MAYERS MEMORIAL HOSPITAL DISTRICT

POLICY AND PROCEDURE

CHARITY CARE POLICY

ORIGINATING DATE: Unknown
REVISION DATE: 2/15/11
MANUAL(S): Business Office, Admitting

HHS Poverty Guidelines – 75% MMH388

DEFINITION:

For all intents and purposes, the word "patient(s)" refers to all customers receiving health care services in our facilities, including inpatients, outpatients, residents and clients.

POLICY:

Mayers Memorial Hospital District realizes the need to provide service to patients who cannot otherwise afford health care. This policy applies to all patients with non-coverage of service on the date performed who meet the guidelines of this policy and who agree to its terms. A graduated schedule based on the annual HHS Poverty Guidelines, as well as assessment of the patient's monetary assets will be used to determine the qualifying income and asset levels of applicants. Guidelines are subject to change yearly based on the HHS Poverty Guidelines. Understanding this need, the hospital has chosen to fulfill their responsibility to the community by adopting the following Charity Care Policy.

PROCEDURE:

1. **Eligibility Criteria for Participation in the Charity Care Program:**
    a. A patient qualifies for Charity Care if all of the following conditions are met:
        i. The patient does not have third party coverage from a health insurer, Medicare, or Medi-Cal as determined and documented by the hospital;
        ii. The patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital;
        iii. The patient's household income does not exceed 75% of the Federal Poverty Level; **and**
        iv. The patient's allowable monetary assets do not exceed $5,000;
            1. In determining a patient's monetary assets, the hospital **shall not** consider: retirement or deferred compensation plans qualified under the Internal Revenue Code; non-qualified deferred compensation plans; the first ten thousand dollars ($10,000) of monetary assets, and fifty percent (50%) of the patient's monetary assets over the first ten thousand dollars ($10,000).

Enrollment Process:

b. An informal determination of Charity Care eligibility will be determined by the Patient Financial Counselor, and the applicant may choose to fill out an application based on the recommendation of the Patient Financial Counselor; however, the recommendation of the Patient Financial Counselor is not required in choosing to fill out the Charity Care Application.

c. Upon being submitted for consideration by the Patient Financial Counselor, all properly submitted applications will be reviewed and considered for implementation within 10 business days.

d. All application packets must be filled out completely and accurately with each of the following required documentation attached, to be considered:

    i. Documentation of non-coverage from Medi-Cal and/or County Medical Services Program (CMSP) for the service on the date performed;

    ii. Documentation of household income, as provided by:

        1. Current W-2 withholding form or Income Tax statement form from the previous year, **or**

        2. Pay stubs from the previous three months

    iii. Documentation of monetary assets, to include:

        1. Most current bank statement, and any additional information or statements on all monetary assets

            a. Statements on retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans **shall not** be included

        2. Signed waiver or release from the patient or the patient's family, authorizing the hospital to obtain account information from financial and/or commercial institutions, or other entities that hold or maintain monetary assets, to verify their value.

    iv. Completed Medicare Secondary Payer (MSP) Questionnaire indicating the patient's injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance

e. Any additional accounts with outstanding balances at time of application will be screened for Charity Care eligibility using the same information collected above.

f. Verification of accuracy of application information, including contacting employers for verification of employment, will be made.

g. A letter of either approval or denial will be submitted to each applicant.

    i. The approval letter will include a demand statement for the service in question with adjustments and a balance of zero dollars ($0), and contact information for any questions that may arise;

    ii. The denial letter will include: reason for denial; indication of potential eligibility under the Discount Payment Program, Payment Plan Program, or other self-pay policy; and information and request to contact the Patient Financial Counselor as soon as possible.

h. Any additional services rendered up to a year after the submission date of an approved Charity Care Application will additionally require: updated documentation of non-coverage for the service on the date performed; and a completed MSP Questionnaire indicating the patient's injury is not a compensable injury.

i. Any disputes regarding a patient's eligibility to participate in the Charity Care Program shall be directed to the Patient Access Manager and will be resolved within 10 business days.

i. If it is determined that the patient is ineligible to participate, the number of days spent on dispute resolution shall not be counted toward the minimum 150 days prior to reporting any amount to a credit reporting bureau.

2. **Participant Accounts Maintenance:**

A folder for each Charity Care applicant will be created, and will include the following items:

a. Patient information and application
b. A copy of every correspondence between Mayers Memorial Hospital and the participant
c. Detailed bills on all accounts to be included in the application
d. Adjustment form with adjustments taken on accounts
e. Any additional notations and pertinent information

3. **Availability of the Charity Care Policy:**

a. Notice of the Charity Care Policy shall be posted in the following locations:
   i. Emergency department
   ii. Billing office
   iii. Admissions office
   iv. Laboratory
   v. Imaging
   vi. Station III
b. In the event of the hospital providing service to a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, the hospital shall provide a notice to the patient that includes, but is not limited to:
   i. A statement that indicates the patient may qualify for Charity Care if they meet the eligibility criteria set forth in this policy; **and**
   ii. The name and telephone number of the Patient Financial Counselor from whom the patient may obtain information about the Charity Care policy and other assistance policies, and about how to apply for that assistance.

