

Subject	DISCOUNT PAYMENT POLICY	Formulated:	09/93
Governing Board Approval - Date:		Revised:	02/04, 03/08, 04/10, 08/17

## Discount Payment Policy

### **Policy:**

The Ventura County Health Care Agency hospitals and ambulatory care clinics (“VCMC”) will offer a Discount Payment Program for hospital, clinic, urgent care, and emergency room services.

### **Procedure:**

#### **1. Eligibility for Participation in Discount Payment Program**

##### **A. Self-Pay Patients**

A patient who does not have third party coverage from a health insurer, health care insurance plan, union trust plan, Medicare, or Medi-Cal or whose injury is not a compensable injury for purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by VCMC shall be eligible for the Discount Payment Program.

##### **B. Insured Patients**

A patient who has third party coverage or whose injury is a compensable injury for purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by VCMC may qualify for the Discount Payment Program (for co-pays and deductibles) if all of the following conditions are met: (1) the patient does not receive a discount rate from the hospital as a result of his or her third party coverage; and (2) the patient has annual out-of-pocket costs incurred by the patient at the Health Care Agency that exceed 10% of the patient’s family income in the prior 12 months, if the patient provides documentation of the medical expenses paid by the patient or the patient’s family in the prior 12 months. VCMC shall make reasonable efforts to obtain from the patient, or his or her representative, information about whether private or public health insurance, including eligibility for the California Health Benefit Exchange, may fully or partially cover the charges for care. If the patient does not have proof of

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third party coverage, VCMC staff shall provide the patient with information explaining how the patient may be eligible for specified health coverage programs, including, but not limited to, Medi-Cal, California Children’s Services, the California Health Benefit Exchange or other government-funded health care programs. The fact that a patient is applying for any of the above described health care coverage shall not preclude such patient from qualifying for the Discount Payment Program.

C. Cash-Pay Patient

A patient who elects not to complete the Discount Payment Program application shall be eligible for the Discount Payment Program Cash-Pay Patient rate.

D. Definition of Patient’s Family & Determination of Family Income

The “patient’s family” means the following: (1) 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; and (2) for persons under 18 years of age, parent, caretaker, relatives, and other children under 21 years of age of the parent or caretaker relative.

Documentation of family income shall be limited to recent pay stubs or tax returns. The patient’s assets or the assets of the patient’s family may not be considered when considering family income.

The measure of the Federal Poverty Level shall be made by reference to the most up-to-date Department of Health and Human Services poverty guidelines for the number of persons in the patient’s family or household. The current Federal Poverty Levels are as follows:

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## The 2017 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family	Poverty guideline	350% of Poverty Level
1	\$12,050	\$42,175
2	\$16,240	\$56,840
3	\$20,420	\$71,470
4	\$24,600	\$86,100
5	\$28,780	\$100,730
6	\$32,960	\$115,360
7	\$37,140	\$129,990
8	\$41,320	\$144,620
For families with more than 8 persons, add \$4,180 for each additional person.		

**SOURCE:** *Federal Register*, Vol. 82, No. 19 January 31, 2017, pp. 8831-8832

For those patients who do not qualify for charity care but qualify to participate in the Discount Payment Program, the amount of discount shall be left to the discretion of the Health Care Agency Director, provided, however, that the expected payment for services the hospital provides to any patient who is eligible under the Discount Payment Program shall not exceed 100% of the greatest amount of payment the hospital would receive from Medicare, Medi-Cal, or any other government sponsored health program of health benefits in which the hospital participates (based on the current fee schedule of such payor). This will be determined on a case by case basis.

### E. Emergency Physicians

The hospital's contracted Emergency Department physicians must also offer discounted payment programs. Patients shall be notified of the availability of such programs as provided in Section 4 of this policy.

## 2. **Extended Payment Plans**

Patients who are eligible to participate in the Discount Payment Program shall be permitted

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to make payments of the discounted amount over an extended period of time (not to exceed 60 months) with no interest accruing or being charged. Monthly payments pursuant to any repayment plan negotiated with a patient pursuant to the Discount Payment Program shall not exceed ten percent (10%) of the patient's income, excluding deductions for essential living expenses. "Essential living expenses" shall mean expenses incurred by the patient for any of the following: rent or house payments (including maintenance expenses), food and household supplies, utilities and phone, clothing, medical and dental payments, insurance, school and 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. Hospital staff shall request the patient to provide details supporting the essential living expenses that should be considered in determining a reasonable payment plan for the patient.

