

## Charity Care and Financial Assistance

### Policy / Purpose Statement

Kindred Hospitals – California (Kindred) ~~is~~ are committed to providing high quality, comprehensive health care services to patients regardless of their ability to pay. Kindred Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with Kindred’s procedures for obtaining financial assistance and to contribute to the cost of Kindred’s care, based on individual ability to pay. This policy does not apply to physician services.

### Patient Notification

Information about financial assistance, available from Kindred, shall be disseminated through various means, including the publication of notices in patient bills, delivery of patient notification at time of registration for an inpatient stay, clinic visits and by posting notices in high volume areas such as Admitting, Patient Accounting and other places Kindred may elect. Such Information shall be provided in English and Spanish, and will be translated for patients / guarantors who speak other languages.

### Procedure

#### Charitable Care

Charitable Care is defined as a full charitable deduction (100% discount) for all eligible amounts owed to Kindred.

1. Eligibility for charity care will be considered for those individuals who provide Documentation of ineligibility for government sponsored programs including Medi-Cal, Healthy Families, California Children’s Services or Medicare. Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage under a government sponsored program.
2. Eligibility for charity care will be considered for those individuals who are uninsured, ineligible for any government health care benefit program, a patient whose injury is not a compensating injury for purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by the hospital and / or unable to pay for their care, based upon a determination of financial need in accordance with this policy.

3. A patient may qualify for charitable care prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to or a time of visit. If a funding source cannot be identified after full compliance by the patient or guarantor, charity care may be provided. A request for charity care may be initiated via completion of a Financial Disclosure Statement by the patient, family member, physician, or health care representative. All charity care requests will be considered for eligibility upon receipt of the prescribed financial information.
4. Kindred Hospital recognizes that the financial status of patients may change over time. Kindred's personnel will actively assist families in securing eligibility of any program with the cooperation of patients and their guarantors.
5. [If a patient applies or has a pending application for a health coverage program at the same time they apply for charity care with Kindred, the health coverage application shall not preclude eligibility.](#)
56. The granting of charity care shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, scope and extent of patient's medical bills, and employment status.
67. The Financial Disclosure Statement may be completed by telephone with the assistance of a Patient Accounting Financial Counselor or by completing, signing and returning it to Kindred's Patient Accounting Department. Patient's eligibility for charity care may be determined at any time Kindred Hospital is in receipt of the patient's financial information. The Financial Disclosure Statement shall remain valid for services rendered within a 180-day period. The financial assessment will include a review of the family's gross income, number of family members, employment status and outstanding balances of the medical bill. Copies of prior year tax return and the most recent one (1) month of pay stubs may be requested.
8. Financial obligations not eligible for consideration for charity care are co-pays, indemnity balances, or share of cost. Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for charity care. Upon request, special consideration may be made by the Chief Financial Officer.
9. The Business Office Manager or designee will review all applications to determine eligibility for charity care based upon current monthly income and family size as provided on the Financial Disclosure Statement and supporting documentation. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.

10. Kindred will provide a full charitable deduction for applicants whose qualifying income is at 200% or less of the unit value(s) established by the Department of Health and Human Services (HHS) Poverty Guidelines.
11. The Business Office Manager or designee will use the following table to determine eligibility for all self-pay accounts excluding deductibles, co-pays, share of cost, or elective procedures. The schedule will be maintained and updated annually by the Business Office Manager or designee.

Family Size	Maximum Monthly Income	Family Size	Maximum Monthly Income
1	\$1,945	5	\$4,652
2	\$2,622	6	\$5,328
3	\$3,298	7	\$6,005
4	\$3,975	8	\$6,682

\*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S. C. 9902(2)

\*\* For family units with more than 8 members, add an additional \$677 per month per family member.

12. Any patient account recommended for charity care allowance, after meeting the guidelines set forth in this policy requires the following approval signature:
  - i. \$0-\$4,999 Business Office Manager
  - ii. \$5,000-\$9,999 - Chief Financial Officer
  - iii. \$10,000 – Greater — Group Vice President of Finance
13. Written notification of determination of eligibility or ineligibility for charity care will be forwarded to the applicant by the Business Office Manager within 30 days of receipt of the Financial Disclosure Statement and requested financial documentation.
134. Kindred recognizes that there may be unusual or extenuating circumstances or disputes
  - which may warrant special consideration. In such cases, a description of the unusual
  - circumstances or dispute (written or verbal) should be forwarded to the attention of the
  - Business Office Manager . Upon receipt, the Business Office Manager will review the
  - request and will approve, deny or make recommendation toward approval based upon
  - the limits established in procedure #11.