REFERENCES:

The processes and procedures described above are designed to comply with CA AB 774 (Statutes of 2006) and SB 350 (Chapter 347, Statutes of 2007). Questions regarding AB 774 and SB 350 can be addressed by the Patient Financial Counselor or by California's Office of Statewide Health Planning and Development's website, at http://www.oshpd.ca.gov/hid/products/hospitals/fairpricing/index.html.

http://aspe.hhs.gov/poverty/12poverty.shtml

APPROVALS:

BOD: 2/23/11
P&P: 6/1/11

Author: CJ

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2012 HHS POVERTY GUIDELINES

Persons in Family or Household	75% US Poverty Level
1	$ 8,378
2	$ 11,348
3	$ 14,318
4	$ 17,288
5	$ 20,258
6	$ 23,228
7	$ 26,198
8	$ 29,168
For each add'l person, add	$ 2,970

To determine charity eligibility according to income level:

1. Count the number of persons in your family/household
    a. For persons 18 years of age and older, include spouse, domestic partner and dependent children under 21 years of age, whether living at home or not
    b. For persons under 18 years of age, include parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative
2. Calculate the household income
3. On the row corresponding to the number of persons in your family/household above, compare your household income to the amount in the column labeled "75% US Poverty Level"
4. If your household income is less than 75% US Poverty Level amount, your income supports your eligibility for Charity Care.

Note: Pursuant to AB 774 Sect. 127405(2), Mayers Memorial Hospital has established eligibility levels for financial assistance and charity care at less than 350 percent of the federal poverty level as appropriate to maintain its financial and operational integrity. Mayers Memorial Hospital is a rural hospital as defined in Section 124840.

To determine charity eligibility according to total monetary assets:

1. Calculate your total monetary assets (referred to as "ASSETS" in the equation below)
    a. Assets included in retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans **shall not** be included
2. Insert total assets into the following equation:
    a. (ASSETS – 10,000)/2
3. If the remaining amount is less than $5,000, your total asset level supports your eligibility for Charity Care.

MAYERS MEMORIAL HOSPITAL DISTRICT

POLICY AND PROCEDURE

DISCOUNT PAYMENT POLICY

ORIGINATING DATE: Unknown
REVISION DATE: 1/25/11
MANUAL(S): Business Office, Admitting

Page 1 of 3, plus attachment
HHS Poverty Guidelines MMH389

DEFINITION:

For all intents and purposes, the word "patient(s)" refers to all customers receiving health care services in our facilities, including inpatients, outpatients, residents and clients.

POLICY:

Mayers Memorial Hospital District realizes the need to provide service to patients who cannot otherwise afford health care. This policy applies to all uninsured or underinsured patients who meet the guidelines of this policy and who agree to its terms. A sliding fee schedule based on the annual HHS Poverty Guidelines will be used to determine the qualifying income levels of applicants. Guidelines are subject to change yearly based on the HHS Poverty Guidelines. Understanding this need, the hospital has chosen to fulfill their responsibility to the community by adopting the following Discount Payment Policy.

PROCEDURE:

1. **Enrollment Process**
    a. An informal determination of Discount Payment eligibility will be determined by the Patient Financial Counselor, and the applicant may choose to fill out an application based on the recommendation of the Patient Financial Counselor; however, the recommendation of the Patient Financial Counselor is not required in choosing to fill out the Discount Payment Application.
    b. Upon being submitted for consideration by the Patient Financial Counselor, all properly submitted applications will be reviewed and considered for implementation within 10 business days.
    c. All applications must be filled out completely and accurately with one of the following required documentation attached, to be considered:
        i. Current W-2 withholding form or Income Tax statement form from the previous year, **or**
        ii. Pay stubs from the previous three months

d. Verification of accuracy of application information, including contacting employers for verification of employment, will be made.

e. A letter of either approval or denial will be submitted to each applicant. The letter will contain: the percent discount; adjusted balance (if more than one account, each will be combined into one account for accounting and billing/statement purposes); and the required monthly payment due each month. Also included in the envelope will be a payment schedule and a discount card.

f. Updates will be conducted at the end of each calendar year for continued eligibility, or as needed with updated information/changes to guarantor accounts.