### 3. Resolution of Disputes

Any disputes regarding a patient's eligibility to participate in the Discount Payment Program shall be directed to and resolved by a Health Care Agency's Chief Financial Officer.

### 4. Notices

In order to ensure that patients are aware of the existence of the Discount Payment Program, the following actions shall be taken:

#### A. Written Notice to Patients

Each patient who is seen by VCMC, whether admitted or not, shall receive the notice attached hereto as Exhibit 1. The notice shall be provided in English and non-English languages spoken by a substantial number of the patients served by the hospital.

In addition, the notice attached hereto as Exhibit 1 shall also be clearly and conspicuously posted in locations that are visible to patients in the following areas: (1) Emergency Department; (2) Billing Office; (3) Admissions Office; and (4) other outpatient settings. The notice shall be provided in non-English languages spoken by a substantial number of the patients served by the hospital.

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**B. Notice to Accompany Bills to Potentially Eligible Patients**

Each bill that is sent to a patient who has not provided proof of coverage by a third party at the time care is provided or upon discharge must include a statement of charges for services rendered by VCMC and the notice attached hereto as Exhibit 2. The notice shall be provided in English and non-English languages spoken by a substantial number of the patients served by the hospital.

VCMC shall make all reasonable efforts to obtain from the patient or his or her representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by the hospital to the patient including, but not limited to, the following:

(1) private health insurance, including coverage offered through the California Health Benefit Exchange, (2) Medicare, and/or (3) the Medi-Cal program, the Healthy Families program, the California Children’s Services program or other government-funded programs designed to provide health coverage.

If a patient does not indicate that he/she has coverage by a third party payor or requests a discounted price or charity care, the patient shall be provided with an application for the Medi-Cal program, the Healthy Families program, or other government-funded programs prior to discharge.

**5. Collection Activities**

The Health Care Agency may use the services of an external collection agency for the collection of patient debt. No debt shall be advanced for collection until the Health Care Agency Director or his/her designee has reviewed the account. The notice attached hereto as Exhibit 3 will be provided to the patient prior to an account being advanced to an external collection agency.

The Health Care Agency shall obtain an agreement from each collection agency that it utilizes to collect patient debt that the agency will comply with the requirements of Health & Safety Code Sections 127425, 127426 and 127430, and the Discount Payment Program.

Neither the Health Care Agency nor any collection agency utilized by the Health Care

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Agency shall report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after the initial billing if the patient lacks third party coverage or for a patient who provides information that he or she may be a patient with high medical costs. "High medical cost" is defined as: annual out-of-pocket costs incurred by the individual that exceed 10% of the patient's family income for the prior 12 months or annual out of pocket medical expenses that exceed 10% of the patient's family income for the prior 12 months.

In addition, if a patient is attempting to qualify for eligibility under the Charity Care Program or Discount Payment Program and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or making regular partial payments of a reasonable amount, the Health Care Agency shall not send the unpaid bill to any collection agency unless that entity has agreed to comply with Health & Safety Code Sections 127425, 127426 and 127430, and the Discount Payment Program.

Collection agencies shall comply with any payment plan entered into by a patient.

The Health Care Agency shall not, in dealing with patients eligible under the Charity Care Program or Discount Payment Program, use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills.

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## **EXHIBIT 1**

### Charity Care & Discounted Payment Program

Patients who lack insurance or have inadequate insurance and meet certain low- and moderate-income requirements may qualify for discounted payments or charity care. Patients should contact the Ventura County Health Care Agency at **805-648-9553** or **VCHCA.PatientAssistance@ventura.org** to obtain further information. The Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment programs. Please contact **626-447-0296** for further information.

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## **Exhibit 2**

Our records indicate that you do not have health insurance coverage or coverage under Medicare, Medi-Cal, Access for Infants and Mothers (AIM) or other similar programs. If you have such coverage, please contact our office at **805-648-9553** as soon as possible so the information can be obtained and the appropriate entity billed.

If you do not have health insurance coverage, you may be eligible for Medicare, Medi-Cal, AIM, the Ventura County Health Care Agency's Discounted Payment Program, or the Charity Care Program. For more information about how to apply for Medicare, Medi-Cal, AIM, California Health Benefit Exchange, or other similar programs, please contact the Ventura County Health Care Agency by telephone at **805-648-9553** or via email at [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) and speak to a representative who will be able to answer questions and provide you with applications for these programs.

