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1

2 **Click here for specific information on:**

3 [Review History](#)

4

5

6 **PURPOSE:**

7 This Policy and Procedure defines the eligibility criteria for El Centro Regional Medical Center  
8 (“ECRMC”), to provide the operational guidelines for the ECRMC Financial Assistance  
9 Program, and to outline the billing and collection process from uninsured patients or certain  
10 underinsured patients, including those who qualify for financial assistance under this Policy.

11 This written Policy:

12

- 13       ▪ Includes eligibility criteria for financial assistance, free and discounted  
14       (partial charity) care.
- 15       ▪ Describes the basis for calculating amounts charged to patients eligible  
16       for financial assistance under this policy.
- 17       ▪ Describes the method by which patients may apply for financial assistance.
- 18       ▪ Describes how the hospital will publicize the policy within the  
19       community served by ECRMC.
- 20       ▪ Limits the amounts that ECRMC will charge for healthcare provided to  
21       individuals eligible for financial assistance to amounts generally billed (and  
22       received) by ECRMC for Medicare patients.
- 23       ▪ Describes billing and collection procedures.

24

25 In order to manage its resources responsibly, to allow ECRMC to provide the appropriate level  
26 of assistance to the greatest number of persons in need, and to comply with the provisions  
27 enacted in the Patient Protection and Affordable Care Act (PPACA), El Centro Regional  
28 Medical Center and ECRMC Board of Trustees establishes the following guidelines for the  
29 provision of patient charity care.

30

31 **POLICY**

32 ECRMC is committed to providing financial assistance to patients who have medically  
33 necessary healthcare needs and are low-income, uninsured, underinsured, incur high medical costs,  
34 are ineligible for a government program and are otherwise unable to pay for care based on their  
35 individual family financial situations. Consistent with our mission, ECRMC strives to ensure  
36 that the financial capacity of families who need healthcare services does not prevent them from

37 seeking or receiving care. In the case of emergencies, there will be no delay in providing  
38 required screening or stabilization services in order to inquire about an individual's payment  
39 method or insurance.

40

41 All patients, including low income, uninsured, and underinsured patients, will be treated fairly  
42 and with respect before, during and after the delivery of healthcare, regardless of their ability to  
43 pay. All patients and patient families/representatives shall be treated with dignity and patient  
44 information shall be maintained as confidential in accordance with ECRMC policies and State  
45 and Federal laws. The granting of financial assistance shall be based on an individualized  
46 determination of financial need, and shall not take into account age, gender, race, ethnicity,  
47 socio-economic status, sexual orientation or religious affiliation.

48 Information on the availability of financial assistance will be readily available and accessible to  
49 patient families or representatives, and ECRMC will be responsive to the patient's/guarantor's  
50 needs. Upon patient/guarantor request, ECRMC will provide a copy of this Policy and  
51 Procedure.

52

53 It is recognized that the need for financial assistance is a sensitive and deeply personal issue.  
54 Confidentiality of requests, information and funding will be maintained for all that seek or  
55 receive financial assistance. The orientation of staff and selection of personnel who will  
56 implement this policy should be guided by these values.

57

58 The Financial Assistance Program at ECRMC is available to provide discounted or free care to  
59 eligible patients for medically necessary services based upon the guarantor's income as defined  
60 by the Federal Poverty Level Guidelines (FPG). Medically necessary care is determined by a  
61 member of the ECRMC Medical Staff or through utilization of Emergency Care Center services.

62

63 ECRMC personnel will work with patients/guarantors to determine eligibility for governmental  
64 program assistance. State or County eligibility workers knowledgeable in the California  
65 Health Benefit Exchange, as well as government-sponsored health programs, such as  
66 Medicare, Medi-Cal, California Children Services (CCS), or other state or county-funded  
67 health programs will be made available to assist in determining eligibility and in completing  
68 the application process.

69

70 The Financial Assistance Program described by this Policy does not apply to elective  
71 procedures.

72

73 Information about ECRMC's Financial Assistance Program shall be made available through  
74 posted notices in the Emergency Care Center, registration areas, clinics, other outpatient settings,  
75 and on the ECRMC website. In addition, written notice shall be provided to potentially eligible  
76 patients during the registration process or as soon as possible thereafter and during the billing  
77 process. This information shall be provided in English and Spanish, and will be translated for  
78 patients/guarantors who speak other languages.

79

80 Any member of ECRMC staff or Medical Staff may refer patients/guarantors to the ECRMC  
81 Financial Assistance Program. Any family member or representative of a patient may request  
82 financial assistance. ECRMC will determine or review eligibility for financial assistance any  
83 time information on the patient's/guarantor's eligibility becomes available.

84

85 Financial assistance is not considered to be a substitute for personal responsibility, and patient  
86 families or representatives are expected to cooperate by providing complete and accurate  
87 information in order to determine eligibility for the ECRMC Financial Assistance Program.  
88 Individuals who are eligible to apply for government programs as well as individuals with the  
89 capacity to purchase health insurance will be encouraged to do so as a means of assuring access  
90 to healthcare services. If a patient/guarantor applies, or has a pending application, for another  
91 health coverage program at the same time an application is submitted for financial assistance,  
92 neither application shall preclude eligibility for the other program.

93  
94 A patient/guarantor who requests a discounted payment, charity care, or other assistance in  
95 meeting their financial obligation to ECRMC shall make every reasonable effort to provide  
96 ECRMC with documentation of income and health benefits coverage. If the person requests  
97 charity care or a discounted payment and fails to provide information that is reasonable and  
98 necessary for ECRMC to make a determination, ECRMC may consider that failure in making its  
99 determination.

100  
101 In its billing and collection activity, ECRMC shall treat patients and patient families or  
102 representatives with fairness, dignity and respect. ECRMC shall not utilize wage garnishments,  
103 liens on a patient's primary residence, or body attachments in its collection activities. ECRMC  
104 shall utilize only those outside or third party collection agencies that agree to comply with  
105 applicable state and federal laws and with ECRMC policies, and ECRMC debt collection  
106 standards and practices, including ECRMC's definition and application of a reasonable payment  
107 plan.

