POLICY AND PROCEDURE DEPARTMENT ADMIN S.O.P. 1.552

TITLE: Charity Care Policy

POLICY: It is the policy of Continental Rehabilitative Hospital of San Diego to provide charity care for persons with family income levels as or below 100% of the current Federal Poverty Level (FPL). Persons with family incomes above this level but at or below 350% of the Federal Poverty Level (FPL) may be eligible for additional financial assistance under the hospital's discount plan policy.

PURPOSE: To assure all patients are treated fairly, with dignity, compassion and respect.

RESPONSIBILITY: It is the responsibility of the business office manager to implement and disseminate the charity care policy and to assure all collection practices are consistent with this policy. It is the responsibility of the Director of Admissions to provide notices to all persons admitted to the hospital for inpatient or outpatient services and to assure notices are prominently posted in outpatient and inpatient admitting areas.

DEFINITIONS: The terms as used by this policy are defined as follows:

Charity care: Medically related services provide to a patient a patient who qualifies under this policy at no charge. Charity care will be accounted for as such.

Excluded individuals: a patient, regardless of income, who has third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and/or whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital, or who would be otherwise ineligible for assistance under this plan as established by state, federal or local regulations. Persons who are not legal residents of California are not eligible for this plan. Persons who live outside of the hospital's local service area (San Diego County) are ineligible for this plan unless such services are unavailable in the community in which the patient lives.

Family income: For persons 18 year of age and older: this includes income from the patient's spouse, domestic partner, and dependent children under 21 years of age, whether living at home or not. For persons under 18 years old: this includes from a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

Federal Poverty Level (FPL): The federal government publishes on an annual basis the income level that is considered poverty level by family size. The facility maintains a copy of the most recent published FPL guidelines for application of this policy.

Medically related and/or necessary services: These are services that are routinely furnished by the hospital in the course of treatment but do not include convenience items. Only services are determined to be medically necessary by the chairman of the hospital's utilization shall be considered medically related services. Any service not approved by the

hospital utilization review committee shall not be covered by this policy and will be the financial responsibility of the patient. This includes the need for admission and continued stay. Elective or cosmetic procedures and post-acute services related to an elective or cosmetic procedure are not considered medically related and/or necessary services and are not covered by this policy.

Partial charity care: a patient whose family income is 100% of the federal poverty level and whose monetary assets exceed $10,000 is expected to contributed an amount equal to the lesser of 50% of monetary assets in excess of $10,000 or an amount equivalent to the hospital's reimbursement rate as calculated by the current Medicare LTCH PPS "pricer". In no event shall the payment expected from the patient exceed the payment the facility would have received for services covered under a government program (if applicable).

Unknown coverage: a patient who has not disclosed to the hospital information regarding his/ her eligibility or coverage under a health plan other program that may cover the cost of medical care.

Uninsured patient: a "self-pay" patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital as defined by statute.

ELIGIBLITY: Persons with family income levels at or below 100% of the Federal Poverty Level, who are not excluded individuals, may apply for assistance under this policy. The patient's assets shall be taken into consideration in determining eligibility for this program. These include monetary assets (generally liquid assets such as bank accounts, bonds and similar instruments). However, this excludes retirement or deferred compensation plans, and excludes the first $10,000 of assets and 50% of monetary assets over the first $10,000. Patients whose monetary assets exceed $10,000 are not eligible for charity care but may be eligible for assistance under the hospital's discount plan or may receive the partial charity care under this policy.

DISPUTES: In the event of a dispute regarding eligibility under this policy, these shall be resolved by the Chief Financial Officer or his/her designee.

PROCEDURE:

Written notice

A written notice will be provided to "patients," including patients receiving outpatient care who are not admitted. The notice shall be given to all patients as part of the admission or registration process. The notice shall include information about the hospital's charity care and discount payment policies and includes the following information:

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1. Information about eligibility.
2. Information regarding the availability of government sponsored medical assistance programs and the availability of applications and assistance to apply for such programs.
3. Contact information for a hospital employee or office from which the patient may obtain further information including assistance with applying for government sponsored medical assistance programs.
4. The notice will be provided in English as well as other languages required consistent with Insurance Code § 12693.30. The notice in any language that is the primary language of 5 percent or more of the hospital's patients. The languages will in which the notice will be provided will be determined and updated annually by the business office manager.
5. A summary of this notice will provided in all bills sent to uninsured patients (and patients with unknown coverage) as defined in this policy.

Posted Notice

The director of admissions shall be responsible for posting a notice that the hospital has policies available for self-pay and other financially qualified patients that may result in a reduction in the patient's liability, and contact information for patients who would like additional information.

Locations: the posting must be placed in the admitting department; outpatient and radiology waiting rooms where such postings are clearly visible to patients and / or family members.

