

Policy/Procedure Number	AD-3004
Policy/Procedure Name	Charity Care Financial Assistance
Type of Policy/Procedure	Administration
Date Approved	12/14
Date Due for Review	12/17
Policy/Procedure Description	Outlines purpose of and guidelines for receiving charity care or financial assistance at Children's Hospital.
Supersedes	1.1606, Policy: Organization/Governance, Charity Care Financial Assistance

Purpose Statement

Outlines purpose of and guidelines for receiving charity care or financial assistance at Valley Children's Hospital.

Policy

Valley Children's Hospital is committed to providing high quality, comprehensive health care services to children, regardless of their ability to pay. Valley Children's strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with Valley Children's procedures for obtaining financial assistance and to contribute to the cost of their care based on individual ability to pay. Valley Children's does not engage in extraordinary collections actions before making reasonable efforts to determine whether the individual is eligible for financial assistance. This policy does not apply to physician services.

Patient Notification

Information about financial assistance available from Valley Children's shall be disseminated through various means, including Valley Children's website, the publication of notices in patient bills, delivery of patient notification at time of registration for an inpatient stay, emergency department visit or clinic visit and by posting notices in high volume areas such as the Emergency Department, Clinics, Admitting, Patient Accounting and other places as Valley Children's may elect. Such information shall be provided in English and Spanish, and will be translated for patients/guarantors who speak other languages. The notices will inform patient families they may be eligible for public insurance programs including but not limited to the California Health Benefit Exchange (Covered California). Valley Children's shares its Financial Assistance Policy with the appropriate community health agencies and organizations that assist families. Upon request, patients will be provided with referrals to local consumer assistance agencies housed at community legal services offices.

Procedure

I. Charitable Care

Charitable Care is defined as a full charitable deduction (100% discount) for all eligible amounts owed to Valley Children's.

1. Eligibility for charity care will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including Medi-Cal, Healthy Families, California Children's Services or Medicare. Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage under a government sponsored program.
2. Eligibility for charity care will be considered for those individuals who are uninsured, ineligible for any government health care benefit program, a patient whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital and/or unable to pay for their care, based upon a determination of financial need in accordance with this policy.

3. Presumptive charity may be considered when all other avenues of payment have been exhausted. Examples of presumptive charity cases may include services provided to restricted Medi-Cal beneficiaries, instances where the guarantor is deceased with no known estate and services provided to undocumented citizens who demonstrate no ability to pay. Presumptive charity may also be considered on a case by case basis due to financial hardship or other circumstances demonstrating the guarantor has no ability to pay.
4. A patient may qualify for charitable care prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to or at time of visit. If a funding source cannot be identified after full compliance by the patient or guarantor, charity care may be provided. A request for charity care may be initiated via completion of a Financial Assistance Application by the patient, family member, physician, or health care representative. All charity care requests will be considered for eligibility upon receipt of the prescribed financial information.
5. Valley Children's recognizes that the financial status of patients may change over time. Valley Children's personnel will actively assist families in securing eligibility for any program with the cooperation of patients and their guarantors.
6. The granting of charity care shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, scope and extent of a patient's medical bills, and employment status.
7. The Financial Assistance Application may be completed by telephone with the assistance of a Patient Accounting Financial Counselor or by completing, signing and returning it to Valley Children's Patient Accounting Department. Patient's eligibility for charity care may be determined at any time Valley Children's is in receipt of the patient's financial information. The Financial Assistance Application shall remain valid for services rendered within a 180 day period. The financial assessment will include a review of the family's gross income, number of family members, employment status and outstanding balances of the medical bills. Copies of prior year tax return and the most recent one (1) month of pay stubs may be requested.
8. Financial obligations not eligible for consideration for charity care are co-pays, indemnity balances, or share of cost except in the instance of presumptive charity. Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for charity care. Upon request, special consideration may be made by the Vice President of Revenue Cycle Management or Chief Financial Officer.
9. The Patient Accounting Director or designee will review all applications to determine eligibility for charity care based upon current monthly income and family size as provided on the Financial Assistance Application and supporting documentation. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.
10. Valley Children's will provide a full charitable deduction for applicants whose qualifying income is at 200% or less of the unit value(s) established by the Department of Health and Human Services' (HHS) Poverty Guidelines.
11. The Patient Accounting Director or designee will use the following table to determine eligibility for all self-pay accounts excluding deductibles, co-pays, share of cost, or elective procedures. This schedule will be maintained and updated annually by the Patient Accounting Director or designee.