108  
109 In the implementation of this Policy and Procedure, ECRMC shall comply with all applicable  
110 federal, state and local laws, rules and regulations that may apply to activities conducted pursuant  
111 to this Policy and Procedure.

112  
113  
114 **FINANCIAL ASSISTANCE PROGRAM PROCEDURE**

115 **Identification**

116 The identification of patients eligible for Financial Assistance is achieved through determination  
117 of financial status of an individual patient/guarantor by the ECRMC Financial Counseling  
118 department. Such determination should be made at or before the time of admission to ECRMC,  
119 or as soon as possible thereafter. In some cases, such as emergency admissions, it may not be  
120 possible to establish eligibility for Financial Assistance until after the patient is discharged.  
121 ECRMC recognizes that determinations cannot always be made at the time of service and  
122 therefore provide the patient/guarantor with an adequate amount of time to apply for Financial  
123 assistance. All applications for Financial Assistance must be submitted no later than 240 days  
124 from the date of initial patient billing. If the guarantor has extraordinary circumstances  
125 preventing them from applying for Financial Assistance or has made reasonable effort to  
126 communicate with ECRMC, the time restraint may be waived.

127

128 **Third-party coverage**

129

130 A. ECRMC shall make all reasonable efforts to obtain from the patient/guarantor  
131 information about whether private or public health insurance or sponsorship may fully or  
132 partially cover the charges for care rendered by ECRMC, including, but not limited to,

133 any of the following:

134

135 1. Private health insurance, including coverage offered through the California  
136 Health Benefit Exchange.

137 2. Medi-Cal, California Childrens' Services or other state-funded benefit  
138 programs designed to provide health coverage.

139 3. Medicare.

140 4. Other coverage, including workers' compensation, automobile insurance or  
141 other insurance.

142

143 B. If a patient/guarantor does not indicate coverage by a third-party payor, or requests  
144 Financial Assistance that may include a discounted price or charity care, then ECRMC  
145 shall provide an application for Medi-Cal or other governmental program to the  
146 patient/guarantor (to the extent available to ECRMC). This government sponsored  
147 benefit program application shall be provided prior to discharge if the patient has been  
148 admitted or to patients receiving emergency or outpatient care.

149

150 Responsibility for determining eligibility

151 The responsibility for determining a patient's/guarantor's eligibility for Financial Assistance at,  
152 or before, the time of the admission, or during the inpatient stay, or after discharge to the hospital  
153 shall be with the Financial Counseling department. This will require that the patient/guarantor  
154 complete the Financial Assistance Application, along with the necessary copies of  
155 documentation, to determine the annual family income of the patient/guarantor.

156

157 Method by which patients may apply for charity care – Application

158 ECRMC will request that each patient/guarantor applying for Financial Assistance complete a  
159 Financial Assistance Application, including a Statement of Financial Condition. The Assistance  
160 Application allows for the collection of needed information to determine eligibility for Financial  
161 Assistance. Financial assistance may be granted at any time eligibility is determined. The  
162 ECRMC Financial Counseling department may assist with completing the Financial Assistance  
163 Application.

164

165 A. Calculation of Immediate Family Members - ECRMC will request that  
166 patients/guarantors verify the number of people in the patient's household.

167

168 1. Adults – ECRMC will count the total number of adults residing in the home.

169 2. Minors – For persons under the age of 18. In calculating the number of people  
170 in a minor patient's household, ECRMC will include the patient, and other  
171 dependents of the patient's parents or caregivers (or calculate as other  
172 dependents of the patient's mother and other dependents of the patient's father;  
173 similarly for other dependents of stepparents residing in the home), and any  
174 other dependent family members residing in the home.

175

176 B. Calculation of Income

177

178 1. Annual family income before taxes, less payments made for alimony and  
179 child support.

180 2. Proof of income may be determined by annualizing the year-to-date

181 family income, giving consideration for current earning rates.

182

183

C. Patient's/Guarantor's Responsibility

184

185

1. All hospital patients/guarantors bear certain responsibilities including:

186

a. Providing accurate and complete information in a timely manner so that

187

ECRMC can process the request for Financial

188

Assistance;

189

b. Responsiveness – provide timely follow-up for additional documents or

190

information ECRMC requires for the Financial Assistance application

191

process;

192

c. Full disclosure of the required information; and

193

d. Satisfaction of any patient/guarantor payment obligation.

194

195 Income Verification

196

ECRMC shall request that the patient/guarantor verify the Income and provide the

197

documentation requested as set forth in the Financial Assistance Application. NOTE: Tax

198

Returns and W-2's should be collected for year prior to date of admission.

199

200

A. Documentation Verifying Income – Income may be verified through any of

201

the following mechanisms:

202

203

1. Tax returns (preferred income verification document)

204

2. Recent pay stubs/paycheck remittance

205

3. IRS form W-2

206

4. Wage and Earnings Statement

207

5. Social Security income

208

6. Workers' Compensation or unemployment compensation determination letters

209

7. Qualification within the preceding six months for governmental

210

assistance program (including food stamps, Medi-Cal, and AFDC)

211

212

In the event that the patient/guarantor is unable to provide recent pay stubs, ECRMC shall, with

213

the patient's/guarantor's authorization, obtain telephone verification by the patient's/guarantor's

214

employer of the patient's/guarantor's income or accept other documentation of the

215

patient's/guarantor's income.

216

217

ECRMC shall not include retirement or deferred-compensation plans qualified under the

218

Internal Revenue Code, or nonqualified deferred-compensation plans.

219

220

Personal bankruptcies may affect a patient's/guarantor's ability to pay all or part of the bill for

221

healthcare services. To help avoid going into bankruptcy, ECRMC will work with the

222

patient/guarantor on flexible payment plans.