## Discount Payment Options

In addition to charitable care, Kindred has established three additional discount payment options based upon the financial eligibility of the individuals requesting assistance. Patients who qualify for multiple discounts under the policy will be granted the single discount amount resulting in the largest discount to the patient. Discount payment options include: low income discount, high medical cost discount and prompt pay discounts.

1. Eligibility for discount payment options will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including Medi-Cal, Healthy Families, California Children's Services or Medicare. Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage under a government sponsored program.
2. Eligibility for discount payment options will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, a patient whose injury is not a compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by the hospital and /or unable to pay for their care, based upon a determination of financial need in accordance with this policy.
3. A patient may qualify for discount payment options prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to or at the time of visit. If a funding source cannot be identified after full compliance by the patient or guarantor, discount payment options may be initiated via completion of a Financial Disclosure Statement by the patient, family member, physician, or health care representative. All discount payment requests will be considered for eligibility upon receipt of the prescribed financial information.
4. Kindred recognizes that the financial status of patients may change over time. Kindred's personnel will actively assist families in securing eligibility for any program with the cooperation of patients and their guarantors.
5. [If a patient applies or has a pending application for a health coverage program at the same time they apply for discounted payments with Kindred, the health coverage application shall not preclude eligibility.](#)
6. The granting of discount payments shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, scope or extent of a patient's medical bills, and employment status.

7. The Financial Disclosure Statement must be completed, signed and returned it to the hospital Admitting Office. Patient’s eligibility for discount payment options may be determined at any time Kindred is in receipt of the patient’s financial information. The Financial Disclosure Statement shall remain valid for services rendered within a 180-day period. The financial assessment will include a review of the family’s gross income, number of family members, employment status and scope and extent of a patient’s medical bills. Copies of prior year tax return and the most recent one (1) month of pay stubs may be requested. Patients wishing to qualify for high cost medical discount will be required to supply the most recent twelve (12) month of pay stubs and proof of payment of out-of-pocket medical expenses within the last twelve (12) months.
  
8. The Business Office Manger or designee will review all applications to determine eligibility for discount payment options based upon current monthly income, family, size and/or extent of patient’s medical bills as provided on the Financial disclosure Statement and supporting documentation. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.
  
9. Discount Payment Options:
  - a. Low Income Discount
    - i. Kindred will provide a partial discount for those patients with current monthly income between 201% and 350% (low income patients) of the unit value(s) established by the Department of Health and Human Services’ (HHS) Poverty Guidelines.
  
    - ii. The Business Office Manager or designee will use the following table to determine eligibility for all self-payment accounts excluding deductibles, co-pays, share of cost, or elective procedures. This schedule will be maintained and updated annually by the Business Office Manager.

<b>Family Size</b>	<b><u>Monthly</u> Income Greater than or equal to 201%</b>	<b><u>Monthly</u> Income Less than or equal to 350%</b>
1	\$1,955	\$3,404
2	\$2,635	\$4,588
3	\$3,315	\$5,772
4	\$3,995	\$6,956
5	\$4,675	\$8,140
6	\$5,355	\$9,325

7	\$6,035	\$10,509
8	\$6,715	\$11,693

\*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

\*\* For family units with more than 8 members, add an additional \$680 to \$1,184 per month per family member for the 201% to 350% range.

- iii. ~~Financial obligations not eligible for consideration are co-pays, indemnity balances, or share of cost.~~ Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for low-income discount payments. Upon request, special consideration may be made by the Chief Financial Officer.
- iv. Eligible patient's obligation will be reduced to no more than the applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive 75% discount from charges.
- v. Patients receiving a partial discount may be eligible for interest free patient payment plans as described below.

b. High Medical Cost Discount:

- i. Kindred will provide a partial discount to those patients whose income for the last twelve (12) months does not exceed 350 percent of the unit value(s) established by the Department of Health and Human Services (HHS) Poverty Guidelines (federal poverty level), ~~and have not received a discounted rate from the hospital as a result of their third-party insurance coverage and their annual out-of-pocket medical expenses (excluding co-pays, indemnity balances, and share of cost) for the prior twelve (12) months exceed ten (10) percent of their family's annual income.~~
- ii. The Business Office Manager or designee will use the following Table in addition to review of out-of-pocket medical expenses to determine eligibility for the high medical cost discount. This schedule will be maintained and updated annually by the Business Office Manager or designee.

