



**POLICY:** Self-Pay Payment Policy – Elective and Non-emergent Services      **Department:** Patient Financial Services

**Effective Date:**      **Revision Date(s):** 06/2004

**Signature:** \_\_\_\_\_ 07/2007 \_\_\_\_\_

Policy: All self-pay patients will automatically receive a 65 percent discount on services provided with the exception of inpatients who will receive a 43 percent discount.

All self-pay patients will receive a copy of the Uninsured / Underinsured Payment Policy Statement.

All self-pay accounts must be paid in full within 30 days unless the patient is applying for charity / financial assistance, MediCal, CMSP or have made payment arrangements.

Procedure:

All self-pay patients will receive a copy of the Uninsured / Underinsured Payment Policy Statement at time of service. Self-pay patients will receive an itemized bill as their initial bill. The billing department will include a copy of the Uninsured / Underinsured Payment Policy Statement with the itemized bill.

Interest free credit for time should not extend beyond one year without approval of the Credit and Collections Supervisor or the Patient Financial Services Manager.

All self-pay patients will receive an itemized bill within 14 days after service and a statement 30 days after service. If the patient and/or guarantor has not cooperated in settling the bill a 60 day past due notice will be sent. Patients who have not responded to the statements or past due notice, and are not applying for assistance or made payment arrangements will be sent a 90 day final notice. If account is not paid or arrangements made it will be referred to an outside collection agency 120 days after service.

Patients who have a Medi-Cal/CMSP or financial assistance application pending will not be sent to collections as long as they are cooperating with the application process. If at anytime during this process it is determine the patient will not cooperate they will be sent a 30 day final notice.

Accounts over \$1,000 will receive a phone call for a collection representative if necessary to secure payment in full or satisfactory payment arrangements.

**MAD RIVER COMMUNITY HOSPITAL**  
**Charity & Discount Policy**  
**January 1, 2007**

**SELF PAY DISCOUNTS**

**Purpose:**

The purpose of this policy is to define the eligibility criteria for charity services and discounts, and to provide guidance for the identification, classification and reporting of patient accounts as charity care or uninsured / underinsured discounts in compliance with AB 774. The policy also addresses the posting of notices regarding this policy and the reporting requirements to state and federal agencies.

An uninsured patient has no third party coverage. An underinsured patient has third party coverage, but they might have a high deductible, exhausted their benefits or their benefits exclude services provided by the hospital.

Partial and /or full charity care and discounts will be based on the individual's ability to pay as defined by AB 774. Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPAA requirements.

Mad River Community Hospital's mission statement, "The patient is our first concern. We will do everything in our power to exceed the expectations of our patients and our community through quality care services, attention to detail, honest communication, and positive attitude", reflects the hospital's social accountability to the communities we serve. Providing charity care and partial financial assistance to the uninsured or underinsured patients, along with other community benefit services are important evidence of Mad River Community Hospital's mission fulfillment.

### **Definition of Charity Care:**

The unwillingness versus the inability to pay for services provided. An uninsured or underinsured patient is eligible for Charity Care consideration based on meeting the income, catastrophic or special circumstances eligibility criteria as established by the hospital. The patient must also fully cooperate with the application process.

Charity Care and discounts provided by this policy are generally not available for "elective procedures"; however, in certain cases an exception may be made. These exceptions require approval by the Patient Financial Services Manager or the Revenue Manager and the Director of Finance.

Guarantors who have cooperated with applying for MediCal, CMSAP, or other public assistance, and do not qualify, or have a share of cost can apply for financial assistance. All or part of the application process can be waived under certain circumstances (e.g. mental capacity, transient nature, past time limits to apply, etc.). The application can include verification of medical bills, a credit report, proof of income and personal financial information. In establishing eligibility for charity, asset testing may only include monetary assets excluding retirement or deferred compensation plans and include only 50% of monetary assets over \$10,000. Proof of Income is limited to income tax returns or the last two pay stubs.

