

Sonoma Valley Hospital  
 Sonoma Valley Healthcare District  
 Policy and Procedure  
**Organizational**

Title: **Private Pay, Payment Plan and Discount Policy combined with the Charity Care Policy**

Number:  
Page: 1 of 5

	Effective Date: <b>05/2012</b>
Approved By: Finance Committee	Revision Dates: <b>05/2012</b>
Signature: _____ Date: 05/02/2012	Review Dates:

**PURPOSE**  
 To define discount structure for all private pay patients, and to work with patients on payment plans at Sonoma Valley Hospital.

**POLICY**  
 All patients at Sonoma Valley Hospital that do not have health insurance benefits, have a High Deductible plan, or elect not to use their health insurance to cover services rendered, are eligible to receive a discount according to the following matrix:

**RESPONSIBILITIES**  
 Patient Accounting Manager or the Director of Finance is responsible for administering and maintaining this policy.

**PROCEDURE**  
 All Private Pay Patients will receive a 60% discount off total of charges. A prompt pay discount of 10% will be offered if patient pays bill in full within 21 days from first statement bill date.

Sonoma Valley Hospital offers payment plans for all patients interest-free. Patients with balances of \$500.00 or less will need to be paid within six months. Patients with balances \$501.00 or greater have the option to pay over twelve months.

Patients with a High Deductible plan, amounts at or exceeding \$3,000.00, will be eligible for a 35% prompt pay discount if paid in full within 21 days from first statement bill date.

Patients that are in need of further discounts will be referred to the Patient Financial Counselor to determine possible eligibility for government funded programs and/or Sonoma Valley Hospital Financial Assistance Program.

**Regulatory Requirements**  
 Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPPA requirements. In implementing this policy, SVH shall comply with all federal, state and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

Sonoma Valley Hospital  
 Sonoma Valley Healthcare District  
 Policy and Procedure  
**Organizational**

**Title: Private Pay, Payment Plan and Discount Policy combined with the Charity Care Policy**

Number:  
Page: 2 of 5

Approved By: Finance Committee

Effective Date: **05/2012**

Revision Dates: **02/2006, 01/2007, 05/2012**

Signature: \_\_\_\_\_ Date 05/02/2012

Review Dates: **12/2001, 9/2004, 02/2006, 01/2007, 05/2012**

**PURPOSE**

The purpose of this policy is to define the eligibility criteria for charity care or discounted payments and to provide administrative and accounting guidelines for the identification, classification and reporting of patient accounts as charity care. California Assembly Bill 774 became effective January 1<sup>st</sup> 2007. The law mandates that as a condition of obtaining or holding an acute care hospital license, Hospitals must limit bills to the uninsured with family income at or below 350% of the Current Federal Poverty Level (FPL) and individuals with high cost medical bills compared to their families income.

**POLICY**

Sonoma Valley Hospital (SVH) is committed to providing financial assistance to persons who have health care needs and are uninsured, under-insured, and ineligible for a government program and is otherwise unable to pay for medically necessary care based on their individual financial situation. Consistent with our mission to maintain, improve, and restore the health of everyone in our community, SVH will ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care at our facility. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with SVH's procedures for obtaining financial assistance, and to contribute to the cost of their care based upon their individual ability to pay.

**RESPONSIBILITIES**

Patient Accounting Manager or the Director of Finance is responsible for administering and maintaining this policy.

**PROCEDURE**

**Eligibility for Patient Financial Assistance:**

- Eligibility for financial assistance will be considered for those individuals who are uninsured, ineligible for any government health care benefit program, and unable to pay for their care, based upon a determination of financial need as defined by the most current Federal Poverty Income Guidelines.
- SVH requires individuals to apply for federal, state or county programs (i.e. Medi-Cal, CMSP) and supply proof of final determination before charity care/discount is granted. Information and applications for federal, state and county programs will be provided to patients upon request, or during discussions regarding possible eligibility for financial assistance.
- The granting of financial assistance shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, socio-economic or

Sonoma Valley Hospital  
Sonoma Valley Healthcare District  
Policy and Procedure  
**Organizational**

**Title: Private Pay, Payment Plan and Discount Policy combined with the Charity Care Policy**

Number:  
Page: 3 of 5

immigrant status, sexual orientation or religious affiliation.

- Charity care and discounts provided by this policy are available only for those services that are medically necessary.
- Assets are not considered in determining eligibility for charity or discounted care.
- An insured patient may be eligible for charity care or discounted payment for the patient liability portion of their bill if the patient's income (family income) meets the eligibility criteria.