<b>Family Size</b>	<b><u>Monthly</u> Income less than or equal to</b>	<b>Family Size</b>	<b><u>Monthly</u> Income Less than or equal to</b>
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	<b>350%</b>		<b>350%</b>
1	\$3,404	5	\$8,140
2	\$4,588	6	\$9,325
3	\$5,772	7	\$10,509
4	\$6,956	8	\$11,693

\*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

\*\* For family units with more than 8 members, add an additional \$1,184 per month per family member.

~~Financial obligations not eligible for consideration are co-pays, Indemnity balances, or share of cost where the patient has received a discounted rate from the hospitals as a result of his or her third party coverage.~~ Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for high medical cost discounts. Upon request, special consideration may be made by the Chief Financial Officer.

- iii. Eligible patients’ obligation will be reduced to no more than the Applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges.

Example #1: Patient has qualified for discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient’s third party insurance paid \$6,000 and has left the patient responsible for a co-pay of 4,000. If billed, Medi-Cal would have paid \$5,000 for the same services. Under these discount criteria, the patient would not be responsible for the \$4,000 co-pay as the amount paid by the third party insurance has exceeded the Medi-Cal reimbursement amount.

Example #2: Patient has qualified for discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient’s third party insurance paid \$6,000 and has left the patient responsible for a co-pay of \$4,000. If billed, Medi-Cal would have paid \$7,500 for the same services. Under these discount criteria, the patient would only be responsible for the difference between the allowed amount from Medi-Cal (\$7,500) and the amount paid by the third party insurance (\$6,000) therefore, leaving the patient responsible for \$1,500.

- iv. Patients receiving a partial discount may be eligible for interest Free patient payment plans as described below.

c. Prompt Pay Discount:

- i. Kindred will extend a 25% prompt pay discount to those self-pay patients who
        - i. ~~W~~wish to pay their entire outstanding balance immediately.
      - ii. Insured patients with non-covered services which are deemed medically necessary and wish to pay their outstanding balance immediately will be eligible for a 25% discount upon request. The Kindred Patient Accounting Department cannot readily identify self pay balances after insurance payments as co-pay / deductibles versus non-covered services for insured patients. The patient or guarantor must request the 25% discount and make payment in full within 30 days of receipt of insurance payment for these non-covered services.
    - iii. ~~Financial obligations not eligible for consideration for prompt pay discounts are co-pays, indemnity balances, or share of cost.~~
  - iii. Patients requesting patient payment plans will not be eligible for prompt pay discounts.
10. Any patient account recommended for discount payment options, after meeting The guidelines set forth in this policy, requires the following approval signature
 

i. \$0-\$4,999	Business Officer Manager
ii. \$5,000 – \$9,999	Chief Financial Officer
iii. \$10,000 or greater	Group Vice President of Finance
11. Written notification of determination of eligibility or ineligibility for discount payment options will be forwarded to the applicant by the Patient Accounting Manager or designee within 30 days of receipt of the Financial Disclosure Statement and requested financial documentation.
12. Kindred recognizes that there may be unusual or extenuating circumstances or disputes which may warrant special consideration. In such cases, a description of the unusual circumstances or dispute (written or verbal) should be forwarded to the attention of the Business Office Manager. Upon receipt, the Business Office Manager will review and will approve, deny or make recommendation toward approval based upon the limits established in procedure #9.

