DAMERON HOSPITAL

CHARITY CARE AND DISCOUNTED PAYMENT POLICY

I. POLICY

Pursuant to this Policy, the Hospital will provide eligible patients Charity Care or Discounted Payment, together referred to as "financial assistance." The Hospital shall provide this financial assistance to individuals who demonstrate an inability to pay for Medically Necessary Services. Eligibility guidelines and application procedures for Charity Care and Discounted Payment are detailed in this Policy.

II. PURPOSE

The purpose of the Charity Care and Discounted Payment Policy (the "**Policy**") is to define the eligibility criteria and application process set forth by Dameron Hospital Association (the "**Hospital**") to provide financial assistance to low-income, uninsured and underinsured patients.

This Policy is intended to comply with the Hospital's mission and values as a nonprofit public benefit organization and with requirements set forth in California Health & Safety Code §§ 127400 *et seq*.

III. DEFINITIONS

A. "**Charity Care**" means Medically Necessary Services provided to a patient at no charge to the patient or his/her family.

B. "**Discounted Payment**" means that the Hospital shall limit the expected payment for Medically Necessary Services for Financially Qualified Patients to a discounted rate.

C. "**Emergency Medical Condition**" is defined as:

1. A medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, psychiatric disturbances and/or symptoms of substance abuse, such that the absence of immediate medical attention could reasonably be expected to result in any of the following:
    a. Placing the patient's health (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;
    b. Serious impairment to bodily functions; or
    c. Serious dysfunctions of any bodily organ or part.
2. With respect to a pregnant woman who is having contractions:
    a. That there is inadequate time to effect a safe transfer to another hospital before delivery; or
    b. That transfer may pose a threat to the health or safety of the woman or the unborn child.

D. "**Essential Living Expenses**" means expenses for any of the following: rent or house payment and maintenance; food and household supplies; utilities and telephone; clothing; medical and dental payments; insurance; school or child care; child or spousal support; transportation and auto expenses, including insurance, gas and repairs; installment payments; laundry and cleaning; and other extraordinary expenses.

E. "**Federal Poverty Level**" is defined in the chart set forth on **Attachment A**, based on the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

F. "**Financially Qualified Patient**" means a patient who is both of the following:

1. A patient who is a Self-Pay Patient, as defined in Section III.K, or a Patient with High Medical Costs, as defined in Section III.I; and
2. A patient whose family income does not exceed 350 percent of the Federal Poverty Level.

G. "**Income**" includes, but is not limited to, wages, salaries, Social Security payments, public assistance, unemployment and workers' compensation, veterans' benefits, child support, alimony, pensions, regular insurance and annuity payments, income from estates and trusts, assets drawn down as withdrawals from a bank, sale of property or liquid assets and one-time insurance or compensation payments.

H. "**Medically Necessary Service**" means a service or treatment that is absolutely necessary to treat or diagnose a patient and could adversely affect the patient's condition, illness or injury if it were omitted, and the service or treatment is not considered an elective or cosmetic surgery service or treatment.

I. "**Patient with High Medical Costs**" means a patient who meets *all* of the following requirements:

1. A patient with third-party coverage (*i.e.*, not a Self-Pay Patient);
2. A patient whose family income does not exceed 350 percent of the Federal Poverty Level, as set forth in Section III.E; and
3. A patient whose annual out-of-pocket costs incurred by the individual at the Hospital exceed 10 percent of the patient's family income in the prior 12 months; *or* whose annual out-of-pocket expenses exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.

J. "**Patient's family**" means the following:

1. For persons 18 years of age and older:
   a. Spouse;
   b. Domestic partner, as defined in Section 297 of the California Family Code; and
   c. Dependent children under 21 years of age, whether living at home or not.

2. For persons under 18 years of age:
    a. Parent;
    b. Caretaker relative; and
    c. Other children under 21 years of age of the parent or caretaker relative.

K. "**Self-Pay Patient**" means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance or other insurance, as determined and documented by the Hospital.