Family Size	Maximum Monthly Income	Family Size	Maximum Monthly Income
1	\$1,945	5	\$4,652
2	\$2,622	6	\$5,328
3	\$3,299	7	\$6,005
4	\$3,975	8	\$6,682

*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

**For family units with more than 8 members, add an additional \$677 per month per family member

12. Any patient account recommended for charity care allowance, after meeting the guidelines set forth in this policy, requires the following approval signature:
 - A. \$0 - \$4,999 – Lead / Supervisor
 - B. \$5,000 - \$9,999 – Director, Patient Accounting
 - C. \$10,000 - \$24,999 – Vice President, Revenue Cycle Management
 - D. \$25,000 or > – Vice President, Revenue Cycle Management or Chief Financial Officer
13. Written notification of determination of eligibility or ineligibility for charity care will be forwarded to the applicant by the Patient Accounting Director or designee within 30 days of receipt of the Financial Assistance Application and requested financial documentation.

II. Discount Payment Options

In addition to charitable care, Valley Children's has established three additional discount payment options based upon the financial eligibility of the individuals requesting assistance. Patients who qualify for multiple discounts under this policy will be granted the single discount amount resulting in the largest discount to the patient. Discount payment options include: low income discount, high medical cost discount and prompt pay discounts.

1. Eligibility for discount payment options will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including Medi-Cal, Healthy Families, California Children's Services or Medicare. Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage under a government sponsored program.
2. Eligibility for discount payment options will also be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, a patient whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital and/or unable to pay for their care, based upon a determination of financial need in accordance with this policy.
3. Eligibility for discount payment options will also be considered for those individuals who receive discounted rates through his/her third party payor coverage for the portion of their bills their health plan will not pay, such as high deductible plans or plans requiring coinsurance or copayments.
4. A patient may qualify for discount payment options prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to or at time of visit. If a funding source cannot be identified after full compliance by the patient or guarantor, discount payment options may be provided. A request for discount payment options may be initiated via completion of a Financial Assistance Application by the patient, family member, physician, or health care representative.

All discount payment requests will be considered for eligibility upon receipt of the prescribed financial information.

5. Valley Children's recognizes that the financial status of patients may change over time. Valley Children's personnel will actively assist families in securing eligibility for any program with the cooperation of patients and their guarantors.
6. The granting of discount payments shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, scope and extent of a patient's medical bills, and employment status.
7. The Financial Assistance Application may be completed by telephone with the assistance of a Patient Accounting Financial Counselor or by completing, signing and returning it to Valley Children's Patient Accounting Department. Patient's eligibility for discount payment options may be determined at any time Valley Children's is in receipt of the patient's financial information. The Financial Assistance Application shall remain valid for services rendered within a 180 day period. The financial assessment will include a review of the family's gross income, number of family members, employment status and scope and extent of a patient's medical bills. Copies of prior year tax return and the most recent one (1) month of pay stubs may be requested. Patients wishing to qualify for high cost medical discount will be required to supply the most recent twelve (12) months of pay stubs and proof of payment of out-of-pocket medical expenses within the last twelve (12) months.
8. The Patient Accounting Director or designee will review all applications to determine eligibility for discount payment options based upon current monthly income, family size and/or extent of patient's medical bills as provided on the Financial Assistance Application and supporting documentation. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.
9. Discount Payment Options:
 - A. Low Income Discount
 - 1) Valley Children's will provide a partial discount for those patients with current monthly income between 201% and 350% (low income patients) of the unit value(s) established by the Department of Health and Human Services' (HHS) Poverty Guidelines.
 - 2) The Patient Accounting Director or designee will use the following table to determine eligibility for all self-pay accounts excluding deductibles, co-pays, share of cost, or elective procedures. This schedule will be maintained and updated annually by the Patient Accounting Director or designee.

Family Size	Monthly Income Greater than or equal to 201%	Monthly Income Less than or equal to 350%
1	\$1,945	\$3,404
2	\$2,621	\$4,587
3	\$3,299	\$5,772
4	\$3,975	\$6,956
5	\$4,652	\$8,141
6	\$5,228	\$9,324
7	\$6,005	\$10,509
8	\$6,682	\$11,694

*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

**For family units with more than 8 members, add an additional \$677 to \$1,184 per month per family member for the 201% to 350% range

- 3) Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for low income discount payments. Upon request, special consideration may be made by the Vice President of Revenue Cycle Management or Chief Financial Officer.
- 4) Eligible patients' obligation will be reduced to no more than the applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges.
- 5) Patients receiving a partial discount may be eligible for interest free patient payment plans as described below.

