
**POLICY: CHARITY CARE, SLIDING SCALE, and
DISCOUNT PAYMENT PLAN**

POLICY NUMBER: 102.30

**ORIGINATING DEPT: PATIENT FINANCIAL
SERVICES**

Original/Rewrite: 08/01/2008, 2/5/2014
Revised: 12/01/2010, 01/01/2011,
10/02/2012, 03/01/2014, 01/01/15

APPLIES TO DEPTS: ALL DEPARTMENT

PURPOSE:

To comply with California law (Assembly Bill 774, The Hospital Fair Pricing Act of 2006) which requires every hospital to offer reduced rates to uninsured and underinsured patients that may have low or moderate income, and to provide policies that clearly state the qualifications for free care and discounted payments.

POLICY:

Patient Financial Services will maintain an understandable, written financial assistance policy for low-income uninsured and underinsured patients, addressing the hospital's charity care, deposit, and discount payment plan.

The written allowance for financially qualified patient's policy will be in compliance with AB 774.

Financially qualified patients are self pay as well as insured patients with high medical costs. All patients are eligible to apply under the policy if their family income is at or below 250 percent of the federal poverty level.

The Allowance for Financially qualified patient policy will state the process used to determine whether a patient is eligible for charity care or a discounted payment.

Financially qualified patients, are those with no coverage high-deductible consumer-driven health plans, are eligible to apply under the District's policy. To be eligible, patients must incur out-of-pocket costs that exceed 10 percent of their family income in the prior 12 months.

A patient applying must make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the patient fails to provide information that is reasonable and necessary for the hospital to make a determination, the hospital may consider that grounds for disqualification

PROCEDURE:

If a patient or hospital staff member considers that the patient may be eligible for charity care or discounted payment, they will provide the patient with a Financial Statement form and request that it be returned to the Financial Counselor for eligibility determination.

The Financial Counselor will review all Financial Statements submitted for eligibility determination for either charity care or discount payment as soon as reasonably possible, but in all cases prior to instituting any collection practices other than the initial deposit requirements as specified in the deposit schedule. (attached)

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For purposes of determining eligibility for charity care, documentation of assets may include information on all monetary assets, but shall not include statements on retirement or deferred compensation plans qualified under the Internal Revenue Code, or non qualified deferred compensation plans. (This includes, but is not limited to Income Tax Returns, W-2's, recent pay stubs and bank statements) This information may not be used for collection activities.

- **Notice:**

Patient Financial Services staff will provide patients with a written notice about the availability of discount payment and charity care. This notice will be clearly and conspicuously posted in locations that are visible to the public, including, but not limited to, the emergency department, billing office, admitting office, rural health clinics, and other outpatient locations. This notice will be in English and other languages as required by Insurance Code 12693.30.

- **Eligibility**

For purposes of determining eligibility for discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns.

For purposes of determining eligibility for charity care, documentation of assets may include information on all monetary assets, but shall not include statements on retirement or deferred compensation plans qualified under the Internal Revenue Code, or non qualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000.) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.

- **Billing Requirements:**

Patient Financial Services staff will make all reasonable efforts to obtain information from the patient about whether private or public health insurance might fully or partially cover the charges for care, including private health insurance, Medicare, Medi-Cal, California Children's Services, Covered California, or other state or federally funded programs.

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When a patient is billed who has not provided proof of coverage by a third party at the time the care was rendered or upon discharge, the Patient Financial Services staff will include as part of that billing process a “clear and conspicuous” notice of the following:

- A statement of charges for services rendered;
- A statement that, if the consumer does not have health insurance coverage, the consumer may be eligible for Medicare, Healthy Families Medi-Cal or charity care;
- A statement indicating how patients may obtain applications for the Medi-Cal and the Healthy Families Program and that the Hospital will assist in obtaining these applications;
- Information regarding the financially qualified patient and charity care application process, including the following:
 - A. A statement that indicates that, if the patient lacks or has inadequate insurance and meets certain low and moderate-income requirements, that patient may qualify for a discounted payment or charity care.
 - B. The name and number of the then current patient financial counselor and the business office for further information about the hospital’s discount payment and charity care policy, and how to apply for assistance.