L. **"Reasonable Payment Plan"** means monthly payments that are not more than 10 percent of a patient's family income for a month, excluding deductions for Essential Living Expenses.

IV. ELIGIBILITY

A. Eligible Services

Financial assistance provided to Hospital patients pursuant to this Policy shall only apply to charges incurred for Medically Necessary Services. If it is unclear whether a particular service is a Medically Necessary Service, then the Chief Medical Officer or his/her designee shall determine whether services rendered to the patient were Medically Necessary Services.

Emergency physicians who provide emergency medical services in a hospital that provides emergency care are required by law to provide discounts to Self-pay Patients and Patients with High Medical Costs who are at or below 350 percent of the Federal Poverty Level. Patients must contact the emergency physician's billing office for further information regarding financial assistance programs for emergency services.

B. General Eligibility

Consistent with the Hospital's mission as a nonprofit public benefit organization to operate and furnish care, treatment, hospitalization and other services, with or without compensation, the Hospital will, pursuant to this Policy, provide financial assistance to Financially Qualified Patients.

The Hospital shall determine eligibility for the Charity Care Program or Discounted Payment Program based upon an individual's financial need in accordance with this Policy. Patients seeking Charity Care or Discounted Payment must make reasonable efforts to provide the Hospital with documentation of income and health benefits coverage. If a patient fails to provide information as is reasonable and necessary for the Hospital's eligibility determination, the Hospital may consider such failure in making its determination.

Before a patient can be eligible for the Charity Care Program or the Discounted Payment Program, all available resources must first be applied, including, but not limited to, private health insurance (including coverage offered through the

California Health Benefit Exchange), Medicare, Medi-Cal, the Healthy Families Program, the California Children's Services Program, or other state- or county-funded programs designed to provide health coverage.

Patients who are eligible for and/or receive financial assistance under the Charity Care Program or the Discounted Payment Program may not receive financial assistance pursuant to the Hospital's Uninsured Patient Discount Policy (No. 20-01-0036).

Financial assistance under this Policy shall be provided to eligible patients without regard to race, religion, color, creed, age, gender, sexual orientation, national origin or immigration status.

C. Specific Eligibility

Patients may apply for financial assistance under Section C.1 or Section C.2, as described below.

1. Discounted Payment Program

Both Self-Pay Patients and Patients with High Medical Costs shall be eligible to apply for the Discounted Payment Program.

a. Self-Pay Patients: The Hospital shall limit the expected payment for services provided by Hospital to Self-Pay Patients whose documented income is between 150 percent and 350 percent, inclusive, of the Federal Poverty Level, to the amount of payment the Hospital would expect in good faith to receive for providing services under Medicare, Medi-Cal, Healthy Families Program or another government-sponsored health program of health benefits in which the Hospital participates (collectively, "**government-sponsored program rate**"), whichever is greater. If the Hospital provides a service for which there is no established payment by Medicare or any other government-sponsored program of health benefits in which the Hospital participates, then the Hospital shall establish an appropriate Discounted Payment amount.

b. Patients with High Medical Costs: Patients with High Medical Costs whose documented income is between 150 percent and 350 percent, inclusive, of the Federal Poverty Level, shall be liable for the lesser of (i) the balance after any insurance payments are applied or (ii) the applicable government-sponsored program rate.

Patients seeking a Discounted Payment must make reasonable efforts to provide the Hospital with documentation of income (limited to recent pay stubs or income tax returns) and health benefits coverage. Patients with High Medical Costs also must provide documentation of medical expenses paid by such patients or their families in the prior 12 months.

Patients that provide required documentation and qualify under the income requirements of this section may enter into an extended, interest free payment plan in accordance with the Hospital's Extended Payment Plan Policy &

Procedure (No. 20-01-0035). The Hospital and the patient shall negotiate the terms of such extended payment plan, and shall take into consideration the patient's family income and Essential Living Expenses. If the Hospital and patient cannot agree on a payment plan, the Hospital shall create a Reasonable Payment Plan.