223

224

The requested documents to verify income should be made available to ECRMC within 14

225

calendar days. Patient/guarantor may submit copies of the required documents with the

226

Financial Assistance Application.

227

228

Documentation Unavailable –

229 When a patient/guarantor is unable to provide the requested documentation to verify income,  
230 ECRMC will require that a satisfactory explanation of the reason the patient/guarantor is unable  
231 to provide the requested documentation be noted on the Financial Assistance Assessment Form.  
232 In cases where the patient/guarantor is unable to provide documentation verifying income,  
233 ECRMC may at its sole discretion verify the patient/guarantor income in either one of the  
234 following two ways:

235

- 236 1. By having the patient/guarantor sign the Assistance Application attesting to the  
237 veracity of the income information provided and a written explanation as to  
238 why they are unable to obtain and/or provide documents; or
- 239 2. Through the written attestation of ECRMC personnel completing the  
240 Assistance Application that the patient/guarantor verbally verified ECRMC's  
241 calculation of income.

242

243 The application should then be submitted to the Patient Financial Services Director  
244 for review to determine eligibility.

245

#### 246 Eligibility Cannot be Determined

247 If and when ECRMC personnel cannot clearly determine eligibility, ECRMC personnel will  
248 use best judgment and submit a memorandum listing reasons for judgment along with any  
249 available documentation to the Patient Financial Services Director. The Patient Financial  
250 Services Director will then review the memorandum and documentation, and make a  
251 determination.

252

- 253 1. If the PFS Director agrees to approve eligibility, he or she will sign the  
254 Eligibility Determination Worksheet and continue with the normal approval  
255 process.
- 256 2. If the PFS Director recommends denying financial assistance based on the  
257 information provided and the difficulty in determining eligibility, he or she  
258 will notate the application with the decision and return all documentation to  
259 the Financial Counselor for denial processing.

260

261 Classification Pending Income Verification – During the income verification process, while  
262 ECRMC is collecting the information necessary to determine a family's income, the patient may  
263 be treated as a self-pay patient in accordance with ECRMC policies.

264

#### 265 Information Falsification

266 Falsification of information may result in denial of the Financial Assistance Application. If,  
267 after a patient is granted Financial Assistance and ECRMC finds material provision(s) of the  
268 Assistance Application to be untrue, the Financial Assistance may be withdrawn.

269

#### 270 Request for additional information

271 If adequate documents are not provided, ECRMC will contact the patient's family to request  
272 additional information/documentation. If the patient's family does not comply with the request  
273 within 14 calendar days from the date of the request, such non-compliance will be considered an  
274 automatic denial for Financial Assistance. A note will be input into the hospital computer system  
275 and any and all paperwork that was completed will be filed according to the date of the denial.

276 No further actions will be taken by ECRMC personnel. If requested documentation is later  
277 obtained, all filed documentation will be reviewed and the patient/guarantor will be reconsidered  
278 for Financial Assistance.

279

#### 280 Non-emergent Financial Assistance

281 This policy does not cover non-emergent elective or specialized procedures or  
282 services/procedures that are not medically necessary.

283

#### 284 International Patients

285 The ECRMC Financial Assistance program does not apply to international patients.  
286 International patients seeking non-emergent care or elective services will continue to follow  
287 standard operating procedures for providing payment up-front according to ECRMC policy.

288

#### 289 Automatic Classification as eligible for Financial Assistance

290 The following is a list of types of accounts where Financial Assistance is considered to be  
291 automatic and documentation of income or Financial Assistance application is not  
292 needed:

293 Medi-Cal accounts – Exhausted Days/Benefits

294 Medi-Cal spend down accounts

295 Medi-Cal Dental denials

296 Medicare Replacement accounts with Medi-Cal as secondary, where Medicare Replacement plan  
297 left patient's family with responsibility

298

#### 299 Homeless:

300 If the patient is determined to be homeless he/she will be deemed eligible for the Financial  
301 Assistance Program.

302

#### 303 Elopement or Inaccurate/Invalid Information:

304 Patients seen in the emergency department, for whom the hospital is unable to issue a billing  
305 statement, due to the patient leaving prior to conclusion of treatment in the emergency room or  
306 providing inaccurate or invalid information, may have the account charges written off as Charity  
307 Care. All such circumstances shall be identified on the patient's account notes as an essential part  
308 of the documentation process.

309

#### 310 Denials, Non-Covered Charges & Medicare Bad Debts:

311 ECRMC deems those patients that are eligible for government sponsored low-income assistance  
312 program (e.g. Medi-Cal/Medicaid, California Children's Services and any other applicable state  
313 or local low-income program) to be indigent. Therefore such patients are eligible under the  
314 Financial Assistance Policy when payment is not made by the governmental program. For  
315 example, patients who qualify for Medi-Cal/Medicaid as well as other programs serving the  
316 needs of low-income patients (e.g. CHDP and CCS) where the program does not make payment  
317 for all services or days during a hospital stay, are eligible for Financial Assistance Program  
318 coverage. Under the hospital's Financial Assistance Policy, these types of non-reimbursed  
319 patient account balances are eligible for full write-off as Charity Care. Specifically included as  
320 Charity Care are charges related to denied stays, denied days of care, and non-covered services.  
321 All Treatment Authorization Request (TAR) denials and any lack of payment for non-covered

322 services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income  
323 programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care.

324

325 Medicare:

326 Any evaluation for financial assistance relating to patients covered by the Medicare Program  
327 must include a reasonable analysis of all patient assets, liabilities, income and expenses, prior to  
328 eligibility qualification for the Financial Assistance Program. Such financial assistance  
329 evaluations must be made prior to service completion by ECRMC.

330

331 The portion of Medicare patient accounts (a) for which the patient is financially responsible  
332 (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payer  
333 including Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may  
334 be classified as charity care if:

335

336 1. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the  
337 health care needs of low-income patients; or

338

339 2. The patient otherwise qualifies for financial assistance under this policy and then only to  
340 the extent of the write-off provided for under this policy.