Payment Plan:

A reasonable payment plan will be offered to all patients meeting the eligibility requirements. This plan will require that monthly payments do not exceed 10% of a patient’s familial income for one month excluding deductions for essential living expenses. Essential living expenses are defined as expenses for any of the following: rent or house payments(including maintenance expenses), food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child and spousal support, transportation and automobile expenses (including insurance, fuel, and repairs), installment payments, laundry and cleaning expenses, and other extraordinary expenses. TVHD will not send the bill to a collection agency unless that agency agrees to comply with the requirements of AB774.

TVHD will not use wage garnishments or liens on primary residences as a means of collecting debt from eligible patients. However, an unaffiliated collection agency may obtain a court order authorizing wage garnishment.

Any extended payment plan offered by TVHD to assist patients eligible under the charity care and deposit and discount payment policy, or any other policy adopted by TVHD for assisting low-income patients will be interest free.

Before commencing collection activities, TVHD will provide the patient with a clear and conspicuous written notice regarding the patient’s rights under state and federal fair debt collection rules. The notice must include a statement that the Federal Trade Commission enforces these requirements.

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Attachments: Charity Criteria
 Sliding Scale
 Deposit Schedule

TEHACHAPI VALLEY HEALTHCARE DISTRICT

HOSPITAL AND CLINIC CHARITY CRITERIA

| FAMILY UNIT | MONTHLY INCOME |
|-------------|----------------|
| | A |
| 1 | 2,431 |
| 2 | 3,277 |
| 3 | 4,123 |
| 4 | 4,969 |
| 5 | 5,815 |
| 6 | 6,660 |
| 7 | 7,506 |
| 8 | 8,352 |
| 9 | 9,198 |
| 10 | 10,044 |

Patient Owes:

| | | |
|--------------|----------|-----------|
| RHC | \$20.00 | |
| Lab | \$10.00 | |
| Xray | \$15.00 | |
| U.S | \$15.00 | |
| CT | \$30.00 | |
| OP Serv | \$25.00 | |
| Rehab(PT,OT) | \$20.00 | per visit |
| Surg/Proc | \$50.00 | |
| CRNA | \$50.00 | |
| Phy-Surg | \$400.00 | |
| E/R | \$50.00 | |
| Phy-ER | \$50.00 | |
| Acute Care | \$50.00 | daily |

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Swing \$50.00 Daily

TEHACHAPI VALLEY HEALTHCARE DISTRICT DEPOSIT SCHEDULE:

| | | |
|-----------------------|-------------|--|
| Hospital Admission | \$ 3,000.00 | Or the verifiable Co-pay requirement from the primary insurer. |
| Skilled Nursing | \$ 8,000.00 | Or the verifiable Co-pay requirement from the primary insurer. |
| Outpatients / Clinics | \$ 100.00 | Or the verifiable Co-pay requirement from the primary insurer. |
| Emergency Room | \$ 200.00 | Or the verifiable Co-pay requirement from the primary insurer. |

AVAILABLE DISCOUNTS: MULTIPLE DISCOUNT TYPES WILL NOT BE COMBINED

| | | |
|--------------------------|-----------------------------|---|
| Cash / Uninsured | 30% | Based on all charges. Pay arrangements may be made based on amount due. |
| Sliding Scale | | Sliding scale discount based on 250% of the currently posted "Poverty Guidelines" (see sliding scale schedule) |
| Employee & Board | Must be approved by CEO/CFO | Applicable to the patient's personal liability portion of the hospital's charges; not to include patient deductible and or co-pay's. |
| Administrative Allowance | | From time -to-time the CEO may grant a special discount when warranted by special circumstances. Such discounts or allowances will only be granted upon written authorization from the CEO/CFO to the Patient Financial Services Manager or Controller. |

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**TEHACHAPI VALLEY HEALTHCARE DISTRICT
 SLIDING FEE SCALE
 HOSPITAL AND CLINIC DISCOUNTS**

Acceptable payment arrangements may be made by seeing the Financial Counselor.

