

Policy

SUBJECT: Financial Assistance Policy (FAP) AKA Charity Care/Uncompensated Care Program

APPLICATION: All Departments

PURPOSE: To provide a reasonable amount of free or reduced cost care to patients who are unable to pay and to ensure compliance with Assembly Bill 774, SB 1276 and IRS rules.

POLICY: Recognizing its charitable mission, it is the policy of PIH Health Hospital-Downey to provide a reasonable amount of its emergency and medically necessary services without charge to eligible patients who cannot afford to pay for care. Because the hospital cannot employ physicians, this FAP applies only to hospital facility services and does not apply to emergency room physicians, radiologists, pathologists, anesthesiologists, hospitalists, surgeons or other physicians. However, AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs with income at or below 350% of the federal poverty level.

Medically necessary services (*consistent with generally accepted standards of medicine in the community*) of this facility will be available as uncompensated services to eligible patients. Patients are educated as follows:

- In compliance with SB 1276, prior to discharge, non-insured patients are provided with the Letter to the Uninsured in English or Spanish to educate them about availability of coverage through government programs, including the Exchange and Medi-Cal and local consumer assistance offices. In addition, a Medi-Cal and charity application is provided.
- In compliance with Section 501(r)(5)(A), the hospital limits its charges for medically necessary care provided to financial assistance policy eligible individuals to no more than “amounts generally billed to individuals who have insurance covering such care”. Bills to the uninsured reflect significant self-pay discounts that equate to contracted Medicare Advantage rates (or less) and a notice that the patient may be eligible for state and/or the hospital’s FAP/uncompensated care program;
- Signs are posted throughout the facility to provide education about charity/FAP policies;



- The hospital's website includes a copy of the policy and applications in English and Spanish.

Charity is defined as the demonstrated inability of a patient to pay, versus bad debt as the unwillingness of the patient to pay. Charity Care does not include bad debt, contractual adjustments or unreimbursed costs. The financial status of each patient should be determined so that an appropriate classification and distinction can be made between charity care and bad debt.

The hospital or its collection agency(s) will not exercise any Extraordinary Collection Activities (ECAs) against an individual whose eligibility has not been determined before 120 days after the first post discharge billing statement.

If the patient is deemed able to pay, but unwilling or if the patient fails to complete the provided charity or Medi-Cal application within a reasonable time period and after reasonable efforts to collect (*the patient has received the charity/FAP application, appropriate notices about the hospital FAP, three or more statements and a final statement*), or pay the discounted rate, he/she will be classified as bad debt and assigned to Collections. The hospital's collection agency(s) will be required to make reasonable efforts to initiate oral communication before implementing an ECA.

If a patient applies thereafter and before 240 days after the first post-discharge bill was sent to the patient, PIH Health will stop all ECAs while it determines eligibility for financial assistance. If the patient qualifies for the FAP, the account shall be removed from assignment to the Collection agency. Delinquencies will be removed from the patient's credit report.

Eligibility requirements

- * Uninsured patients who do not have the ability to pay as determined by the financial guidelines in this policy.
- * Patients who have Restricted Medi-Cal Emergency and Pregnancy Services coverage (and no share of cost) and whose services are not covered for a particular episode or partial episode of care. (*An uncompensated care application is not required since the patient is presumed to meet the charity care eligibility requirements*);



- * There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Presumptive eligibility (*application not mandatory*) for charity may be determined on the basis of individual life circumstances that may include but are not limited to:
 - * State-funded prescription programs;
 - * Homeless or received care from a homeless clinic or shelter;
 - * Participation in Women, Infants and Children programs (WIC);
 - * Food stamp eligibility;
 - * Subsidized school lunch program eligibility;
 - * Low income/subsidized housing is provided as a valid address;
 - * Patient is deceased with no known estate; and
 - * Patients who are currently eligible for Medi-Cal, but were not eligible in one to three months prior to eligibility are presumed to be eligible for charity and do not need to fill out the application.
 - * Undocumented patients who do not qualify for Hospital Presumptive Eligibility (HPE) but meet income guidelines for charity care.
- * Insured patients whose coverage is inadequate to cover a catastrophic situation;
- * Persons whose income is sufficient to pay for basic living costs but not medical care, and also those persons with generally adequate incomes who are suddenly faced with catastrophically large medical bills;
- * Insured and uninsured patients who demonstrate ability to pay part but not all of their liability. For example, those who have an out of pocket that exceeds 10% of their annual net family income in the prior twelve months.
- * A “reasonable payment plan” must be offered to all patients when the hospital and patient cannot agree on a plan. 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 including 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. Payment plans can be considered inoperative after the patient's failure to pay consecutive payments during a 90-day period and after sending written notice and placing a call to the patient.

