 250% of the FPL are eligible to receive reduced rates, based on a sliding fee scale, on a case-by-case basis.
6. Patients whose family income exceeds 250% of the FPL may be eligible to receive reduced rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of PDH.
7. Other financial obligations, including living expenses and other items of a reasonable and necessary nature will be analyzed.
8. Patients whose out-of-pocket medical expenses exceed 10% of their prior 12 months of income may be eligible for financial assistance at the discretion of PDH.
9. Charity status will be determined by the Charity Care Committee, after the time of discharge and after all required documentation is submitted by the patient or responsible party.
10. Once the account is settled, the information used for determination will be kept on file by PFCs for at least two years.
11. Patients who are not eligible for financial assistance or are eligible to receive partial assistance which leaves them owing a balance due to the Hospital may request a payment plan from Patient Financial Counselors .
12. Patients who are a victim of a crime could be eligible for State of California funding from the Victim of Crime (VOC) program. Patients can apply at the District Attorney's office at the courthouse in Quincy. The patient will not qualify if:
 - a. There is insurance involved;
 - b. He/she initiated the crime;
 - c. He/she expires.

Communication of the Charity Program to Patients and Within the Community

Notification about charity availability from PDH, which shall include information (phone number and/or email addresses), shall be disseminated by PDH by various means, which may include, but are not limited to:

1. Publication of notices in patient bills, postings in the Emergency Room, verbiage in the *Conditions of Admission* form, and posted in the admitting and registration departments (hospital and clinics)
2. PDH also shall publish and widely publicize a summary of this charity care Policy on facility websites and in brochures available in patient access sites.
3. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by PDH.
4. Referral of patients for charity may be made by any member of PDH staff or medical staff.
5. A request for charity may be made by the patient or a family member, close friend or associate of the patient, subject to applicable privacy laws.

Approval Process/Dispute Resolution for Charity and Discount Payment Application

The Charity Care Committee will review all Charity Care applications:

1. Approval or denial will be based on financial information received.
2. A request for appeal of final determination must be made in writing to the Charity Care Committee within 30 days of the final determination. The Charity Care Committee will perform an independent review of the patient or guarantor's financial information. The patient/guarantor will be notified of the review outcome within 30 days.

Relationship to Collection Policies

PDH management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for Covered California or Medi-Cal or for charity from PDH, and a patient's good faith effort to comply with his or her payment agreements with PDH.

During the charity care application process, PDH will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any patient. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that PDH has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this Policy and that the patient has not complied with the hospital's application requirements;
3. Documentation that the patient does not qualify for financial assistance on a presumptive basis;
4. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.
5. PDH charity does not apply to accounts that are currently in collections.

Regulatory Requirements

In implementing this Policy, PDH management and facilities shall comply with all other federal, state, and local laws, rules and regulations that may apply to activities conducted pursuant to this Policy.

References:

Healthcare Financial Management Association

Huntington Memorial Hospital

State of California, Health and Safety Code 127400

State of California, Health and Safety Code 127405

State of California, Health and Safety Code 127425

Senate Bill No. 1276

Internal Revenue Service

Appendix A



FINANCIAL ASSISTANCE SCHEDULE

2014 Poverty Guidelines (taken from the Federal Register) using 250% multiplier

*For families/household with more that 8 persons, add \$4,060.00 for each additional person.

% of Discount	100%		75%		50%		25%		Full Fee if More Than
	150% FPL		151% FPL	190% FPL	191% FPL	220% FPL	221% FPL	250% FPL	
Family Size*	From	To	From	To	From	To	From	To	
1	\$0	17,505	17,622	22,173	22,290	25,674	25,791	29,175	29,176
2	\$0	23,595	23,752	29,887	30,044	34,606	34,763	39,325	39,326
3	\$0	29,685	29,883	37,601	37,799	43,538	43,736	49,475	49,476
4	\$0	35,775	36,014	45,315	45,554	52,470	52,709	59,625	59,626
5	\$0	41,865	42,144	53,029	53,308	61,402	61,681	69,775	67,776
6	\$0	47,955	48,275	60,743	61,063	70,334	70,654	79,925	79,926
7	\$0	54,045	54,405	68,457	68,817	79,266	79,626	90,075	90,076
8	\$0	60,135	60,536	76,171	76,572	88,198	88,599	100,225	100,226
9	\$0	66,225	66,667	83,885	84,327	97,130	97,572	110,375	110,376
10	\$0	72,315	72,797	91,599	92,081	106,062	106,544	120,525	120,526