| Family Members | 25% | | 50% | | 75% | | 100% | | |
|----------------|------|--------|--------|--------|--------|--------|--------|--------|--------|
| | A | | B | | C | | D | | E |
| | FROM | TO | FROM | TO | FROM | TO | FROM | TO | |
| 1 | 0 | 2,431 | 2,432 | 3,040 | 3,041 | 3,647 | 3,648 | 4,254 | 4,255 |
| 2 | 0 | 3,277 | 3,278 | 4,098 | 4,099 | 4,917 | 4,918 | 5,735 | 5,736 |
| 3 | 0 | 4,122 | 4,123 | 5,153 | 5,154 | 6,183 | 6,184 | 7,214 | 7,215 |
| 4 | 0 | 4,968 | 4,969 | 6,210 | 6,211 | 7,454 | 7,455 | 8,694 | 8,695 |
| 5 | 0 | 5,814 | 5,815 | 7,267 | 7,268 | 8,721 | 8,722 | 10,175 | 10,176 |
| 6 | 0 | 6,660 | 6,661 | 8,325 | 8,326 | 9,990 | 9,991 | 11,655 | 11,666 |
| 7 | 0 | 7,506 | 7,507 | 9,383 | 9,384 | 11,259 | 11,260 | 13,136 | 13,137 |
| 8 | 0 | 8,352 | 8,353 | 10,440 | 10,441 | 12,528 | 12,529 | 14,616 | 14,617 |
| 9 | 0 | 9,197 | 9,198 | 11,496 | 11,497 | 13,796 | 13,797 | 16,095 | 16,096 |
| 10 | 0 | 10,043 | 10,044 | 12,554 | 12,555 | 15,065 | 15,066 | 17,575 | 17,576 |

Hospital Charges:

(Including ER, IP, Physical Therapy, Lab, Radiology and/or ancillary services)

A= CHARITY CARE

Laboratory -\$10.00

Radiology - \$15.00

Ultra Sound - \$15.00

Cat Scan - 30.00

OP Services - \$25.00

Rehab (PT, OT) -\$20.00 per visit

Surgical Services - \$50.00

CRNA - Anesthesia - \$50.00

Emergency Services - \$50.00

Acute Care Services (Inpatient Services) - \$50.00 Each Day

Swing (Inpatient Services) - \$50.00 Each Day

B= 25% of total charges (\$50.00 minimum non-Surgical \$500.00 minimum Surgical)

C= 50% of total charges (\$60.00 minimum non-Surgical \$500.00 minimum Surgical)

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D= 70% of total charges (\$70.00 minimum non-Surgical \$500.00 minimum Surgical)
E= 100 % of total charges

RHC Discounts:

| Discount Category | Patient Pays |
|--------------------------|--------------------------------------|
| A= | \$20.00 CHARITY CARE |
| B= | \$40.00 + 50% OF SUPPLIES |
| C= | \$50.00 + 50 % OF SUPPLIES |
| D= | \$60.00 + 50% OF SUPPLIES |
| E= | \$60.00 + 50% OF SUPPLIES (CASH PAY) |

NOTE: SLIDING SCALE IS
BASED ON JANUARY 2014
FEDERAL POVERTY
GUIDELINES.
THIS SLIDING SCALE IS
BASED ON 250% OF
FEDERAL POVERTY
GUIDELINES.
THE ABOVE FIGURES
ARE BASED ON
MONTHLY GROSS
INCOME.

*based on 2014 Federal Poverty Guidelines

Approval Process:

A patient approved for a discount may set up an extended payment plan in accordance to the AB 1503 guidelines. Applications for Discount Payments and Charity Care under this policy must get approval based the following matrix:

- Patient Financial Services Manager From: \$.01 - \$2500.00
- Patient Financial Services Manager, CFO From: \$2,501.00 - \$10,000.00
- Patient Financial Services Manager, CFO, CEO From: \$10,001.00 and above

Notification of the Patient:

Written notification of determination of eligibility or ineligibility for charity care will be forwarded to the applicant by the Patient Financial Services Manager or designee within 30 days of receipt of the completed application. If approved for a partial reduction and payment is not received the discount will be reversed and the patient/guarantor will be responsible for the full amount.