As required by law, PIH Health will publicize its financial assistance policy on its website, via signage in the emergency room and admission area, on billing statements, and through community health activities.



In compliance with IRS rules, if a patient pays for services and applies for financial assistance within eight months of discharge and qualifies, PIH Health will refund the difference between what was paid and the qualified amount. If the overpayment is less than \$5.00, a refund is not required.

PROCEDURE:

Eligibility Procedures:

- 1 In addition to the eligibility requirements above, consider the following factors to determine the amount of assistance for which a patient is eligible at the time of service:
 - 1.1 Patient should reside in the hospital's primary/secondary service area and have a physician who is a member of the hospital's Medical Staff. Additionally, out of area patients who were seen in or admitted through the Emergency department will be considered for uncompensated care.
 - 1.2 Consider the patient's individual or family income, as appropriate, using the income guidelines in this policy.
 - 1.3 Consider individual or family net worth including all liquid and non-liquid assets owned, less liabilities and claims against assets. Monetary assets shall not include retirement or deferred-compensation plans. Furthermore, the first ten thousand (\$10,000) dollars of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50% of a patient's monetary assets over the first ten thousand (\$10,000) dollars be counted in determining eligibility.
 - 1.4 Consider employment status along with future earnings sufficient to meet the obligation within a reasonable period of time. Consider family size. Under AB 774, family includes the patient, the spouse or domestic partner, parent and/or caretaker of minors and dependent children less than 21 years of age, whether living at home or not.
 - 1.5 Consider other financial obligations including living expenses and other items of a reasonable and necessary nature.
 - 1.6 Consider the amount(s) and frequency of hospital and other healthcare/medication bill(s) in relation to all of the factors outlined above.
 - 1.7 All other resources must be applied first, including third-party payers, Victims of Crime and Medi-Cal. If a patient does not have Medi-Cal but would qualify, he/she should be encouraged to cooperate with the application process. If the application is denied, consider for uncompensated care.



2. Determine the appropriate amount of financial assistance in relation to the amounts due after applying all other eligible resources. A patient who can afford to pay for a portion of the services will be expected to do so. Reasonable payment guidelines as defined in this policy and by law will be incorporated. Part of an account might be paid by a third party, part by the patient; part may be adjusted to a charity write-off. Work with the patient to establish payment arrangements. As required by AB 774, "If a patient is attempting to qualify for eligibility under the hospital's charity care or discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency." If the patient does not pay the amount deemed to be his/her responsibility under the FAP, for a period of 100 days and fails to renegotiate the payment plan, the uncollectible balance would become bad debt.
3. Request evidence of eligibility especially for large balance accounts. The patient must provide supporting documentation of income which can include:
 - Recent pay stubs such as paychecks, General Relief, Social Security, pension, unemployment or disability check stubs, or tax returns;
 - Application verification may include accessing of the patient/guarantor's credit report. The patient must sign the charity form or Consent of Admissions prior to accessing his/her credit information.
4. Instruct the patient to inform his/her physicians that he/she has been approved for the hospital's uncompensated care program. Some physicians will reduce or write off the patient's bill with this documentation.
5. Eligibility may be reevaluated for a patient's eligibility when the following occur:
 - 5.1 Subsequent rendering of services;
 - 5.2 Income change;
 - 5.3 Family size change;
 - 5.4 When six months has passed since the last application or if circumstances change.
6. Determine eligibility for financial assistance at the time of admission/pre-registration, or as soon as possible thereafter. In some cases, it can take investigation to determine eligibility, particularly when a patient has limited ability to provide needed information. Also, because of complications unforeseen at the time of admission, the patient may need to be reclassified as a full or partial charity.
7. Financial counselors, registration clerks, cashiers, care managers, Patient Accounting staff and patients can initiate the application process.