Persons eligible for Medicaid (MediCal)

The following guidelines shall be followed for persons eligible for state sponsored aide programs:

- Persons who are admitted with MediCal eligibility secondary to a primary coverage source shall only be billed for the share of cost as indicated in the state eligibility file. This facility does not currently contract with MediCal for primary services and shall refer MediCal eligible patients with MediCal as primary coverage to a facility that is a MediCal provider.
- Persons who are admitted for care under a primary carrier other the state Medicaid program and exhaust benefits will be provided on-going care under the hospital's charity care policy, if applicable, until an alternative care site can be located that offers the medical care services required by the patient. This may include transfer to an acute setting that is contracted with the MediCal program. During the time on-going care is provided after benefits are exhausted, the facility will only bill for the share of cost as indicated in the state eligibility file.
- The facility's business office staff will provide MediCal applications and information to persons who may qualify for the state MediCal program. In addition, business office staff will assist patients who meet MediCal eligibility requirements to apply for and/or maintain MediCal basis upon request of the patient or the patient's representative.

Persons at or below 350% of Federal Poverty Level (FPL)

Patients with family incomes above 100% of the Federal Poverty Level (FPL) but at or below 350% of the Federal Poverty Level (FPL) may be eligible for the hospital's discount plan.

Debt Collection

1. The hospital shall suspend any debt collection activities for 150 days in the event a patient indicates they may be eligible for assistance under either the hospital's discount plan or charity care policy.

2. This hospital, any assignee of the hospital, or the owner of patient debt, including a collection agency, must provide a patient with a clear and conspicuous notice of the following prior to commencing collection activities against a patient.

   You may be eligible for assistance under the hospital's charity care or discount plan policy. These policies extend discounts to persons with incomes at or below 350% of the Federal Poverty Level and may provide charity (free) care to persons with incomes at or below 100% of the Federal Poverty Level who have limited monetary assets. In addition, you may be eligible for a government sponsored assistance program. If you believe you may be eligible for such assistance contact the hospital's business office at 619-260-8300 to obtain assistance and additional information.

   State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statement or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8am or after 9pm. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 877-FTC-HELP (382-4357) or one line at 22.ftc.gov.

   Please be aware, non-profit credit counseling services may be available in our area.

3. The hospital or its assignee will not use wage garnishments or liens on primary residences as a collection method. An independent collection agency engaged by a hospital may use wage garnishment if ordered by a court based on evidence that the patient has the ability to pay, and can notice/conduct a sale of a primary residence under very limited circumstances.

4. Information concerning assets obtained during collection of information to determine eligibility for charity care will not be used for collection activities.

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DEPARTMENTS AFFECTED: Admitting, Business office, Administration.
REVIEW DATES:
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TITLE: Discount Plan Policy

POLICY: It is the policy of Continental Rehabilitative Hospital of San Diego to provide financial assistance to low-income patients who are at or below 350% of the existing Federal Poverty Level (FPL) who are uninsured or who have experienced high medical costs as defined by this policy. Persons with family income levels at or below 100% of the current Federal Poverty Level (FPL) may be eligible for additional financial assistance under the hospital's charity care policy.

PURPOSE: To assure all patients are treated fairly, with dignity, compassion and respect.

RESPONSIBILITY: It is the responsibility of the business office manager to implement and disseminate the discount policy and to assure all collection practices are consistent with this policy. It is the responsibility of the Director of Admissions to provide notices to all persons admitted to the hospital for inpatient or outpatient services and to assure notices are prominently posted in outpatient and inpatient admitting areas.

DEFINITIONS: The terms as used by this policy are defined as follows:

Discount plan: Discounts provided to patients subject to this policy are considered partial charity care and will be account for as such.

Excluded individuals: a patient, regardless of income who does not meet the definition of high medical cost; and who has third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and/or whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital, or who would be otherwise ineligible for assistance under this plan as established by state, federal or local regulations. Persons who are not legal residents of California are not eligible for this plan. Persons who live outside of the hospital's local service area (San Diego County) are ineligible for this plan unless such services are unavailable in the community in which the patient lives.

Family income: For persons 18 year of age and older: this includes income from the patient's spouse, domestic partner, and dependent children under 21 years of age, whether living at home or not. b. For persons under 18 years old: this includes from a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

Federal Poverty Level (FPL): The federal government publishes on an annual basis the income level that is considered poverty level by family size. The facility maintains a copy of the most recent published FPL guidelines for application of this policy.

Medically related and/or necessary services: These are services that are routinely furnished by the hospital in the course of treatment but do not include convenience items. Only

services are determined to be medically necessary by the chairman of the hospital's utilization review shall be considered medically related services. Any service not approved by the hospital utilization review committee shall not be covered by this policy and will be the financial responsibility of the patient. This includes the need for admission and continued stay. Elective or cosmetic procedures and post-acute services related to an elective or cosmetic procedure are not considered medically related and/or necessary services and are not covered by this policy.

Patient with high medical cost: a person whose family income does not exceed 350 percent of the federal poverty level . . . if that individual does not receive a discounted rate from the hospital as a result of his or her third party coverage. For these purpose, "high medical costs" means any of the following: (1) Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months. (2) Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses.

Unknown coverage: a patient who has not disclosed to the hospital information regarding his/ her eligibility or coverage under a health plan other program that may cover the cost of medical care.