341

342 Criteria for Re-Assignment from Bad Debt to Charity Care

343

344 Non-Payment of Balance Due:

345 Any account returned to the hospital from a collection agency that has determined the patient or  
346 family representative does not have the resources to pay his or her bill, may be deemed eligible  
347 for Charity Care. Documentation of the patient or family representative's inability to pay for  
348 services will be maintained in the Charity Care documentation file.

349

350 All outside collection agencies contracted with ECRMC to perform account follow-up and/or  
351 bad debt collection will utilize the following criteria to identify a status change from bad debt to  
352 charity care:

353

354 • Patient accounts must have no applicable insurance (including governmental coverage  
355 programs or other third party payers); and

356

357 • The patient or family representative must have a credit score rating within the lowest 25<sup>th</sup>  
358 percentile of credit scores for any credit evaluation method used; and

359

360 • The patient or family representative has not made a payment within 150 days of  
361 assignment to the collection agency;

362

363 • The collection agency has determined that the patient/family representative is unable to  
364 pay; and/or

365

366 • The patient or family representative does not have a valid Social Security Number and/or  
367 an accurately stated residence address in order to determine a credit score

368



369 All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care  
370 will be evaluated by hospital personnel prior to any re-classification within the hospital  
371 accounting system and records.

372

373 Determination of Financial Eligibility and Level of Financial Assistance

374

375 Criteria to receive Financial Assistance for medically necessary care is based on the income  
376 threshold criteria dictated by the Federal Poverty Guidelines set at the time the patient  
377 completes the application process. For the purpose of this policy, Self Pay means a patient  
378 who does not have third-party coverage from a health insurer, health care service plan,  
379 Medicare, Medi-Cal, and whose injury is not a compensable injury for purposes of worker's  
380 compensation, automobile insurance, or other insurance as determined and documented by  
381 ECRMC. Self pay patients may include charity patients.

382

383 A. There are three categories of financial eligibility – Financially Qualified Self-  
384 Pay; High Medical Cost; or Private Self-Pay.

385

386 1. Financially Qualified Self-Pay: Defined as **no third-party insurance or**  
387 **other coverage** and family income **does not exceed** 450 percent of the Federal  
388 Poverty Level. The level of assistance (which could include free care or  
389 discounted payment) will depend upon family income.

390

391 2. Patients with “High Medical Costs”: Patients/guarantors **with third-party**  
392 **insurance or other coverage** and whose family income does not exceed 350  
393 percent of the Federal Poverty Level. “High medical costs” means any of the  
394 following:

395

396 i. Patient/guarantor has out-of-pocket medical expenses within the prior 12  
397 months that exceed 10 percent of family income (medical expenses  
398 include both incurred at ECRMC and outside of ECRMC. If outside of  
399 ECRMC, patient/guarantor must provide documentation of medical  
400 expenses); or

401

402 ii. Patient/guarantor has annual out-of-pocket costs incurred at ECRMC  
403 that exceed 10 percent of the patient's/guarantor's family income in the  
404 prior 12 months.

404

405 Eligible high medical cost patients/guarantors may receive a discount to their bill.

406

407 3. Private Self Paypatients: Defined as patients/guarantors who **do not have**  
408 **third- party insurance or other coverage** and whose family income **exceeds**  
409 450 percent of the Federal Poverty Level. Eligible private self-pay patients  
410 shall be provided a prompt pay discount. Patients/guarantors must either make  
411 payment, or make payment arrangements, or be in process with eligibility  
412 applications for government-sponsored insurance programs or with the  
413 ECRMC Financial

414

415 Assistance program within thirty days, or the patient/guarantor will be  
416 responsible for all charges. For self-pay patients not eligible for the ECRMC  
Financial Assistance Program, all patients must leave a deposit of 30 percent of

417 the total amount of charges prior to service.

418

419 B. Eligibility for free care

420

421 1. Uninsured patients/guarantors whose household income, as determined in  
422 accordance with the Assistance Application, is less than or equal to 100 percent  
423 of the poverty guidelines, will receive care free of charge, except uninsured  
424 patients/guarantors at or below 100 percent of the FPL must pay a co-payment  
425 according to the co-payment schedule:  
426

Hospital Service	Co-Payment
Emergency Care	\$50.00/visit
Inpatient Admission	\$100.00/per day, not to exceed \$1,000
Emergency Care Center resulting in an Inpatient Admission	ER Co-Pay waived and Inpatient Co- Pay applies

427

428 Other than the instant co-payment, (which may be waived for deceased  
429 patients), ECRMC’s collection policy is not to bill these patients/guarantors for  
430 any amount.

431

432 C. Eligibility for discounted payment

433

434 1. An uninsured patient/guarantor who does not qualify for free care under this  
435 policy because the patient’s/guarantor’s household income exceeds 100 percent  
436 of the Federal Poverty Guidelines may be eligible to receive discounts in  
437 accordance with financial need as determined by the FPG as follows:

438

439 a. For patients/guarantors with household income between 101 percent and  
440 350 percent of the Federal Poverty Level, provide a discount, whereby the  
441 expected reimbursement would be equivalent to Medicare reimbursement  
442 rates.

443 b. For patients/guarantors with household income between 351 percent and  
444 450 percent of the FPL, provide a discount of 50 percent off of charges.

445 c. For patients/guarantors with household income greater than 450 percent of  
446 the FPL, patients will be provided a 35 percent discount off of charges.

447

448 2. ECRMC Maximum Payment

449

450 a. For patients who are determined to be financially qualified self-pay or  
451 financially qualified with high medical costs, payment for services  
452 rendered shall not exceed the amount ECRMC receives from Medicare.

