

Alta Hospitals System LLC Los Angeles Community Hospital Los Angeles Community Hospital of Norwalk Hollywood Community Hospital Hollywood Community Hospital of Van Nuys Policy & Procedures		Title: Charity Care, Qualification and Process for Assignment	Page: 1 of 10
		Scope: CBO Collections Department, Admitting Department	
		Issued By: Vice President, Revenue Cycle Management	
Effective:	Supersedes:	Reviewed By:	
		Date:	

PURPOSE:

To establish a policy for care that is rendered free of charge to individuals who, because of their financial status, are unable to pay for services provided. This policy extends to all patients accepted by Alta Hospitals System.

POLICY:

Alta Hospitals System is committed to providing high quality, affordable hospital services to patients that are uninsured/underinsured. This policy establishes the guidelines for each campus to follow to communicate our policy, qualify patients for charity care and properly account for the revenue associated with providing this care.

COMPANION POLICIES AND PROCEDURES: This policy is a companion policy and procedure to the Low Income Financial Assistance (LIFA) P&P and the Self-Pay P&P. Employees should be aware of all three policies to ensure the correct process is followed when serving our patients.

DETERMINATION/REVOKABILITY: Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient’s financial status or third party coverage.

DEFINITIONS:

Charity Care

The term “Charity Care” means the providing of care, free of patient responsibility, to those patients who qualify under the Charity Care Criteria established by Alta Hospitals System.

Charity Care Patient

1. A patient whose family income is below or equal to the Charity Care Criteria (See Table 1), and
2. The first ten thousand dollars (\$10,000) of a patient’s monetary assets shall not be counted in determining eligibility or 50% of any monetary assets in excess of the first \$10,000. Monetary assets shall not include retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensations plans.

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SCOPE AND RESPONSIBILITIES: It is the responsibility of the VP of Patient Financial Services and Admitting Director to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

PROCEDURES:

Notice of Hospitals Charity Care Policy: The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for Charity Care. A Medi-cal application (SAWS1) form will be distributed to patients who do not indicate coverage by a third party payer, or who requests a Charity Care application.

Financial information required of the patient to determine Charity Care eligibility:

The information described below assists in that process.

1. A completed financial assistance application (Mandatory)
2. Proof of Income:
 - a. Current pay stub
 - b. Written verification of wages from employer
 - c. Copies of unemployment letters
 - d. Social Security checks
 - e. Disability checks
 - f. Signed attestation stating patient is unemployed
 - g. Most recent tax return if no current pay stub
3. Denial of coverage by governmental agency (Medicare, Medi-Cal, CCS, Healthy Families) (Discretionary).

If verification is either impossible or impractical a delegated Manager may complete the information with information received through interviews with those who know the patient's financial status.

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Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of charity assistance as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. The failure to provide information that is reasonable and necessary to make a determination concerning charity care may be considered by Alta Hospitals System in making its determination.

Collection Requirements

Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for charity or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient’s application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest so long as the patient does not default on their payment arrangement.

Any account assigned for collection may not be reported against the patient’s credit record for at least 150 days from the date the account was initially billed to the patient.

Charity Write-off Account

Qualified patients receiving Charity Care will have 100% of their bill written off to the facility’s Charity Care Transaction Code.

Emergency Physician

An emergency physician, as defined in Section 127450, who provides emergency medical services in a hospital that provides emergency care, is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

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Table 1 –
 Charity Care Criteria Formula = (Annual Income) <= (Federal Poverty Level (FPL) x 250%

2009 Federal Poverty Guidelines		
Size of	48 Contiguous	Alta Hospitals System Charity Guidelines
Family Unit	100%	250%
1	\$10,830	\$27,075
2	\$14,570	\$36,425
3	\$18,310	\$45,775
4	\$22,050	\$55,125
5	\$25,790	\$64,475
6	\$29,530	\$73,825
7	\$33,270	\$83,175
8	\$37,010	\$92,525

REFERENCES and/or RELATED MATERIALS:

Current year Federal Poverty Level Guidelines
 Assembly Bill 774

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PURPOSE:

To establish an Alta Hospitals System policy for care that is rendered at a reduced fee for those who qualify for Low Income Financial Assistance (LIFA).

POLICY:

Alta Hospitals System is committed to providing high quality, affordable healthcare services to patients that are uninsured/underinsured. This policy establishes the guidelines for each campus to follow to communicate our policy, qualify patients for low income financial assistance and properly account for the revenue associated with providing this care.

COMPANION POLICIES AND PROCEDURES: This policy is a companion policy and procedure to the Charity Care P&P and the Self-Pay P&P. Employees should be aware of all three policies to ensure the correct process is followed when serving our patients.

DETERMINATION/REVOKABILITY: Charity Care eligibility can be determined, or revoked, at any point in the preadmission, billing or collection process should any significant changes occur in the patient’s financial status or third party coverage.

DEFINITIONS:

Low Income Financial Assistance

The term “Low Income Financial Assistance” means the providing of care at a reduced fee to those patients who qualify under the low income financial assistance criteria established by Alta Hospitals System.

Low Income Financial Assistance Patient

3. A patient whose family income is above the Charity Care threshold but equal to or below 350% of the Federal Poverty Level. (See Table 1)

SCOPE AND RESPONSIBILITIES: It is the responsibility of the VP of Patient Financial Services and Corporate Admitting Director at each facility to ensure that appropriate procedures, as described below, are in place to ensure appropriate action is taken.