Uninsured patient: a "self-pay" patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital as defined by statute.

ELIGIBLITY: Persons with family income levels at or below 350% of the Federal Poverty Level, who are not excluded individuals, may apply for assistance under this policy. The assets of patients applying for assistance under this program are not considered and therefore there is no asset limit.

DISPUTES: In the event of a dispute regarding eligibility under this policy, these shall be resolved by the Chief Financial Officer or his/her designee.

PROCEDURE:

Written notice

A written notice will be provided to "patients," including patients receiving outpatient care who are not admitted. The notice shall be given to all patients as part of the admission or registration process. The notice shall include information about the hospital's charity care and discount payment policies and includes the following information:

1. Information about eligibility.
2. Information regarding the availability of government sponsored medical assistance programs and the availability of applications and assistance to apply for such programs.

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3. Contact information for a hospital employee or office from which the patient may obtain further information including assistance with applying for government sponsored medical assistance programs.
4. The notice will be provided in English as well as other languages required consistent with Insurance Code § 12693.30. The notice in any language that is the primary language of 5 percent or more of the hospital's patients. The languages will in which the notice will be provided will be determined and updated annually by the business office manager.
5. A summary of this notice will provided in all bills sent to uninsured patients (and patients with unknown coverage) as defined in this policy.

Posted Notice

The director of admissions shall be responsible for posting a notice that the hospital has policies available for self-pay and other financially qualified patients that may result in a reduction in the patient's liability, and contact information for patients who would like additional information.

Locations: the posting must be placed in the admitting department; outpatient and radiology waiting rooms where such postings are clearly visible to patients and / or family members.

Persons eligible for Medicaid (MediCal)

The following guidelines shall be followed for persons eligible for state sponsored aide programs:

- Persons who are admitted with MediCal eligibility secondary to a primary coverage source shall only be billed for the share of cost as indicated in the state eligibility file. This facility does not currently contract with MediCal for primary services and shall refer MediCal eligible patients with MediCal as primary coverage to a facility that is a MediCal provider.
- Persons who are admitted for care under a primary carrier other the state Medicaid program and exhaust benefits will be provided on-going care under the hospital's charity care policy, if applicable, until an alternative care site can be located that offers the medical care services required by the patient. This may include transfer to an acute setting that is contracted with the MediCal program. During the time on-going care is provided after benefits are exhausted, the facility will only bill for the share of cost as indicated in the state eligibility file.
- The facility's business office staff will provide MediCal applications and information to persons who may qualify for the state MediCal program. In addition, business office staff will assist patients who meet MediCal eligibility requirements to apply for and/or maintain MediCal basis upon request of the patient or the patient's representative.

Persons at 350% of Federal Poverty Level (FPL)

The following guidelines shall be followed for persons with incomes at 350% of the FPL.

- Uninsured or underinsured patient with incomes at or below 350% of the FPL: rates shall automatically be discounted to the hospital's reimbursement rate as calculated by the current Medicare LTCH PPS "pricer". Uninsured or underinsured patients with income levels of above 350% of the FPL can request a discount based on financial need but any such discount must be approved by the hospital administrator

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and is not covered by this discount plan.

- Coinsurance: Persons with income at or below 350% of the FPL may request an extended payment program for required coinsurances. These will be automatically granted for periods of up to twelve months and shall be interest free. Payment plans longer than twelve months will be negotiated between the hospital and patient and shall be interest free.
- Exhausted benefits: persons with income levels below 350% of the FPL whose primary insurance coverage has exhausted or exceeded maximum allowable benefits shall automatically be discounted to the hospital's reimbursement rate as calculated by the current Medicare LTCH PPS "pricer" (the rate shall be calculated by excluding any portion of the stay covered by the Medicare program or any other insurance program).

Debt Collection

1. The hospital shall suspend any debt collection activities for 150 days in the event a patient indicates they may be eligible for assistance under either the hospital's discount plan or charity care policy.

2. This hospital, any assignee of the hospital, or the owner of patient debt, including a collection agency, must provide a patient with a clear and conspicuous notice of the following prior to commencing collection activities against a patient.

   You may be eligible for assistance under the hospital's charity care or discount plan policy. These policies extend discounts to persons with incomes at or below 350% of the Federal Poverty Level and may provide charity (free) care to persons with incomes at or below 100% of the Federal Poverty Level who have limited monetary assets. In addition, you may be eligible for a government sponsored assistance program. If you believe you may be eligible for such assistance contact the hospital's business office at 619-260-8300 to obtain assistance and additional information.

   State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statement or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8am or after 9pm. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 877-FTC-HELP (382-4357) or one line at 22.ftc.gov.

   Please be aware, non-profit credit counseling services may be available in our area.

3. The hospital or its assignee will not use wage garnishments or liens on primary residences as a collection method. An independent collection agency engaged by a hospital may use wage garnishment if ordered by a court based on evidence that the patient has the ability to pay, and can notice/conduct a sale of a primary residence under very limited circumstances.

4. Information concerning assets obtained during collection of information to determine eligibility for charity care will not be used for collection activities.

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