Patients who lack insurance or have inadequate insurance and meet certain low- and moderate-income requirements may qualify for discounted payments or charity care. Patients should contact the Ventura County Health Care Agency at **805-648-9553** or [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) to obtain further information. The Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment programs. Please contact **626-447-0296** for further information.

For additional assistance, patients may contact the Ventura County consumer assistance center toll free at **866-904-9362** or by visiting the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).



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### **Exhibit 3**

#### Notice Prior to Commencement of Collection Activities

State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements 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 8 a.m. or after 9 p.m. 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 1-877-382-4357 or online at [www.ftc.gov](http://www.ftc.gov). Patients may also contact the Ventura County consumer assistance center toll free at **866-904-9362** or by visiting the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).

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## Charity Care Policy

### **Policy:**

The Ventura County Health Care Agency hospitals and ambulatory care clinics (“VCMC”) will offer a Charity Care Program for hospital, ambulatory care clinics, and urgent care services to those patients who meet the eligibility tests described below, pursuant to Health & Safety Code sections 127400 through 127446.

### **Procedure:**

#### **1. Eligibility for Participation In Charity Care Program**

##### **A. Self-Pay Patients**

A patient qualifies for the Charity Care Program if all of the following conditions are met: (1) the patient does not have third party coverage from a health insurer, health care service plan, union trust plan, Medicare, or Medi-Cal as determined and documented by the hospital, (2) the patient’s injury is not a compensable injury for purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by VCMC, and (3) the patient’s family income does not exceed 350% of the Federal Poverty Level, and (4) the patient has monetary assets of less than \$10,000.00.

##### **B. Insured Patients**

A patient who has third party coverage or whose injury is a compensable injury for purposes of workers’ compensation, automobile insurance, or other insurance as determined and documented by the hospital does not qualify for the Charity Care Program, but may qualify for the Discount Payment Program if certain conditions are met.

VCMC staff shall make reasonable efforts to obtain from the patient, or his or her representative, information about whether private or public health insurance, including eligibility for the California Health Benefit Exchange, may fully or partially cover the charges for

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care. If the patient does not have proof of third party coverage, hospital staff shall provide the patient with information explaining how the patient may be eligible for specified health coverage programs, including, but not limited to, Medi-Cal, California Children’s Services, the California Health Benefit Exchange or other government-funded health care programs.

The fact that a patient is applying for any of the above described health care coverage shall not preclude such patient from qualifying for Charity Care Program or Discount Payment Program.

C. Other Circumstances

A patient may also qualify for the Charity Care Program if:

- (i) The patient qualifies for limited benefits under Medi-Cal, i.e., limited pregnancy or emergency benefits, but does not have benefits for other services provided at VCMC.
- (ii) The patient qualifies for a Medically Indigent Adult Program offered by a county other than Ventura County.
- (iii) Reasonable efforts have been made to locate and contact the patient, such efforts have been unsuccessful, and the Health Care Agency Director or designee has reason to believe that the patient would qualify for charity or a discount (i.e., the patient is homeless).
- (iv) A third party collection agency has made efforts to collect the outstanding balance and has recommended to the Health Care Agency Director or designee that charity care or a discount be offered.

D. Definition of Patient’s Family & Determination of Family Income

The “patient’s family” means the following: (1) 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; and (2) for persons under 18 years of age, parent, caretaker, relatives, and other children under 21 years of age of the parent or caretaker relative.

Documentation of family income shall be limited to recent pay stubs or tax returns.

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

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deferred compensation plans, the first ten thousand dollars (\$10,000.00) of monetary assets, or fifty percent (50%) of the patient's monetary assets over the first ten thousand dollars (\$10,000.00).

#### E. Federal Poverty Levels

The measure of 350% of the Federal Poverty Level shall be made by reference to the most up-to-date Department of Health and Human Services poverty guidelines for the number of persons in the patient's family or household. The current Federal Poverty Levels are as follows:

#### **The 2017 Poverty Guidelines for the 48 Contiguous States and the District of Columbia**

Persons in family	100% of Poverty Level
1	\$12,050
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
For families with more than 8 persons, add \$4,180 for each additional person.	

**SOURCE:** *Federal Register*, Vol. 82, No. 19, January 31, 2017, pp. 8831-8832

## 2. **Charity Care**

Balances for those patients who qualify to participate in the Charity Care Program, as determined by VCMC, shall be reduced to a sum equal to \$0 with the remaining balance eliminated and classified as charity care.

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### 3. Resolution of Disputes

Any disputes regarding a patient's eligibility to participate in the Charity Care Program shall be directed to and resolved by a Health Care Agency's Chief Financial Officer.