453

454 Interest Free, Extended payment plans

455 When a determination of discount partial charity has been made by the hospital, the patient shall  
456 have the option to pay any or all outstanding amount due in one lump sum payment, or through a  
457 reasonable scheduled term payment plan. At the option of the patient/guarantor, the  
458 patient/guarantor may choose an interest free extended payment plan to allow payment of the  
459 discounted price over time. ECRMC and the patient/guarantor will negotiate the terms of such a  
460 payment plan. In negotiating the payment terms, ECRMC will consider relevant factors, such as  
461 size of payment obligation, patient resources and essential living expenses, and any other relevant  
462 factors brought to ECRMC's attention. Individual payment plans will be arranged based upon the  
463 patient's ability to effectively meet the payment terms. As a general guideline, payment plans  
464 will be structured to last no longer than 12 months. The hospital shall negotiate in good faith  
465 with the patient; however there is no obligation to accept the payment terms offered by the  
466 patient. If the hospital and the patient/guarantor cannot agree on the payment plan, the hospital  
467 shall use the following formula to create a "reasonable payment plan":

468 "Reasonable payment plan" means monthly payments that are not more than 10 percent  
469 of a patient's family income for a month, excluding deductions for essential living  
470 expenses.

471 "Essential living expenses" means expenses for any of the following: rent or house  
472 payment and maintenance, food and household supplies, utilities and telephone, clothing,  
473 medical and dental payments, insurance, school or child care, child or spousal support,  
474 transportation and auto expenses, including insurance, gas, and repairs, installment  
475 payments, laundry and cleaning, and other extraordinary expenses.

476 No interest will be charged to the patient for the duration of any extended payment plan arranged  
477 under the provisions of the Financial Assistance Policy. Any patient who fails to pay their  
478 portion will be referred to an outside collection agency for further collection process. ECRMC  
479 may declare an extended payment plan no longer operative after the patient's failure to make all  
480 consecutive payments due during a 90-day period. Before declaring the extended payment plan  
481 no longer operative, ECRMC, its collection agency, or assignee shall make a reasonable attempt  
482 to contact the patient by telephone and, to give notice in writing, that the extended payment plan  
483 may become inoperative, and notify the patient/guarantor of the opportunity to renegotiate the  
484 extended payment plan. Prior to the extended payment plan being declared inoperative, ECRMC,  
485 its collection agency, or assignee shall attempt to renegotiate the terms of the defaulted extended  
486 payment plan, if requested by the patient. ECRMC, its collection agency, or assignee shall not  
487 report adverse information to a consumer credit reporting agency or commence a civil action  
488 against the patient/guarantor for nonpayment prior to the time the extended payment plan is  
489 declared to be no longer operative. The notice and telephone call to the patient may be made to  
490 the last known telephone and address of the patient/guarantor.

491

492 For financially qualified patients with high medical costs, discounts shall be determined  
493 via the catastrophic eligibility under the provisions of this Policy.

494

#### 495 Catastrophic Eligibility

496 ECRMC will provide catastrophic eligibility Financial Assistance when patient/guarantor  
497 liability exceeds a substantial portion of the patient's/guarantor's income, including high  
498 medical cost patients as defined previously in A.2. To qualify for Catastrophic Eligibility, the  
499 patient/guarantor must meet the expense qualification as follows:

500

501 Expense qualification:

502 A. Upper limit liability ceiling: For patient's/guarantor's with household income

- 503 between 101 percent and 350 percent of the FPL, the patient's/guarantor's  
504 liability must exceed 10 percent of their household income, which will be  
505 determined by completing the Upper Limit Patient Liability Worksheet.
- 506 B. Upper limit liability ceiling: For patient's/guarantor's with household income  
507 greater than 350 percent of the FPL, the patient's/guarantor's liability must exceed  
508 20 percent of their household income, which will be determined by completing the  
509 Upper Limit Patient Liability Worksheet.
- 510 C. To determine expense qualification for catastrophic eligibility using the Upper Limit  
511 Patient Liability Worksheet:
- 512
- 513 1. ECRMC will multiply the household income, as determined by following the  
514 Financial Assistance Eligibility Determination Worksheet, by either 10  
515 percent for incomes between 101 percent to 350 percent of the FPL or by 20  
516 percent for incomes greater than 350 percent of the FPL.
  - 517 2. ECRMC will determine the patient's/guarantor's medical expense liability.
  - 518 3. ECRMC will compare the appropriate Upper Limit Liability ceiling of the  
519 patient's/guarantor's household income to the total amount of the  
520 patient's/guarantor's medical expense liability. If the total of the medical  
521 expense liability is greater than the upper limit liability ceiling of the  
522 patient's/guarantor's household income, then the patient/guarantor meets the  
523 Catastrophic Eligibility qualification. ECRMC will subtract the upper limit  
524 liability ceiling of the patient's/guarantor's income from the medical expense  
525 liability to determine the amount by which the medical expenses exceed the  
526 available household income; this amount is then eligible for a charity care write-  
527 off.

528

529 Time Requirements for Determination

530

- 531 A. While it is desirable to determine the amount of Financial Assistance for which a  
532 patient/guarantor is eligible as close to the time of service as possible, ECRMC  
533 recognizes that determinations cannot always be made at the time of service. In  
534 some cases, eligibility is readily apparent and a determination can be made before,  
535 on or soon after the date of service. In other cases, it can take investigation to  
536 determine eligibility, particularly when the patient/guarantor has limited ability or  
537 willingness to provide needed information. Therefore, ECRMC provides the  
538 patient/guarantor with an adequate amount of time to apply for Financial Assistance.  
539 All applications for Financial Assistance must be submitted no later than 240 days  
540 from the date of initial patient billing, unless extraordinary circumstances have  
541 occurred preventing the patient/guarantor from applying.
- 542
- 543 B. Every effort should be made to determine a patient's/guarantor's eligibility for  
544 Financial Assistance. In some cases, a patient/guarantor eligible for Financial  
545 Assistance may not have been identified prior to initiating external collection  
546 action. Accordingly, collection agencies contracted to work with ECRMC shall be  
547 made aware of the policy on "Financial Assistance, Discount Payment, and Billing  
548 and Collection". This will allow the agency to report amounts that they have  
549 determined to be uncollectable due to the inability to pay in accordance with

550 ECRMC's Financial Assistance eligibility guidelines.

551

552 Approval Procedures

553 ECRMC personnel will complete a Financial Assistance Eligibility Determination Worksheet  
554 and attach to the patient/guarantor Financial Assistance Application, along with the copies of  
555 required documents, and then forward to the Patient Financial Services Director for review and  
556 approval.

