



DEPARTMENT SPECIFIC PATIENT ACCESS SERVICES

Approved: Department Director, Senior
Leader

(Formerly PAS C4 Charity Care)

- Policy
- Policy & Procedure
- Standardized Procedure

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Title: **CHARITY CARE AND DISCOUNTED PAYMENT POLICY**

PURPOSE

- A. To provide definition of the terms “Charity Care” and “Discounted Payment”.
- B. To provide guidelines for the staff on how to handle patients who qualify for a Charity Care write-off or a Discounted Payment option.

POLICY

It is the policy of Southwest Healthcare System to assist patients with settlement of their portion of the medical bill and to ensure that he/she is appropriately and fairly screened for Charity Care or a Discounted Payment, if unable to pay the bill and to make services available at no cost or a reduced cost to individuals who meet the eligibility requirements as follows:

- Household’s gross monthly income must be at or below 350% of Federal Poverty Guidelines. Household is defined as all individuals who are legally responsible for one another.
- Patient has applied but is not eligible for or has used all funds available under all federal, state, regional or local medical assistance programs.
- A Discounted Payment should be no more than the amount of payment the hospital would receive for providing services from Medicare, Medi-Cal, Healthy Families, or any other government sponsored health program or health benefits in which the hospital participates.

DEFINITIONS

The Federal Poverty Guidelines are established each year in February by the Federal Government. The benefit levels of many low-income assistance programs are based on these poverty figures.

PROCEDURE

1. At any point during the registration process, insurance verification or billing process, if the patient states that they have an inability to pay their bill based on their financial situation, they may be screened for Charity Care or a Discounted Payment.
2. Patient Access Services staff, when possible, will screen patients for charity and if it is determined that the patient could possibly qualify for charity, the insurance plan will be entered as “904” – Charity Pending. The Charity Pending Worklist will be worked by the CBO to determine if the accounts meet the charity guidelines. If so, they will be adjusted accordingly.
3. Patients must have been screened and found ineligible or denied eligibility to the following programs:

Medi-Cal	CCS/CDIC
Insurance	Workers Compensation
County Program-MISP	SSI
Disability	Third Party Liability

Any patient whose gross income is less than the threshold of 350% of the Federal Poverty standard when circumstances indicate severe financial hardship or personal loss, (i.e., catastrophic illness) may qualify for Charity Care or a Discounted Payment provided the financial obligation cannot be met by any of the above payment programs.

4. If a patient presents as “homeless” and is not participating in another financial assistance program, they can be considered for Charity. We will utilize QAS and Search America tools for final determination. In this scenario, if the patient cannot be contacted due to lack of address or contact information, a completed charity application is not necessary.
5. A Charity Application will be requested from every patient requesting consideration for Southwest Healthcare System’s Charity Care and/or Discounted Payment programs. In some cases, where income has fluctuated or is difficult to prove, the patient may be asked to provide copies of tax returns, pay stubs, etc. For purposes of determining eligibility for Discounted Payment, documentation of income shall be limited to recent pay stubs or income tax returns.
6. If the patient qualifies, we will utilize Search America to run the patient’s credit score. If the patient has a credit score of 600 or higher, the patient will be offered the discounted payment. If the patient has a credit score under 600, they will be considered charity.
7. If an account has: a) total charges under \$15,000, b) a credit score of under 600, and c) income less than or at 350% of the FPL per Search America, the account will be considered charity and will be moved from the uninsured insurance code to “904”

(Charity Pending) and adjusted. No charity application is required in this scenario.

8. If an account has total charges over \$15,000, a charity application is required, however, if income documentation cannot be obtained, we will utilize Search America to determine if the patient meets the policy requirements and, if so, we will adjust to Charity.
9. The Discounted Payment Plan will also include an extended payment plan option to allow payment of the discounted price over time. The policy shall provide that the hospital and the patient may negotiate the terms of the payment plan with no interest charged. These payment plans may be re-evaluated each year for possible increase of payment.
10. If the patient or responsible party is unable to complete the Charity Application, notes must be entered in the system identifying the reason the application was not completed. Special consideration may be made for these cases based on evaluation of available information. Refusal to complete the application process may result in denial of eligibility for the Charity Care and/or Discounted Payment Program.
 - Patient has no available insurance coverage and would not appear to categorically qualify for any assistance through government programs.
 - Patient/guarantors address, location, work place, documented conversations, circumstance, etc. will be taken into consideration in making charity determination.
 - Other documentation or information as recorded in the file showing probable inability to pay a large bill.
 - Information from credit report supports decision.
11. Services may be provided at any facility within the Southwest Healthcare System. Eligibility period is for one month from the date of application unless approved by the Director and/or CFO. Non-emergency care may be delayed with physician approval until eligibility has been determined.
12. Private physician services are not covered under this hospital policy. Assembly Bill 1503 does require that emergency room physicians that provide emergency medical services in a general acute care hospital must also develop charity care and discounted payment policies to limit expected payment from eligible patients that are uninsured or have high medical costs who are at or below 350% of the federal poverty level.
13. After the completed form and requested documents have been provided, the hospital or CBO representative will complete the Financial Statement Summary form. If the patient meets the criteria outlined, a request for Charity Care Write-Off Form or a Discounted Payment Write-Off Form will be completed and forwarded to the CBO for review and approval by the Director of the CBO.
14. The adjustment code for Charity Care and Discounted Payment Plan is 88870852.
15. There are no exceptions to this policy. Other payment options may be offered if Charity Care and/or the Discounted Payment Plan does not apply on a case-by-case basis.

16. The hospital CFO may deviate from the maximum income and resource guidelines when such deviation is justified and properly documented. The Director of the CBO may deviate from the above after consultation with the Hospital CFO. In the event of a dispute, a patient may seek review from the Director of the CBO or the Chief Financial Officer of the hospital.

REFERENCES

1. Federal Poverty Guidelines
2. Financial Statement Form
3. Financial Statement Summary Form
4. Patient Letter re: Charity Care
5. HSC 1262.5
6. HSC 127406
7. California Hospital Compliance Manual
8. HSC 127405
9. HSC 127425
10. HSC 127440
11. HSC 127410 (a)
12. AB 1503