### 4. Notices

In order to ensure that patients are aware of the existence of the Charity Care Program, the following actions shall be taken:

#### A. Written Notice to Patients

Each patient who is seen at VCMC, whether admitted or not, shall receive the notice attached hereto as Exhibit 1. The notice shall be provided in English and non-English languages spoken by a substantial number of the patients served by the hospital.

In addition, the notice attached hereto as Exhibit 1 shall also be clearly and conspicuously posted in locations that are visible to patients in the following areas: (1) Emergency Department; (2) Billing Office; (3) Admissions Office; and (4) other outpatient settings.

The notice shall be provided in English and non-English languages spoken by a substantial number of the patients served by the hospital.

Each bill that is sent to a patient who has not provided proof of coverage by a third party at the time care is provided or upon discharge must include a statement of charges for services rendered by the hospital and the notice attached hereto as Exhibit 2. The notice shall be provided in English and non-English languages spoken by a substantial number of the patients served by the hospital.

The Health Care Agency shall make all reasonable efforts to obtain from the patient or his or her representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by the hospital to a patient including, but not limited to, the following:

- (1) private health insurance; (2) Medicare; and/or (3) the Medi-Cal program,

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the California Children's Services program, or other government-funded programs designed to provide health coverage.

If a patient does not indicate that he/she has coverage by a third party payer or requests a discounted price or charity care then the patient shall be provided with an application for the Medi-Cal program, or other government-funded programs prior to discharge.

## 5. Collection Activities

The Health Care Agency may use the services of an external collection agency for the collection of patient debt. No debt shall be advanced for collection until the Health Care Agency Director or his/her designee has reviewed the account. The notice attached hereto as Exhibit 3 will be provided to the patient prior to account being advanced to an external collection agency.

The Health Care Agency shall obtain an agreement from each collection agency that it utilizes to collect patient debt that the agency will comply with the requirements of Health & Safety Code Sections 127425, 127426 and 127430 and the Charity Care Program.

Neither the Health Care Agency nor any collection agency utilized by the Health Care Agency shall report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after the initial billing if the patient lacks third party coverage or for a patient who provides information that he or she may qualify for the Charity Care Program.

In addition, if a patient is attempting to qualify for eligibility under the Charity Care Program or Discount Payment Program and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or making regular partial payments of a reasonable amount, the Health Care Agency shall not send the unpaid bill to any collection agency unless that entity has agreed to comply with Health & Safety Code Sections 127425, 127426 and 127430, and the Charity Care Program.

Any collection agency shall comply with any payment plan entered into by a patient.

The Health Care Agency shall not, in dealing with patients eligible under the Charity

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Care Program or Discount Payment Program, use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills.

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## **EXHIBIT 1**

### Charity Care & Discounted Payment Program

Patients who lack insurance or have inadequate insurance and meet certain low- and moderate-income requirements may qualify for discounted payments or charity care. Patients should contact the Ventura County Health Care Agency at **805-648-9553** or **VCHCA.PatientAssistance@ventura.org** to obtain further information. The Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment programs. Please contact **626-447-0296** for further information.



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## **Exhibit 2**

Our records indicate that you do not have health insurance coverage or coverage under Medicare, Medi-Cal, Access for Infants and Mothers (AIM) or other similar programs. If you have such coverage, please contact our office at **805-648-9553** as soon as possible so the information can be obtained and the appropriate entity billed.

If you do not have health insurance coverage, you may be eligible for Medicare, Medi-Cal, AIM, the Ventura County Health Care Agency's Discounted Payment Program, or the Charity Care Program. For more information about how to apply for Medicare, Medi-Cal, AIM, California Health Benefit Exchange, or other similar programs, please contact the Ventura County Health Care Agency by telephone at **805-648-9553** or via email at [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) and speak to a representative who will be able to answer questions and provide you with applications for these programs.

Patients who lack insurance or have inadequate insurance and meet certain low- and moderate-income requirements may qualify for discounted payments or charity care. Patients should contact the Ventura County Health Care Agency at **805-648-9553** or [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) to obtain further information. The Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment programs. Please contact **626-447-0296** for further information.

For additional assistance, patients may contact the Ventura County consumer assistance center toll free at **866-904-9362** or by visiting the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).

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State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements 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 8 a.m. or after 9 p.m. 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 1-877-382-4357 or online at [www.ftc.gov](http://www.ftc.gov). Patients may also contact the Ventura County consumer assistance center toll free at **866-904-9362** or by visiting the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).