**Patient Payment Plans**

Upon request, Kindred will negotiate an interest free, patient plan within the following guidelines:



1. Outstanding patient balance is to be paid in the most expeditious manner possible with a minimum monthly payment amount of \$25.00
2. Patients with balances less than or equal to \$1,000 must be paid in full within one (1) year of establishment of the payment plan. Exceptions to these criteria must be approved by the Business Office Manager, or Chief Financial Officer.
3. Requests for contractual terms exceeding one (1) year must be approved by the Business Office Manager; requests exceeding two (2) years must be approved by the Chief Financial Officer.
4. Patients requesting patient payment plans will not be eligible for prompt pay discounts.
5. [If an agreement cannot be reached regarding a payment plan between Kindred and the patient, a default plan will go into effect. This plan will require that monthly payments do not exceed 10% of a patient's familial income for one month excluding deductions for "essential living expenses". "Essential living expenses" are defined as expenses for any of the following: rent or house payments \(including maintenance expenses\), food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child and spousal support, transportation and automobile expenses \(including insurance, fuel, and repairs\), installment payments, laundry and cleaning expenses, and other extraordinary expenses.](#)

### **Collection Guidelines**

1. Patient guarantors must complete a Financial Disclosure Statement, be in process with an eligibility application for a government sponsored insurance program or set up a payment plan within 60 days of final bill or the account will be assigned to a third party billing agency at full billed charges. The third party billing agency may charge interest.
2. Kindred will assign any financial obligation to a debt collection agency after 120 days from final bill date where the patient has failed to comply with an established payment plan or non-payment on an account where the patient guarantor is not in process with an eligibility application for a government sponsored insurance program.
3. Patients with pending appeal for coverage of services will not be forwarded to a third party billing agency or collection agency until a final determination of that appeal is made. If the appeal is unfavorable and the patient is responsible for that outstanding obligation, the patient will be afforded the opportunity to qualify for charity care or discount payment arrangements as prescribed above.

4. In the course of debt collection involving low-income uninsured or underinsured patients who are at or below 350% of the Federal Poverty Level, Kindred or any associated third billing agency or collection agency will not garnish wages or place liens on primary residences as a means of collecting unpaid hospital bills. This provision will not preclude Kindred from pursuing reimbursement from third party liability settlements for patients whose injury is a compensable injury for purposes of worker's compensation, automobile insurance, or other insurance determined and documented by the hospital.
5. In the event that a patient requires interpretation services, Kindred complies with the California Codes Health and Safety Section 1259. Please refer to policy 4.8362.007 for procedures to be followed to receive interpretation assistance.
6. Should Kindred decide to contract with a third party billing agency or collection Agency, written agreements will ensure full compliance with this policy and all guidelines provided in California Assembly Bill 774 and all applicable Federal and State laws including:
  - a. Upon notification by the patient, the agency will return all accounts to Kindred that are applying for a government assistance program or may qualify under the Kindred Charity Care and Financial Assistance Policy.
  - b. Prior to commencing collection activities against a patient, the patient will be provided with a written notice that nonprofit credit counseling services may be available in the area and a plain language summary of the patient's rights pursuant to the Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act.
  - c. Agency shall not report adverse information to a consumer credit reporting agency or commerce civil action against the patient for non-payment at any time prior to 150 days after final bill.
  - d. The collection agency or other assignee will not pursue legal action without the approval of the Chief Financial Officer.
  - e. Patient communications will be provided in English and Spanish and in languages other than English that may be deemed appropriate to the patients.
7. All documentation will be maintained by the Business Office in accordance with regulatory guidelines.

8. This policy does not apply to professional services provided to Kindred's patients Patients by physicians or other medical providers including but not limited to Radiology, Anesthesiology, Pathology or Hospitalist services.

### **Self Pay Patient Guidelines**

If a patient is admitted to the hospital and does not provide proof of coverage by a third party at the time the care is provided or upon discharge, the hospital will provide the patient written notice of the following:

1. A statement of charges for services rendered by the hospital will be sent to the patient within thirty days.
2. A request that the patient inform the hospital if the patient has health insurance coverage, Medicare, Medi-Cal, or other coverage.
3. A statement that if the consumer does not have health insurance coverage, the consumer may be eligible for Medicare, Medi-Cal, or charity care.
4. A statement indicating how patients may obtain applications for the Medi-Cal program and that the hospital will provide these applications. If the patient does not indicate coverage by a third-party payer or requests a discounted price or charity care then the hospital will provide an application for the Medi-Cal or other governmental program to the patient. This application will be provided prior to discharge.
5. Information regarding the hospital's charity care and discount policies including the qualifications or questions regarding a patient's financial account should be directed to the Central Business Office at 562-944-1900.