**Charity Care Application:**

1. A low income uninsured, or under-insured, hospital patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for charity or discount assistance.
2. The Sonoma Valley Hospital standardized application form (Statement of Financial Condition) will be used to document each patient's overall financial situation.
3. Family Status on the application can include spouse, domestic partner, and dependent listed on the most recent federal tax returns.
4. Current tax return/pay stubs may be used to verify annual income. Proof of Final Determination from a federal, state or county program may also serve as verification of income.
5. Once a determination has been made, SVH shall inform each applicant of the facilities' decision within two weeks from the date complete application is submitted.
6. A patient's employment status may be taken into consideration when evaluating charity care status as well as potential payments from pending litigation, and third party liens related to the incident of care.
7. The amount and frequency of hospital bills may also be considered. Specifically, a patient with high medical costs is defined as out of pocket medical costs in a 12-month period that exceed 10% of the patient's family income during that period, and the patient did not receive a discounted rate due to insurance coverage. This patient can apply for assistance so they can receive applicable service provided at SVH. Documentation must be provided in the form of income verification as well as copies of all medical bills during the 12-month period.
8. The eligibility period for charity care will be 90 days prior to date of services and 6 months following the initial approval of the application, unless the patient's family income or insurance status changes within that period, rendering the patient ineligible and needing to re-apply again providing all documentation requested for Charity Care
9. Patients with Medi-Cal share of cost obligation are not entitled to Full or Partial Charity Care.

**Patient Financial Assistance Guidelines**

Services eligible under the policy will be made available to the patient on a sliding fee scale, in accordance with financial need as determined by the Federal Poverty Levels (FPL) in effect at the time of the determination as follows:

- Patient's whose household net income is under 200% of the FPL are eligible to receive care at a 100% write off (Charity Care)

Sonoma Valley Hospital  
 Sonoma Valley Healthcare District  
 Policy and Procedure  
**Organizational**

**Title: Private Pay, Payment Plan and Discount Policy combined with the Charity Care Policy**

Number:  
Page: 4 of 5

- Patient's whose household net income is above 201% but below 350% of the FPL are eligible to receive care at a 75% discounted rate (Charity Care discount)
- Patient's whose household net income is above 351% but below 450% of the FPL are eligible to receive care at a 50% discounted rate (Charity Care discount)
- Patients can also qualify for a discount to their patient liability if they meet the charity income guideline above. The discount is tiered depending on the income category, and ranges from 100% write off to a 75% charity care discount.

**Communication of the Financial Assistance Program to Patients and the Public**

Information about patient financial assistance available from SVH shall be distributed by various means, including written notice from Admitting and ER on the Conditions of Admission, written notice on all patient bills, and by posting notices in the Emergency, Admitting and Outpatient Departments. Posting notice of the availability of assistance and a contact phone number shall also be made on the SVH web site. SVH provides written communication in English and Spanish to all patients for financial assistance.

If a patient qualifies for the hospital's financial assistance policy for low-income uninsured/under-insured patients and is cooperating with the hospital in regard to efforts to settle an outstanding bill within a reasonable time period, SVH shall not send, nor intimate that it will send, the unpaid bill to any outside agency. At such time the hospital sends the uncollected account to an outside collection agency, the amount referred to the agency shall reflect the reduced-payment level for which the patient was eligible under the hospital's financial assistance policy for low income uninsured patients.

For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, SVH will offer interest-free extended payment plans to allow payment of the discounted price over time, and will not impose wage garnishments or liens on primary residences. The hospital and the patient may negotiate the terms of the payment plan on an individual basis.

**Authorization for charity write-off**

Approval matrix:

CFO	Above \$20,001
Patient Accounting Manager and Director of Finance	\$20,000 - \$10,001
Patient Accounting Manager	\$10,000 - \$5,001
Revenue Cycle Analyst or Financial Counselor	\$5,000 and below

**Appeal Process**

If a patient has a dispute regarding the decision for charity or discounted care, a written appeal may be filed with the SVH Patient Accounting Manager or the Director of Finance. The CFO will review the basis of the appeal and will provide a written response within two weeks following receipt of the appeal. This decision will be final.

Sonoma Valley Hospital  
Sonoma Valley Healthcare District  
Policy and Procedure  
**Organizational**

**Title: Private Pay, Payment Plan and Discount  
Policy combined with the Charity Care Policy**

Number:  
Page: 5 of 5

**Regulatory Requirements**

Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPPA requirements. In implementing this policy, SVH shall comply with all federal, state and local laws, rules and regulations that may apply to activities conducted pursuant to this policy.

**REFERENCES**

- 1. Current Federal Poverty Level Chart**
- 2. OSPHD Healthcare Information Division – Hospital Fair Pricing Policies – Hospital Reporting Frequently Asked Questions Regarding AB 774**