557

558 A. The Financial Assistance Eligibility Determination Worksheet with the application  
559 for Financial Assistance allows for the documentation of the administrative review  
560 and approval process utilized by ECRMC to grant financial assistance. The Patient  
561 Financial Services Director must approve any revision to the Financial Assistance  
562 Eligibility Determination Worksheet.

563

564 1. For patient/guarantor accounts meeting the Financial Assistance eligibility  
565 criteria, the Application for Financial Assistance may be approved for  
566 medically necessary healthcare services.

567

568 2. If the application is approved and the patient needs to return for care, the  
569 approval is extended for six months for all medically necessary healthcare  
570 services on balances that can be considered for Financial Assistance.

571

572

573 A financial assistance determination will be made only by approved hospital personnel according  
574 to the following levels of authority:

575

576 Manager of Patient Accounting: Accounts less than \$2,500

577 Chief Financial Officer: Accounts less than \$10,000

578 Chief Executive Officer: Accounts greater than \$10,000

579 Each level requires the review, approval and signature of the person authorized to  
580 approve at that level prior to an application for a larger medical expense liability moving  
581 forward for approval by the additional designated authorized signers.

582

583 The accounts will be filed according to the date the Financial Assistance adjustment was  
584 entered onto the account.

585

586 Governmental Assistance

587

588 In determining whether each individual qualifies for Financial Assistance, other county or  
589 governmental assistance programs should also be considered. Many applicants are not aware that  
590 they may be eligible for assistance such as Medi-Cal, Victims of Crime, or California Childrens'  
591 Services.

592

593 ECRMC Financial Counselors shall assist families in determining if they are eligible for any  
594 governmental or other assistance and are available to assist with the application process.

595

596 Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for  
597 the period during which the medical services were rendered, may be granted Financial

598 Assistance for those services. ECRMC may make the granting of Financial Assistance  
599 contingent upon applying for governmental program assistance.

600

601 Ineligibility for Financial Assistance

602 If ECRMC determines that the patient/guarantor is not eligible for Financial Assistance under  
603 this policy, it shall notify the patient/guarantor of the denial in writing. The Financial Counselor  
604 shall coordinate the processing and mailing of these communications.

605

606 Medi-Cal Share of Cost-NO WAIVER

607 Patient obligations for Medi-Cal/Medicaid share of cost payments will NOT be waived under  
608 any circumstance. However, after collection of the patient share of cost portion, any other unpaid  
609 balance relating to a Medi-Cal/Medicaid patient may be considered for Charity Care.

610

611 Contracts/Discounts

612 Any Non-Obstetrical patients, including Physicians, who have been offered Financial Assistance  
613 but have declined, will be provided a 30% discount for services paid in full within 30 days of the  
614 date services were rendered. This discount offer cannot be combined with any of the  
615 aforementioned Financial Assistance discounts. This is only for those uninsured or underinsured  
616 patients not interested in applying for Financial Assistance.

617

618 For Obstetric patients, a special contract is used to determine the Cash Price due prior to  
619 discharge. This contract is available to all uninsured or underinsured obstetric patients at the  
620 time of pre-admission or admission for walk-in patients. The Cash Price includes the baby,  
621 providing there are no complications with the birth. The rates are equivalent to the average  
622 Medi-Cal reimbursement for 2-day Vaginal deliveries and 3-day Cesarean Section deliveries.  
623 Additional fees apply to those with Extended Stay, NICU babies, Twins and Tubal Ligations and  
624 any other accounts outside the delivery of the baby.

625

626 Notices

627 ECRMC shall provide written information about the availability of the ECRMC Financial  
628 Assistance Program, which shall include information about eligibility, to uninsured,  
629 underinsured or self-pay patients. These notices will be published in English and Spanish,  
630 and translated for patients/guarantors who speak other languages. Written notice shall  
631 include, at a minimum, the following:

632

- 633 1. If a patient meets certain income requirements, the patient may be eligible for  
634 a government-sponsored program or the ECRMC Financial Assistance  
635 Program.
- 636 2. Identification of a hospital phone number with hours of availability shall be  
637 delineated so that patients may call to obtain further information about  
638 financial assistance.
- 639 3. ECRMC website that provides such notice.

640 Locations

641 Written notice shall be handed to potentially eligible patients/guarantors in the inpatient,  
642 outpatient and Emergency Care Center areas and shall be explained, so that the  
643 patient/guarantor is informed about the availability of government sponsored programs and the

644 ECRMC Financial Assistance Program.

645

646 Posted notice shall be conspicuously and clearly posted in locations that are visible to the  
647 public, including, but not limited to:

648

- 649 i. Emergency Care Center;
- 650 ii. Billing office;
- 651 iii. Registration areas;
- 652 iv. Other outpatient settings.

653

654 Written correspondence to the patient/guarantor shall be in English or Spanish.

655

#### 656 Full Charity Care and Discount Partial Charity Care Reporting

657 ECRMC will report actual Charity Care provided in accordance with regulatory requirements of  
658 the Office of Statewide Health Planning and Development (OSHPD) as contained in the  
659 Accounting and Reporting Manual for Hospitals, Second Edition. To comply with regulation, the  
660 hospital will maintain written documentation regarding its Charity Care criteria, and for  
661 individual patients, the hospital will maintain written documentation regarding all Charity Care  
662 determinations. As required by OSHPD, Charity Care provided to patients will be recorded on  
663 the basis of actual charges for services rendered.

664 ECRMC will provide OSHPD with a copy of this Financial Assistance Policy which includes the  
665 full charity care and discount partial charity care policies within a single document. The  
666 Financial Assistance Policy also contains: 1) eligibility and patient qualification procedures; 2)  
667 the unified application for full charity care and discount partial charity care; and 3) the review  
668 process for both full charity care and discount partial charity care. These documents shall be  
669 supplied to OSHPD every two years or whenever a significant change is made.