B. High Medical Cost Discount

- 1) Children's will provide a partial discount to those patients whose income for the last twelve (12) months does not exceed 350 percent of the of the unit value(s) established by the Department of Health and Human Services' (HHS) Poverty Guidelines (federal poverty level), and their annual out-of-pocket medical expenses) for the prior twelve (12) months exceed ten (10) percent of their family's annual income.
- 2) The Patient Accounting Director or designee will use the following table in addition to review of out-of-pocket medical expenses to determine eligibility for the high medical cost discount. This schedule will be maintained and updated annually by the Patient Accounting Director or designee.

Family Size	Monthly Income less than or equal to 350%	Family Size	Monthly Income Less than or equal to 350%
1	\$3,404	5	\$8,141
2	\$4,587	6	\$9,324
3	\$5,772	7	\$10,509
4	\$6,956	8	\$11,694

*Schedule based upon 2014 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

**For family units with more than 8 members, add an additional \$1,184 per month per family member

- 3) and. Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for high medical cost discounts. Upon request, special consideration may be made by the Vice President of Revenue Cycle Management or Chief Financial Officer.
 - a. Eligible patients' obligation will be reduced to no more than the applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges.
 - b. Example #1: Patient has qualified for discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient's third party insurance paid \$6,000 and has left the patient responsible for a co-pay of \$4,000. If billed, Medi-Cal would have paid \$5,000 for the same services. Under these discount criteria, the patient would not be responsible for the \$4,000 co-pay as the amount paid by

the third party insurance has exceeded the Medi-Cal reimbursement amount.

- 4) Example #2: Patient has qualified for discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient's third party insurance paid \$6,000 and has left the patient responsible for a co-pay of \$4,000. If billed, Medi-Cal would have paid \$7,500 for the same services. Under these discount criteria, the patient would only be responsible for the difference between the allowed amount from Medi-Cal (\$7,500) and the amount paid by the third party insurance (\$6,000) therefore, leaving the patient responsible for \$1,500.
- 5) Patients receiving a partial discount may be eligible for negotiated interest free patient payment plans as described below.

C. Prompt Pay Discount:

- 1) Valley Children's will extend a 25% prompt pay discount to those self-pay patients who wish to pay their entire outstanding balance immediately.
- 2) Insured patients with non-covered services which are deemed medically necessary and wish to pay their outstanding balance immediately will be eligible for a 25% discount upon request. The
- 3) Valley Children's Patient Accounting Department cannot readily identify self pay balances after insurance payments as co-pays/deductibles versus non-covered services for insured patients. The patient or guarantor must request the 25% discount and make payment in full within 30 days of receipt of insurance payment for these non-covered services.
- 4) Financial obligations not eligible for consideration for prompt pay discounts are co-pays, indemnity balances, or share of cost.
- 5) Patients requesting patient payment plans will not be eligible for prompt pay discounts.

10. Any patient account recommended for discount payment options, after meeting the guidelines set forth in this policy, requires the following approval signature:

- A. \$0 - \$4,999 – Lead / Supervisor
- B. \$5,000 - \$9,999 – Director, Patient Accounting
- C. \$10,000 - \$24,999 – Vice President, Revenue Cycle Management
- D. \$25,000 or more – Vice President, Revenue Cycle Management or Chief Financial Officer

11. Written notification of determination of eligibility or ineligibility for discount payment options will be forwarded to the applicant by the Patient Accounting Director or designee within 30 days of receipt of the Financial Assistance Application and requested financial documentation.

III. Patient Payment Plans

Upon request, Valley Children's will negotiate an interest free, patient payment plan within the following guidelines:

Patent family incomes less than 350% of the Federal Poverty Guidelines:

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1. Valley Children's will make every attempt to negotiate a reasonable payment plan. In the event one cannot be agreed upon the monthly payment amount will not exceed 10% of the patient family's available income less essential living expenses.
2. Patient families will be required to complete an Essential Monthly Income Statement and asked to attest to available income and essential living expenses.
3. In instances where patient families qualify for high medical cost discounts, payment plans may be negotiated under the terms specified in the immediately above.