2. Charity Care Program

The Hospital also will provide its Charity Care Program to Financially Qualified Patients who are unable to pay, regardless of insurance status, provided that the patient's income falls below 150 percent of the Federal Poverty Level.

Patients seeking Charity Care must make reasonable efforts to provide the Hospital with documentation of income, monetary assets (including all liquid and non-liquid assets owned, less liabilities and claims against such assets) and health benefits coverage.

However, monetary assets shall not include retirement or deferred-compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans. Also, the first $10,000 of the patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first $10,000 be counted in determining eligibility. The Hospital may, nonetheless, require waivers or releases from the patient or the patient's family authorizing the Hospital to obtain verifying information from financial or commercial institutions, or other entities that hold or maintain the monetary assets.

V. APPLICATION PROCEDURES

When requesting financial assistance under the Policy, the patient, the patient's guarantor or the patient's legal representative is responsible for providing accurate information and using reasonable efforts to provide all documentation necessary. Below is a list of the responsibilities of the patient, the patient's guarantor or the patient's legal representative during the application process.

A. To establish eligibility, all patients requesting financial assistance under the Policy will be required to complete the Hospital's Financial Assistance Application form, attached to this Policy as **Attachment B**.

B. To be considered for the Charity Care Program or Discounted Payment Program under the Policy, the patient must cooperate with the Hospital to provide the information and documentation necessary to apply for other existing financial resources that may be available to cover (fully or partially) the charges for care rendered by the Hospital, including, but not limited to, private health insurance (including coverage offered through the California Health Benefit Exchange), Medicare, Medi-Cal, the Healthy Families Program, the California Children's Services Program, or other state- or county-funded programs designed to provide health coverage.

C. If a patient applies, or has a pending application, for another health coverage program at the same time s/he applies for a Hospital Charity Care or Discount Payment program, neither application shall preclude eligibility for the other program.

D. To be considered for Discounted Payment or Charity Care under the Policy, the patient must provide the Hospital with financial and other information needed to determine eligibility. This includes completing the required application forms and cooperating fully with the information-gathering and assessment processes.

E. A patient who qualifies for Discounted Payment shall cooperate with the Hospital in establishing an extended payment plan. If the Hospital and patient cannot agree on an extended payment plan, then the Hospital shall create a Reasonable Payment Plan.

F. A patient who qualifies for a Discounted Payment must make good-faith efforts to honor the payment plan. The patient must promptly notify the Hospital of any change in financial status so that his/her eligibility for financial assistance may be reevaluated by the Hospital pursuant to this Policy.

G. A patient's failure to mail or otherwise deliver to Hospital a complete Financial Assistance Application within 30 days of the patient's receipt of such application shall result in denial of the request for Discounted Payment or Charity Care. Subsequent requests for consideration will be processed at the sole discretion of the Hospital.

H. In the event of a dispute, a patient may seek review from the Hospital's Patient Relations and Service Excellence Coordinator.

I. The following approvals are required for Financial Assistance Applications:

Level	Charity Care/Discounted Care Payment Amount	Required Approvals
1	under $50,000	Director of Patient Accounting
2	$50,000 to $249,999	Director of Patient Accounting and Chief Financial Officer
3	$250,000 and above	Director of Patient Accounting, Chief Financial Officer and Chief Executive Officer

VI. COLLECTIONS POLICIES AND PROCEDURES FOR ALL APPLICANTS

The Credit and Collections Department will be responsible for determining an individual's ability to pay, utilizing all or a portion of the factors outlined within this Policy.

A. To balance a patient's need for financial assistance with the Hospital's broader fiscal responsibility to the community of maintaining a financially healthy facility, the Hospital shall make all reasonable efforts to determine the patient's ability to contribute to the cost of their care as set forth herein.

B. The Hospital shall determine the patient's eligibility for financial assistance as close as possible to the rendering of Medically Necessary Services, though such determination may be made at any time if adequate eligibility information is available.