670

#### 671 Document Retention Procedures

672 ECRMC will maintain documentation sufficient to identify each patient/guarantor who  
673 qualifies for Financial Assistance, the patient family's income, the method used to verify the  
674 patient family's income, the amount owed by the patient/guarantor, and the person who  
675 approved or denied granting Financial Assistance. All documentation will be retained  
676 within ECRMC's Business Office for one calendar year. After which, the documents will be  
677 boxed and marked as "Charity Documents" with appropriate dates, and then forwarded to  
678 long-term storage, where the records will be retained for an additional six years before  
679 shredding.

680

#### 681 Reservation of Rights

682 It is the policy of ECRMC to reserve the right to approve, limit or deny Financial Assistance at  
683 the sole discretion of ECRMC.

684

#### 685 Application of Policy

686 The Financial Assistance policy does not apply to those services outside of ECRMC. This policy  
687 does not create an obligation to pay for any charges or services not included in the ECRMC bill  
688 at the time of service. This policy may not apply to professional services rendered by physicians  
689 or other medical providers at ECRMC, including, but not limited to, anesthesiologists,  
690 radiologists, certain surgeons and medical specialists.

691 ECRMC’s contracted Emergency Physicians and Radiology Groups will take into consideration  
692 ECRMC’s Financial Assistance Program and shall implement their own financial assistance and  
693 discounted payment policies. Upon approval or denial of financial assistance, notification will  
694 be made to the aforementioned groups by the ECRMC Financial Counselor and documented in  
695 the patients account. See AB 1503, effective 01/01/2011. Contact information for ancillary  
696 providers is provided to the patient in the Important Patient Information notice and the Ancillary  
697 Services Provider handout. These notices are provided at the time of Registration to every  
698 patient who presents to El Centro Regional Medical Center for services.

699

700

701 **BILLING AND COLLECTION PROCEDURE FOR FINANCIALLY ELIGIBLE**  
702 **PATIENTS**

703

704 Billing Notices

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706 When sending a bill to patients/guarantors potentially eligible for a government program or  
707 the ECRMC Financial Assistance Program, ECRMC will include the following:

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1. Statement of charges for hospital services;
2. Request for information regarding health insurance coverage, Medicare, Healthy Families Program, Medi-Cal or other coverage;
3. Statement that indicates that if the patient/guarantor lacks, or has inadequate insurance coverage, the patient/guarantor may be eligible for Medicare, Medi-Cal, Healthy Families, California Children’s Services, coverage offered through the California Health Benefit Exchange, other state- or county-funded health coverage, or for the ECRMC Financial Assistance Program, if certain low to moderate income requirements are met;
4. Statement indicating how to obtain applications for Medi-Cal and Healthy Families programs, coverage offered through the California Health Benefit Exchange, or other state- or county-funded health coverage programs and how to obtain applications from ECRMC;
5. The telephone number of the appropriate department at ECRMC to obtain further information on applying for health coverage or financial assistance and how to apply for such assistance.
6. Statement providing patients with a referral to a local consumer assistance center housed at legal services offices (ie Health Consumer Alliance)

728 Overpayments

729 In the event of an overpayment by a patient/guarantor, ECRMC shall abide by the  
730 reimbursement terms and conditions set forth in Section 127440 of the California Health and  
731 Safety Code. ECRMC shall utilize reasonable efforts in processing overpayments and repaying  
732 the patient/guarantor as soon as possible.

733

734

735 Collection Activities by ECRMC

736

737 In determining the debt that ECRMC seeks to recover, ECRMC will consider only the income  
738 and certain monetary assets of the patient/guarantor eligible for the ECRMC Financial



739 Assistance Program. In making this determination, ECRMC will not consider retirement or  
740 deferred compensation plans (either qualified or non-qualified under the Internal Revenue  
741 Code), the first \$10,000 or the remaining 50 percent of the patient/guarantor's monetary assets.  
742

743 ECRMC shall not use wage garnishments, body attachments or liens on primary  
744 residences of patients as a means of collecting unpaid patient bills.

745

#### 746 Collection Actions by Outside Agencies

747

748 ECRMC shall not send patient/guarantor account(s) to an outside or third party collection agency  
749 for the purposes of commencing a civil action for nonpayment or take any action that would  
750 result in an adverse consumer credit report prior to 150 days. That time may be extended if the  
751 patient/guarantor is appealing a coverage decision and patient/guarantor makes a reasonable  
752 effort to communicate with ECRMC Patient Financial Services regarding the progress of the  
753 appeal.

754

755 The Patient Financial Services Director shall be authorized to review and approve any  
756 accounts referred to collection and shall establish procedures to refer accounts to outside  
757 collection agencies.

758

759 ECRMC shall not send an account to a collection agency if the patient has a pending  
760 application for the ECRMC Financial Assistance Program or government program or is  
761 attempting in good faith to settle an outstanding bill by negotiating a reasonable payment plan  
762 or by making regular partial payments of a reasonable amount. A "pending application" is  
763 defined as an application that has been fully completed and includes copies of the required  
764 documentation by the patient/guarantor, submitted to the relevant public agency in the case of  
765 government programs and to ECRMC in the case of the ECRMC Financial Assistance Program.  
766

767 Prior to commencing collection action by an outside agency, ECRMC, or its designee, shall  
768 send the patient/guarantor a written notice summarizing his/her rights under State and Federal  
769 debt collection law and a statement regarding the availability of nonprofit credit counseling  
770 services.