All other Payment Plans

1. Outstanding patient balance is to be paid in the most expeditious manner possible with a minimum monthly payment amount of \$25.00.
2. An Electronic Fund Transfer (EFT) option is available to patient families for a minimal processing fee.
3. An online payment option is available to patient families at <https://childrenscentralcal.ixt.com>
4. Patients with balances less than or equal to \$1,000 must be paid in full within one (1) year of establishment of the payment plan. Exceptions to these criteria must be approved by the Patient Accounting Director, Vice President of Revenue Cycle Management or Chief Financial Officer.
5. Requests for contractual terms exceeding one (1) year must be approved by the Patient Accounting Director; requests exceeding two (2) years must be approved by the Vice President of Revenue Cycle Management or Chief Financial Officer.
6. Patients requesting patient payment plans will not be eligible for prompt pay discounts.

Dispute Resolution

1. Valley Children's recognizes that there may be unusual or extenuation circumstances or disputes which may warrant special consideration.
2. In such cases, a description of the unusual circumstances or dispute (written or verbal) should be forwarded to the attention of the Patient Accounting Director.
3. Upon receipt, the Patient Accounting Director will review the request and will approve, deny or make recommendation toward approval based upon the limits established as follows:
 - A. \$0 - \$4,999 – Lead / Supervisor
 - A. \$5,000 - \$9,999 – Director, Patient Accounting
 - B. \$10,000 - \$24,999 – Vice President, Revenue Cycle Management
 - C. \$25,000 or more – Vice President, Revenue Cycle Management or Chief Financial Officer

Interest Owed by the Hospital

Any excess amounts collected on accounts eligible for financial assistance will be reimbursed with interest at the rate of 10% per annum. Such amounts will be processed within 60 days of the payment, except that interest will not be paid on payments of \$5.00 or less.

Collection Guidelines

1. Patient guarantors must complete a Financial Assistance Application, be in process with an eligibility application for a government sponsored insurance program or set up a payment plan within 60 days of final bill or the account will be assigned to a third party billing agency at full billed charges. The third party billing agency may charge interest.
2. Valley Children's will assign any financial obligation to a debt collection agency after 150 days from final bill date where the patient has failed to comply with an established payment plan or non-payment on an account where the patient guarantor is not in process with an eligibility application for a government sponsored insurance program.
3. Patients with pending appeal for coverage of services will not be forwarded to a third party billing agency or collection agency until a final determination of that appeal is made. If the appeal is unfavorable and the patient is responsible for the outstanding obligation, the patient will be afforded the opportunity to qualify for charity care or discount payment arrangements as prescribed above.
4. In the course of debt collection involving low-income uninsured or underinsured patients who are at or below 350% of the Federal Poverty Level, Valley Children's or any associated third party billing agency or collection agency will not garnish wages or place liens on primary residences as a means of collecting unpaid hospital bills. This provision will not preclude Valley Children's from pursuing reimbursement from third party liability settlements for patients whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.
5. In the event that a patient requires interpretation services, Valley Children's complies with the California Codes Health and Safety Section 1259. Please refer to policy 4.8362.007 for procedures to be followed to receive interpretation assistance.
6. Should Valley Children's decide to contract with a third party billing agency or collection agency, written agreements will ensure full compliance with this policy and all guidelines provided in California Assembly Bill 774 and all applicable Federal and State laws including:
 - A. Upon notification by the patient, the agency will return all accounts to Valley Children's that are applying for a government assistance program or may qualify under the Valley Children's Charity Care and Financial Assistance Policy.
 - B. Prior to commencing collection activities against a patient, the patient will be provided with a written notice that nonprofit credit counseling services may be available in the area and a plain language summary of the patient's rights pursuant to the Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act.
 - C. Agency shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for non payment at any time prior to 150 days after final bill.
 - D. The collection agency or other assignee will not pursue legal action without the approval of the Vice President, Revenue Cycle Management or Chief Financial Officer.
 - E. Patient communications will be provided in English and Spanish and in languages other than English that may be deemed appropriate to the patient.
7. All documentation will be maintained by Patient Accounting in accordance with regulatory guidelines.
8. This policy does not apply to professional services provided to Valley Children's patients by physicians or other medical providers including but not limited to Radiology, Anesthesiology, Pathology or Hospitalist services. Emergency physicians who provide emergency medical

services at Children's are required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the Federal poverty level.

References/Regulations	Assembly Bill 1276, Assembly Bill 1503 amended AB 774, effective 01/01/11
Other Related Policies/Procedures	
Policy Lead	Vice President, Revenue Cycle Management
Content Expert(s) Review	Date(s)
Vice President, Revenue Cycle Management	02/08, 02/09, 08/10, 09/11, 06/12, 04/13, 07/14, 11/14
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