

**PATIENTS' HOSPITAL OF REDDING**

**POLICIES & PROCEDURES**

<b>SUBJECT:</b> <b>BUSINESS OFFICE</b>	<b>SECTION:</b> <b>BILLING</b>	<b>SUB-SECTION:</b> <b>CHARITY CARE / DISCOUNT</b>
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**PURPOSE:**

To define and establish guidelines for low income and or underinsured patients to have access to quality medically necessary health care at Patients' Hospital of Redding (PHR). This hospital shall render services to all members of the community who are in need of medical care provided by this facility regardless of the ability of the patient to pay for such services. The determination of charity care or discount will be based on the patients' ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, sexual orientation, the perception of sexual orientation, military status or national origin.

Hospitalizations for patient convenience or cosmetic procedures would not be considered medically necessary.

**PROCEDURE:**

Confidentiality:

It will be the policy of PHR to protect the confidentiality of all patients in regards to all medical or financial information garnered as a result of application to any aspect of this financial assistance program.

Publication/Patient Information:

A notice will be posted in the main lobby at Patient Registration advising patients of our program with contact information. Admit packages will contain a brochure on billing and financial assistance programs. The Conditions of Admission will contain a statement advising patient of the need to see all insurance information is given to the hospital and the availability of Charity Care, government programs and discount programs.

Staff Training:

Applicable scheduling and business office staff will be trained in and have access to this program in order to provide assistance to patients. This program will be widely published and offered to applicable patients who have been identified as either self-pay or patients with non-discounted high deductible plans.

Application Process:

Patients identified by business office staff at time of scheduling or authorization will be advised of the availability of government programs, Charity Care and Discount programs. Notification may include conversations directly with patient or their guarantor or notice sent via mail at time financial obligation is determined.

Patients will be offered any or all of the applications for Medi-Cal, Healthy Families or PHR Charity Care Discount Policy. This application is also available, upon request, from any patient who self identifies the need for assistance. For ease of assuring all interested patients are aware of possible assistance, the Financial Assistance packet will contain all applications for all programs available. Staff will provide assistance in completing application if needed or requested.

Eligibility Criteria:

Government programs have several programs available with eligibility determined by specific program guidelines. It will not be the duty of PHR staff to determine such eligibility, though a matrix of those programs and eligibility is available to staff for informational purposes only.

Hospital Charity Care/Discount will be available to any patient whose family/domestic partnership income falls at or below 350% of the Federal Poverty Level. Consideration of assets in determining charity are limited to income, monetary assets; such as bank accounts, savings, publicly traded stock, etc that is easily converted to cash. It will not include real property, retirement plans, deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred-compensation plans.

In addition to Charity Care, discounts will be provided to self insured individuals whose income and assets exceed 350% of the FPL, but whose annual medical costs, exceed 10% of their income or to certain high deductible insurance plans that are not already discounted. Individuals who fall in this area will have their out of pocket cost restricted to what is reimbursed or in good faith expected to be reimbursed for that procedure by the highest government program. Insurance companies are prohibited from reducing reimbursement because the hospital has reduced or waived the patient’s portion of their bill pursuant to the Charity Care/Discount policy.

Individuals who are not eligible under any of the above requirements and who are self pay will receive a cash pay discount.

If the hospital bills 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 must notify the patient that they may be eligible for health coverage through the California Health Benefits Exchange, or other state or county-funded health coverage. The hospital must also provide the patient with a referral or list of local consumer assistance centers that are housed at legal services offices.

Financial Assistance Chart:

<b>Patient Eligibility</b>	<b>Patient Obligation</b>
Medi-Cal, Healthy Families Low-Income -350%FPL	Co-pay, or obligation indicated by government program Rate restricted to highest reimbursement from a government program.
Low – Income – 200% FPL	100% Cash Discount
Income +350% FPL	Cash Pay (see Cash Pay Policy) Discount (50% discount of billed charges).
High Medical Cost + 350% FPL	Restricted or discounted rate limited to the highest reimbursement rate from a government program.

Application Process:

Patients will be notified of the facility’s Charity Care/Discount program. Applications will be made available. Once the patient has applied, billing and collection activities will be restricted. (See Collection Policy)

Upon receipt of an application for Charity Care or Discount, the hospital will make every effort to determine eligibility within 10 days of receipt. Written notification of acceptance or denial will be sent to the patient. All applications will be reviewed by the Patient Accounts Representative and the Business Office Manager. The Business Office Manager will approve those applications that meet state guidelines for Charity Care, with final approval by the Administrator.

If the application is denied, the patient will be provided reason for denial and is allowed to ask for reconsideration. Any requests for reconsideration will be forward to Administration for review and determination.

Alternative Payment Arrangements:

All patients eligible for Charity Care/Discount program will be offered extended payment arrangements with no interest, taking into consideration the patient’s family income and essential living expenses. If a payment plan arrangement cannot be reached with the patient, the hospital must institute a reasonable

payment plan, with monthly payments of less than 10 percent of a patient's family income for a month after deductions for essential living expenses. Any patient on an extended payment arrangement will be expected to make a good faith effort to meet that obligation. In the event they do not meet that obligation the account may be assigned to collections and collection action taken as defined by state and federal law. Any external collection agency must comply with the hospital's definition and application of a reasonable payment plan. (See Collection Policy)

Recordkeeping:

All applications for Charity Care will be logged and applications kept on file. Approved applications and all correspondence to the patient will be maintained in the patient file.

Reporting:

All Charity Care write-offs will be recorded as such in financial statements and records. Copies of the Charity Care/Discount Policy will be submitted bi-annually through OSHPD online submission, OSHPD's System for Fair Price Hospital Reporting (SyFPHYR). Using SyFPHYR, we will submit our policy and procedures as well as the patient's application form.

See Attached "Hospital Fair Pricing Policies Quick Reference Guide".

## 2019 HHS Poverty Guidelines (excerpt)

Informational resource, do not copy

HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES		
	ANNUAL	200% FPG	350% FPG
1	\$ 12490.00	\$ 24980.00	\$ 43715.00
2	\$ 16910.00	\$ 33820.00	\$ 59185.00
3	\$ 21330.00	\$ 42660.00	\$ 74655.00
4	\$ 25750.00	\$ 51500.00	\$ 90125.00
5	\$ 30170.00	\$ 60340.00	\$ 105595.00
6	\$ 34590.00	\$ 69180.00	\$ 121065.00
7	\$ 39010.00	\$ 78020.00	\$ 136535.00
8	\$ 43430.00	\$ 86860.00	\$ 152005.00
For each add'l family member add	\$ 4420.00		

HHS updated 1/11/2019

**DOCUMENTATION:**

- Charity Care Uninsured Letter (Form)
- Charity Care Denial Letter (Form)
- Charity Care Appeal (Form)
- Financial Assistance Programs Informational (Form)
- Charity Care Discount Application (Form)

NEW: 02/07  
 REVISED: 01/08, 04/08,08/07/08, 06/10, 10/10, 03/11, 07/12, 03/14, 01/15, 06/16, 08/17, 02/18, 11/18, 03/19  
 M:\POLICIES AND PROCEDURES\BUSINESS OFFICE\BILLING\CHARITY CARE DISCOUNT