771

#### 772 Outside Collection Activities Follow ECRMC Collection Policies

773

774 ECRMC shall utilize only those outside collection agencies that have agreed in writing to comply  
775 with those collection standards and practices outlined in this Policy and Procedure, including  
776 ECRMC's definition and application of a reasonable payment plan. In addition, ECRMC may  
777 further define the standards and scope of practice to be used by such collection agencies, and shall  
778 obtain written agreements from such agencies that they will adhere to such standards and scope of  
779 practice. See also Interest Free, Extended Payment Plans

780

781 ECRMC shall utilize only those outside collection agencies that also have agreed as follows:

782

- 783 1. To comply with applicable state and federal debt collection practices law,  
784 including but not limited to hospital collection practices set forth in  
785 California Health and Safety Code Section 127425(a-h);
- 786 2. To not use a wage garnishment, except by court order, following the procedure

787 set out under state law, including California Health and Safety Code Section  
788 127425(f)(2)(A);  
789 3. To not establish a lien on the patient's primary residence except as  
790 permitted under state law, including California Health and Safety Code  
791 Section 127425(f)(2)(B).  
792  
793

794 **RESERVATION OF RIGHTS AGAINST THIRD PARTIES**

795 Nothing in this Policy shall preclude ECRMC from pursuing reimbursement from third party  
796 payers, third party liability settlements or tortfeasors or other legally responsible third parties.  
797

798 **Good Faith Requirements**

799 ECRMC makes arrangements for financial assistance for qualified patients in good faith and  
800 relies on the fact that information presented by the patient or family representative is complete  
801 and accurate.

802 Provision of financial assistance does not eliminate the right to bill, either retrospectively or at  
803 the time of service, for all services when fraudulent, or purposely inaccurate information has  
804 been provided by the patient or family representative. In addition, ECRMC reserves the right to  
805 seek all remedies, including but not limited to civil and criminal damages from those patients or  
806 family representatives who have provided fraudulent or purposely inaccurate information in  
807 order qualify for the ECRMC Financial Assistance Program  
808

809 **DISPUTE RESOLUTION PROCESS**

810  
811 Any dispute regarding eligibility, determination of financial assistance, or billing or collection  
812 should be directed to the Patient Financial Services Department.  
813

814 The PFS Department shall obtain all information regarding the dispute and forward to the PFS  
815 Manager. If the Manager determines that an application for Financial Assistance should be  
816 reviewed, she or he should forward the new information to the PFS Director, or designee, for  
817 reprocessing.  
818

819 The Patient Financial Services Director shall review and respond in writing to the patient  
820 family or representative regarding the results of his/her review.  
821

822 Any appeal by the patient family or representative from the determination by the Patient  
823 Financial Services Director will be directed to the Chief Financial Officer whose determination  
824 will be final.  
825  
826

827 **ACCESS TO POLICY AND RELATED DOCUMENTS**


828  
829 Copies of the written notices provided to patients, summary of the ECRMC Financial  
830 Assistance Program policy and procedure, and application forms in English and in Spanish  
831 are available on the ECRMC website.  
832

833 Upon request to ECRMC Financial Counselors, patient families or representatives may obtain a  
834 complete copy of this Policy and Procedure.  
835

836 **REFERENCES**

- 837 State of California AB774 (Chapter 755, Statutes of 2006)
- 838 State of California AB1503 (Chapter 445, Statutes of 2010)
- 839 State of California SB1276 (Chapter 758, Statutes of 2014)
- 840 California Health & Safety Code Sections 127400127446

842 **Review History**

		<b>Category:</b> Departmental	<b>Department:</b> Patient Accounting, Central Admitting-ER Registration.
		<b>Policy Name:</b> Financial Assistance, Discount Payment, and Billing and Collection	<b>Approval Type:</b> Department Specific
<b>Date Reviewed /Approved</b>	<b>By:</b>	<b>Title:</b>	<b>Procedure Notes:</b>
02/09/07	Clark & Koortbojian	Consultants Charity Care	Reviewed
02/09/07	Foley Lardner	Hospital Attorneys	Reviewed
02/12/07	Kathleen Farmer	Chief Financial Officer	New policy required due to changes in hospital charity regulations due to the adoption of AB774; Replaces “Charity Care, Assisting Low Income Uninsured-Underinsured Patients (California Hospital Association guidelines)”.
02/23/07	Finance Committee		Recommend forward to Board
02/28/07	Board of Trustees		Approved
07/09/08	Tisha Benavidez/K. Farmer	Patient Acctg Mgr/CFO	Revision to reflect option for 30% discount.
08/21/08	Clark Koortbojian Consultants	Charity Care Consultants	Reviewed
09/17/08	Personnel Committee		Recommend forward to Board of Trustees
09/24/08	Board of Trustees		Approved
05/26/09	Sylvia Castaneda	Admitting Manager	Reviewed
06/09/09	Kathy Farmer	CFO	Reviewed
06/17/09	Personnel Committee		Recommend forward to Board
06/24/09	Board of Trustees		Approved
07/27/10	Admin Team	Committee	Approved; no changes recommended.
02/11/11	David Aaron McDaniel	Director Patient Financial Services	Revised
07/09/13	Tisha Benavidez	Patient Financial Services Director	Annual Review; verbiage changed-policy intent not changed
07/09/13	Lidia Diaz	Patient Accounting Manager	Reviewed
07/15/13	Alex Wells	Chief Financial Officer	Reviewed and approved
07/15/13	Personnel & Policy	Committee	Triennial approval of TOC
07/23/13	Board of Trustees		Triennial approval of TOC
04/16/14	Linda Lawrence	Consultant	Added reference
08/12/14	Tisha Benavidez	Patient Financial Services Director	Added language to include time limit on filing for assistance
10/09/14	Alex Wells	Chief Financial Officer	Reviewed and approved

12/31/14	Tisha Benavidez	Patient Financial Services Director	Language added to comply with SB1276, eff 01/01/2015
01/09/14	Alex Wells	Chief Financial Officer	Reviewed and approved
01/09/17	Board of Trustees		Reviewed and approved
03/31/17	Tisha Benavidez	Patient Financial Services Director	Triennial Review; minor changes-policy intent not changed
04/07/17	Tyler Salcido	CFO	Reviewed and approved

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