This information is used solely for the purpose of establishing eligibility for financial assistance for services provided by Mad River Community Hospital, and will not be shared with any outside entity other than those authorized by the Guarantor. If it is determined that the patient is responsible for a portion of the bill, financial assistance will only be granted if satisfactory payment arrangements have been made and payment(s) received.

Exceptions can be made on a case to case basis approved by the Patient Financial Services Manager or Revenue Manager and / or Director of Finance.

Generally self-pay patients who have no third-party insurance, no Medicaid, no compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented

by the hospital, and the family income is at or below 350% of the federal poverty level (FPL) is eligible for full or partial Charity Care.

Patients who are not self-pay and the family income is at or below 350% of the federal poverty level (FPL), and their out-of-pocket medical expenses in the prior twelve months (whether incurred in or out of the hospital) exceeds 10% of the family income, and the patient does not otherwise receive a discount as a result of other third-party coverage is eligible for full or partial Charity Care.

**Definition of Uninsured / Underinsured Discounts:**

The amount collected from an uninsured / underinsured patient, who does not qualify for charity, cannot be more than the higher of what Medicare, Medicaid or Healthy Families would pay. Extended payment plans must be interest free. Patients with high medical cost will have no liability to the hospital to the extent that third party coverage paid an amount equal to maximum self-pay rate. In establishing eligibility for a discount only income, not assets will be considered. Proof of Income is limited to income tax returns or the last two pay stubs.

The hospital will provide an appeal / dispute process for all patients denied charity or a discount.

**Notices to patients:**

1. Notices concerning the hospital policies must be posted in conspicuous places containing information about eligibility for charity and discounts, as well as contact information for a hospital employee or office from which the patient may obtain further information about these policies. Notices must be provided to patients who present to ER r OP departments and IP admission areas. The notice must be provided in English and other applicable languages.
2. Patients who have not provided proof of third party coverage by discharge must be provided with the following when the initial bill is sent: detailed charges, a request that the patient must inform the hospital if they have health coverage or other coverage.
3. A notice that the patient may be eligible for Medicare, Healthy Families, Medi-Cal, California Children Services or charity care.

Prior to discharge the hospital must provide applications to patients for Medi-Cal and Healthy Families programs. This includes in-patients, out-patients and emergency patients.

Also, the patient must be provided, prior to discharge, a notice regarding the qualifications and application process. The notice will indicate that if the patient lacks insurance or is underinsured and meets certain low and moderate income requirements, they may qualify for discounted payment or charity care, and the name and telephone number of a hospital employee or hospital office from whom or which the patient may obtain more information about the hospital's discount payment and charity care policies, and how to apply for assistance.

**Reporting Requirements:**

Beginning January 2008, the hospital must electronically submit the following to OSHPD every other year. Revised policies and documents must be resubmitted if significant changes are made:

Policy or Policies containing Charity Care, discounts, eligibility procedures, review process and application form.

Committee Approval: \_\_\_\_\_

Policy Author:

Original Date:

References:

Distribution:

Revision: 10/03

Mad River Community Hospital  
 Financial Assistance Guidelines  
 Based on 2007 Federal Poverty Guidelines (HHS)

Family Size	Income 100%	Income 150%	Income 200%	Income 250%	Income 300%	Income 350%
1	\$9,800	\$14,700	\$19,600	\$24,500	\$29,400	\$34,300
2	\$13,200	\$19,800	\$26,400	\$33,000	\$39,600	\$46,200
3	\$16,600	\$24,900	\$33,200	\$41,500	\$49,800	\$58,100
4	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
5	\$23,400	\$35,100	\$46,800	\$58,500	\$70,200	\$81,900
6	\$26,800	\$40,200	\$53,600	\$67,000	\$80,400	\$93,800
7	\$30,200	\$45,300	\$60,400	\$75,500	\$90,600	\$105,700
8	\$33,600	\$50,400	\$67,200	\$84,000	\$100,800	\$117,600
each additional add \$3,400						
Charity discount rate	100%	80%	60%	40%	20%	10%