C. The Hospital may declare an extended payment plan (including a Reasonable Payment Plan) inoperative if the patient fails to make all consecutive payments during a 90-day period. Before declaring an extended payment plan inoperative, the Hospital, collection agency or assignee shall make a reasonable attempt to contact the patient by telephone, give written notice that the extended payment plan may become inoperative, and inform the patient that s/he may renegotiate the terms of the payment plan.

D. If the Hospital determines that an individual is unable to pay for all or part of the payment due, and there are no other avenues available to collect on the account, then the uncollected amount will be written off as Charity Care. Otherwise, the account will be pursued as outlined in the Hospital's Collection of Past Due Accounts Policy & Procedure (No. 20-01-0033).

E. Under no circumstances will contractual write-offs, discounts or any other administrative or courtesy allowances be written off as Charity Care.

F. Prior to commencing collection activities, the Hospital shall provide the patient with written notice containing a plain language summary of the patient's rights pursuant to California Health and Safety Code Section 127430(a), and a statement that nonprofit credit counseling services may be available in the area.

G. The Hospital or its assignee that is an affiliate or subsidiary of the Hospital shall not, in dealing with patients eligible under any portion of this Policy, use wage garnishments or liens on primary residences as a means of collecting unpaid Hospital bills.

H. In dealing with patients eligible under any portion of this Policy, a collection agency or other assignee that is not a subsidiary or affiliate of the Hospital shall not use a wage garnishment (except by court order) or notice or conduct a sale of the patient's primary residence as means of collecting unpaid Hospital bills.

I. Neither Section VI.G nor Section VI.H of this Policy shall preclude the Hospital, a collection agency or other assignee from pursuing reimbursement or any enforcement remedy or remedies from third-party liability settlements, tortfeasors or other legally responsible parties.

J. If a patient is attempting to qualify for eligibility under the Hospital's Charity Care Program or Discounted Payment Program and is attempting in good faith to settle an outstanding bill with the Hospital by negotiating an extended payment plan or by making regular partial payments of a reasonable amount, then the Hospital shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with this Policy.

K. The Hospital or the Hospital's assignee shall not 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 initial billing. This period shall be extended if the patient has a pending appeal for coverage of the services until a final determination of the appeal is made.

L. No information collected by the Hospital for the purpose of determining eligibility for financial assistance shall be used for collections activities. However, the Hospital, collection agency or assignee may use information obtained independently of the eligibility process for the Charity Care Program or the Discounted Payment Program.

VII. NOTICE REQUIREMENTS

A. Posted Notice

Signage regarding the Policy is posted at all points of registration, including the emergency department, the billing office, the admissions office and other outpatient settings.

B. Written Notice

Written information about the Policy and copies of the Financial Assistance Application are available in all patient registration areas. The Policy and financial counselor contact information are set forth in the Patient Information Handbook and on the Hospital's website.

The Hospital will provide patients with a written notice that contains information regarding the Hospital's Policy, including eligibility information and contact information for a Hospital employee or Hospital office from which the patient may obtain further information about the Policy. This written notice also will be provided to patients who receive emergency and/or outpatient care and who may be billed for that care, but were not admitted as an inpatient. The Notice shall be available in English and other languages, as determined by the Hospital's primary service area and in accordance with applicable Federal and state law. The Hospital also shall provide such notice at the time of billing.

C. Identification of Financially Qualified Inpatients

Hospital financial counselors will attempt to contact registered inpatients during their hospital stay to assess patients' needs and identify those patients that may be eligible for financial assistance. The Hospital may utilize internal staff or third party agents to assist patients in applying for medical assistance programs funded by city, county, state or federal programs.