Review Process:

Uncompensated Care Committee Composition:

- * Vice President, Revenue Cycle and Managed Care or Patient Accounting Director
- * Customer Service/Collection Manager
- * Collectors

Duties of the Committee

8. Review all applications for charity care and determine eligibility based on established criteria. Pend the application when the patient applies for Medi-Cal or Victims of Crime or insufficient information from which to determine eligibility for uncompensated care.
 - 8.1 Financial Counselors and Collectors will determine the patient's out-of-pocket, if any, based on the guidelines in this policy and preliminarily approve applications when the cash discount rate is expected to be less than \$3,000. If the patient does not meet the financial criteria but has extenuating circumstances such as catastrophic illness, the account will be referred to the manager who will make a recommendation to the Director. Uncompensated Care approval authority is as follows:
 - Write-offs from \$.01 to \$14,999 require final approval by the Credit and Collections Manager.
 - Write-offs \$15,000 and over require approval by the Patient Accounting Director or Vice President, Revenue Cycle and Managed Care.
9. Pre-approved patients will be registered to insurance plan code 9030. Additionally, Care Force One and certain other community program accounts will be registered to plan code 9031.
10. Ensure patients are notified, in writing, regarding approval, denial or pending of uncompensated care.
11. If the application is incomplete and the discrepancy cannot be cleared up by phone, request the missing information in writing, provide a notice about potential ECAs (and an accompanying plain language summary of the FAP). Allow a minimum of 30 days for the complete application to be returned.



12. Denials may be appealed to the committee with the following documentation:
 - 12.1 Appeal letter to committee from the patient or guarantor requesting reevaluation.
 - 12.2 Supporting documents that may prove inability to pay that weren't part of the initial consideration.
 - 12 The committee will review appeals and the committee will make recommendations to the CFO or his designee for final approval.
 - 13 The hospital will retain charity care/FAP applications and documents for six years.
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AMOUNT OF FINANCIAL ASSISTANCE/CHARITY CARE DETERMINATION IS BASED ON

Methodology: PIH Health Hospital uses the "Sliding Scale Method" to determine the dollar amount to be considered as charity care for eligible patients.

Charity Care: Patient applications that show that family income at or below 100% of Federal Poverty Guidelines (FPL) will be approved for no-cost to the patient.

Discounted Charity Care: Patient applications that show that family income between 101% and 400% FPL will be granted the lessor of the self pay rate or discounts as outlined below.

2014-2015 FEDERAL POVERTY GUIDELINES

% FPL	1	2	3	4	5	6	7	8	Inpatient per day & OP Surgery	OP non Surgery and ER visit
100%	11,670	15,730	19,790	23,850	27,910	31,970	36,030	40,090	\$ -	\$ -
120%	14,004	18,876	23,748	28,620	33,492	38,364	43,236	48,108	\$100	\$35
140%	16,338	22,022	27,706	33,390	39,074	44,758	50,442	56,126	\$200	\$50
160%	18,672	25,168	31,664	38,160	44,656	51,152	57,648	64,144	\$300	\$65
180%	21,006	28,314	35,622	42,930	50,238	57,546	64,854	72,162	\$400	\$80
200%	23,340	31,460	39,580	47,700	55,820	63,940	72,060	80,180	\$600	\$120
220%	25,674	34,606	43,538	52,470	61,402	70,334	79,266	88,198	\$800	\$150
240%	28,008	37,752	47,496	57,240	66,984	76,728	86,472	96,216	\$1,000	\$200
260%	30,342	40,898	51,454	62,010	72,566	83,122	93,678	104,234	\$1,200	\$225
280%	32,676	44,044	55,412	66,780	78,148	89,516	100,884	112,252	\$1,350	\$275
300%	35,010	47,190	59,370	71,550	83,730	95,910	108,090	120,270	\$1,500	\$325
320%	37,344	50,336	63,328	76,320	89,312	102,304	115,296	128,288	\$1,550	\$350
340%	39,678	53,482	67,286	81,090	94,894	108,698	122,502	136,306	\$1,600	\$375
360%	42,012	56,628	71,244	85,860	100,476	115,092	129,708	144,324	\$1,700	\$425
380%	44,346	59,774	75,202	90,630	106,058	121,486	136,914	152,342	\$1,850	\$500
400%	46,680	62,920	79,160	95,400	111,640	127,880	144,120	160,360	\$1,900	\$525