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PROCEDURES:

Notice of Hospitals Charity Care Policy: The policy will be communicated in a manner consistent with applicable state and federal laws, to any patient who requests assistance in paying their portion of their bill. It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for LIFA. A Medi-Cal application (SAWS1) form will be distributed to patients who do not indicate coverage by a third party payer, or who requests a Low Income Financial Assistance application.

Financial information required of the patient:

It is the policy of Alta Hospitals System to assist/direct patients to the appropriate resources for government-sponsored health coverage before applying for LIFA. The information described below assists in that process.

1. A completed financial assistance application (Mandatory)
2. Proof of Income:
 - a. Current pay stub
 - b. Written verification of wages from employer
 - c. Copies of unemployment letters
 - d. Social Security checks
 - e. Disability checks
 - f. Signed attestation stating patient is unemployed
 - g. Most recent tax return if no current pay stub
3. Denial of coverage by governmental agency (Medicare, Medi-Cal, CCS, Healthy Families) (Discretionary).

If verification is either impossible or impractical a delegated Manager may complete the information with information received through interviews with those who know the patient’s financial status.

Uninsured Adjustments to Accounts

Qualified patients WITHOUT INSURANCE receiving LIFA will be billed at 100% of the Medicare DRG for inpatient and OPSS rate for outpatient services provided. The facility’s Low Income Financial Assistance Transaction Code will be used to adjust the balance remaining.

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Underinsured Adjustments to Accounts

Qualified patients WITH INSURANCE receiving LIFA will have 100% of their patient responsibility above the Medicare allowed written off to the facility’s Low Income Financial Assistance Transaction Code.

Determination Process

Once all required documentation is received, every reasonable effort will be made to make a determination of financial assistance as soon as possible. A letter will be sent to the patient notifying him/her of the determination within 45 days after all documentation is received. The failure to provide information that is reasonable and necessary to make a determination concerning financial assistance may be considered by Alta Hospitals System in making its determination.

Collection Requirements

Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for financial assistance or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The account may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient’s application.

Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest so long as the patient does not default on their payment arrangement.

If the patient is appealing a denial of insurance coverage or payment and is making a reasonable effort to keep the hospital informed, the account may not be credit reported until a final determination is made on the appeal.

Emergency Physician

An emergency physician, as defined in Section 127450, who provides emergency medical services in a hospital that provides emergency care, is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

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Table 1 –
 Low Income Financial Assistance Formula = (Annual Income) > (Federal Poverty Level (FPL) x 250% and <= (Federal Poverty Level (FPL) x 350%)

EXAMPLE ONLY – (Use year in which service is provided)

2009 Federal Poverty Guidelines			
Size of	2009 FPL	Alta Hospital Facilities Charity Level	350% of the FPL
Family Unit	100% FPL.	250% FPL	=<350% FPL
1	\$10,830.	\$27,075	\$37,905
2	\$14,570	\$36,425	\$50,995
3	\$18,310	\$45,775	\$64,085
4	\$22,050	\$55,125	\$77,175
5	\$25,790	\$64,475	\$90,265
6	\$29,530	\$73,825	\$103,355
7	\$33,270	\$83,175	\$116,445
8	\$37,010	\$92,525	\$129,535

Alta Hospitals System LIFA Range = Charity Level through 350% Federal Poverty Level

REFERENCES and/or RELATED MATERIALS:

Current year Federal Poverty Level Guidelines
 Assembly Bill 774

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Eligibility Procedures
Charity and Low Income Financial Assistance Application

- A notice regarding financial assistance is included in all patient packets.
- A charity application is distributed to all uninsured patients at registration.
- Uninsured patients will be provided an application for Medi-Cal, Healthy Families, or other governmental programs.
- Uninsured patients whose total family income is less than 350% of the federal poverty level will be eligible for charity care or low income financial assistance.
- The first \$10,000 of a patient’s monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient’s monetary assets over the first \$10,000 be counted in determining eligibility.
- For purposes of determining eligibility, a patient’s family is defined as a patient, 18 years or older, any domestic partner, dependent children under age 21 (living at home or not); or a patient under the age of 18, parents, caretaker relatives and other children under 21 who are the children or the responsibility of the caretaker relative.
- A complete application must be submitted.
- Proof of income is required for validation; if no income patient must sign an attestation of unemployment.
- Asset verification is considered.

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Guidelines for Reviewing Charity Care and Low Income Financial Assistance Applications:

- Upon receipt of the application, the application is reviewed by staff at the CBO to determine if the application has been completed and the supportive documents are attached.
- The patient will continue to receive statements but will not be sent to a collection agency during the review process.
- If the application is incomplete, the patient is sent a letter requesting the missing information.
- The patient is given 15 days to return the requested documents.
- If the requested information is not received within 15 days, the patient will be called before canceling charity application.
- Once the application is complete, the application is forwarded to the CBO Director for determination.
- Once the application is approved, the patient will be sent an approval letter.
- The financial class will be updated and adjustment form submitted.
- If the application is denied, the patient will be sent a denial letter with explanation.
- The CBO will make every reasonable effort to make the charity/low income financial assistance determination as soon as possible.