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VIII. References:

California Health & Safety Code §§ 127400–127446 (Hospital Fair Pricing Policies) and §§ 127450–127462 (Emergency Physician Fair Pricing Policies)

California Family Code § 297 (Definition: Domestic Partner)

U.S. Department of Health and Human Services, Poverty Guidelines, available at http://aspe.hhs.gov/poverty/

Internal Revenue Code § 501(c)(3) (Tax-Exempt Organizations)

IX. Cross References:

Collection of Past Due Accounts Policy & Procedure (No. 20-01-0033)

Extended Payment Plan Policy & Procedure (No. 20-01-0035)

Uninsured Patient Discount Policy (No. 20-01-0036)

X. Approvals:

Board of Directors – 12/03/2014

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ATTACHMENT A

FEDERAL POVERTY LEVEL

2014 Federal Poverty Guidelines			
Family Size	**Current Annual Federal Poverty Income Level**	**150% of Federal Poverty Income Level**	**350% of Federal Poverty Income Level**
1	$11,670	$17,505	$40,845
2	$15,730	$23,595	$55,055
3	$19,790	$29,685	$69,265
4	$23,850	$35,775	$83,475
5	$27,910	$41,865	$97,685
6	$31,970	$47,955	$111,895
7	$36,030	$54,045	$126,105
8	$40,090	$60,135	$140,315
9	$44,150	$66,225	$154,525
10	$48,210	$72,315	$168,735
Each Additional Family Member	$4,060	$6,090	$14,210

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ATTACHMENT B

FINANCIAL ASSISTANCE APPLICATION

DAMERON HOSPITAL

STATEMENT OF FINANCIAL CONDITION
SCHEDULE OF CURRENT INCOME AND EXPENDITURES

Your Name: _____ Spouse Name: _____
Your SS# _____ Spouse SS#: _____
Address: _____
City/State/Zip: _____ Phone: _____

A. FAMILY STATUS

1. List all dependents that you support (other than your spouse)

Name	Age	Relationship

B. EMPLOYMENT AND OCCUPATION

1. You are employed by: _____ Position _____
   If self employed, give name of business _____

2. Your spouse is employed by: _____ Position _____
   If self employed, give name of business _____

C. CURRENT INCOME

	You	Spouse
1. Gross pay (wages, salary, commissions, tips)	$	
2. Take home pay (gross pay less all deductions)	$	
3. Income from operating a business	$	
4. Other income:		
a. Interest and dividends	$	
b. From real estate or personal property	$	
c. Social Security	$	
d. Pension or other retirement income	$	
e. Other (specify)_____	$	
_____	$	
5. Alimony, maintenance or support payments	$	
TOTAL MONTHLY INCOME (total all above)	**$**	

(PLEASE TURN OVER AND COMPLETE OTHER SIDE)

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D. SCHEDULE OF CURRENT EXPENDITURES

1. Home expenses:
   a. Rent or house payment and maintenance cost $ _____
   b. Household supplies $ _____
   c. Real estate taxes $ _____
   d. Utilities
      Electric and gas $ _____
      Water $ _____
      Telephone $ _____
      Other (specify)_____ $ _____

      Total Utilities $_____
2. Other Expenses:
   a. Spousal or child support $_____
   b. Insurance (only if not deducted from wages)
      Health $ _____
      Auto $ _____
      Homeowners or renters $ _____
      Other (specify) _____ $ _____

      Total Insurance Expenses $ _____
   c. Installment Expenses:
      Auto $ _____
      Other (specify) _____ $ _____
      Other (specify) _____ $ _____

      Total Installment Expenses $ _____

   d. Transportation (including gas & repairs) $ _____
   e. Education or child care $ _____
   f. Food $ _____
   g. Clothing (including laundry or cleaning) $ _____
   h. Medical, dental, and medicines $ _____
   i. Other (specify) _____ $ _____
      Other (specify) _____ $ _____

TOTAL CURRENT MONTHLY EXPENSES (Total all above) $ _____

By my signature, I declare under the penalty of perjury that the above schedule of income and expenditures is a true reflection of my monthly income and expenses. I agree to allow Dameron Hospital Association to verify employment status and credit history for the purpose of determining my qualification for full or partial charity consideration.

_____ _____
Date (Signature of Patient or Guarantor)