2. **Discount Payment Account Billing Process, Terms and Settlement**

a. All accounts will be billed on the 15th of the month of discharge or of the following month, whichever is earlier.

b. Participants are requested to remain current on their outstanding balances. In order to remain current, participants must pay the balance due by the 15th of the following month. If unable to meet these requirements, prior arrangements must be made with the Business Office/Patient Financial Counselor.

c. If participant information changes, the participant shall submit changes to the Business Office/Patient Financial Counselor to update their applications or to complete/submit a new application.

d. If participant does not pay within 15 days past due, without prior arrangements with the Business Office/Patient Financial Counselor, he/she will be removed from the program.

e. Upon removal from the program, a 6-month grace period will be enforced where all amounts will be due and the patient will not be eligible for the program. Accounts on the program will have the discounted amount removed, original balance reinstated minus any payments, and prepared for collections. These accounts will not be considered a part of the new application once the participant is eligible for the program again.

f. A new application on new accounts may be submitted after the grace period for consideration.

g. Accounts that are removed from the program and that still contain a positive balance after the 6-month grace period will be forwarded to an outside collection agency who will, at their discretion and in accordance with rules and regulations put forth by California Assembly Bill 774, notify credit reporting bureaus. Under no circumstances will an account be reported to a credit reporting bureau under 150 days from the first bill date.

3. **Participant Accounts Maintenance**

a. All accounts will be reviewed monthly for fee adjustments, monthly payments and co-payments.

b. Notices will be sent for all accounts which are non-compliant.

c. Collections efforts may be pursued for accounts that violate the terms set herein.

d. In the folder for each application the following items are required:
    i. Patient information and application
    ii. A copy of every correspondence between Mayers Memorial Hospital and the participant
    iii. Detailed bills on all accounts to be included in the application
    iv. Adjustment form with adjustments taken on accounts
    v. Any additional notations and pertinent information

The processes and procedures described above are designed to comply with CA AB 774 (Statutes of 2006) and SB 350 (Chapter 347, Statutes of 2007). Questions regarding AB 774 and SB 350 can be addressed by the Patient Financial Counselor or by California's Office of Statewide Health Planning and Development's website, at http://www.oshpd.ca.gov/hid/products/hospitals/fairpricing/index.html.

REFERENCES:

Pursuant to AB 774 Sect. 127405(2), Mayers Memorial Hospital has established eligibility levels for financial assistance and charity care at less than 350 percent of the federal poverty level as appropriate to maintain its financial and operational integrity. Mayers Memorial Hospital is a rural hospital as defined in Section 124840.

http://aspe.hhs.gov/poverty/12poverty.shtml

APPROVALS:

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Author: CJ

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2012 HHS POVERTY GUIDELINES

Persons in Family or Household	100% US Poverty Level 80% Discount	150% of US Poverty Level 60% Discount	200% of US Poverty Level 40% Discount
1	$11,170	$16,755	$22,340
2	$15,130	$22,695	$30,260
3	$19,090	$28,635	$38,180
4	$23,050	$34,575	$46,100
5	$27,010	$40,515	$54,020
6	$30,970	$46,455	$61,940
7	$34,930	$52,395	$69,860
8	$38,890	$58,335	$77,780
For each additional person, add	$3,960	$5,940	$7,920

To determine discount eligibility:

5. Count the number of persons in your family/household
    a. For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not
    b. For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative
6. Calculate the household income
7. Sliding across the row corresponding to the number of persons in your family/household above, stop in the first bucket that has an amount greater than the household income
8. At the top of that column, the % discount is displayed

REPAYMENT SCHEDULE

TOTAL PT LIABILITIES	MAX REPAYMENT TERM	MIN MONTHLY PAYMENT
$50.00 OR LESS	IN FULL	IN FULL
$ 51 - 100	2 months	$40
$ 101 - 300	3	$55
$ 301 - 600	6	$75
$ 601 - 1,000	9	$100
$ 1,001 - 3,000	12	$150
$ 3,001 - 6,000	15	$250
$ 6,000 AND OVER	18	$350

To determine repayment schedule parameters:

1. Establish estimated or calculated total patient charges prior to discount.
    a. The Patient Financial Counselor and/or Department Personnel can provide a list of anticipated charged services and supplies, summed to Total Charges
    b. Per AB 774 Sect 127405(d), the Total Charges amount will be adjusted to mirror the amount of payment the hospital would receive as if it were providing the same services and supplies to Medicare
2. Once the total liabilities reflect the amount payable by Medicare, the discount percentage established above will be applied. The resulting amount is "TOTAL PT LIABILITIES" that can be inserted into the table above
3. Determine which row applies to your "TOTAL PT LIABILITIES" amount by putting the amount in the appropriate range above.
4. Sliding to the right, the repayment of the discounted Total Patient Liabilities must be performed within the corresponding parameters.