Patient liability is based on the lesser of

- 14% of charges (based on look back period for fiscal year 2014);
- The cash discount rate (based on the rates of a Medicare Advantage agreement, or less);
- 10% of the patient's annual income; or;
- The amount outlined above.



I ask PIH Health Hospital to determine if I am eligible for help in paying for my hospital bill. I understand that I need to give certain information for this to be done. I understand that filling out this form does not guarantee that I will receive this help. If I am not eligible for uncompensated services, I am responsible for my hospital bill.

Name _____

Account number _____

Address _____
 Number Street City State Zip

Phone number _____

Employer name _____

Employer phone _____

Employer address _____

Date of birth ____/____/____ Sex Code ____ 1=Male 2= Female
 Name Relationship Age Gender
 Gender

Number of family members living with you ____
 Name Relationship Age

Physician Name _____

Diagnosis _____

INCOME: PLEASE PROVIDE PHOTOCOPIES OF PAY-CHECKS AND BANK STATEMENTS AND LIST INCOME

	Monthly	Annual
Wages (Self)	_____	_____
(Spouse)	_____	_____
(Other Family Member)	_____	_____
Farm or self employment	_____	_____
Public Assistance	_____	_____
Social Security	_____	_____
Unemployment Compensation	_____	_____
Strike Benefits	_____	_____
Alimony/Child Support	_____	_____
Military Family Allotments	_____	_____
Pensions	_____	_____
Income from Dividends, Interest, Rent	_____	_____

EXPENSES (Monthly)

Mortgage/Rent _____ (1)	Medical Insurance _____
Utilities _____	Auto Insurance _____
Telephone _____	Medical Bills _____
Food _____	Hospital _____
Finance/other loans _____	Physician _____
Auto Loans _____	Medication _____
(1) If none, source of housing _____	TOTAL EXPENSES _____

Do you own a home? Yes () No () If yes, estimated value: _____ Amount owed _____
 Do you own other property? Yes () No () If yes, estimated value: _____
 Do you own automobiles? Yes () No () If yes, Model/Make: _____ Year _____ Value _____

- I declare under penalty of perjury that the answers I have given are true and correct to the best of my knowledge.
- I agree to tell the provider of services, within 10 days, if there are any changes in my (or the persons on whose behalf I am acting) income, property, expenses, or in the persons in the household or of any change of addresses.
- I understand that I may be asked to prove my statements and that my eligibility statements will be subject to verification by contact with my employer, bank, credit verification and property searches.
- I further agree, that in consideration for receiving health care services as a result of an accident or injury, to reimburse the hospital from proceeds of any litigation or settlement resulting from such act.
- I understand that if I do not qualify for uncompensated services, I will be personally liable for the charges of the services rendered by PIH Health Hospital or I may appeal decision in writing with additional documentation.

 Signature

 Date



Date _____

Patient Name _____

Account number _____

Dear Mr./Mrs. _____,

We have carefully reviewed your application for financial assistance/uncompensated care and have determined that your account:

() Meets the Hospital's established guidelines for uncompensated services.

Approved amount \$ _____*
 Your last payment posted on _____ in the amount of \$ _____.

The account will be reduced by the above amount and the guarantor is responsible for \$ _____ payable at \$ _____ per month for _____ months.

If you have bills from physicians that provided care during your hospitalization at PIH Health Hospital, you may want to provide them with a copy of this letter. AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs whose income is at or below 350% of the federal poverty level. If you have a bill from an ER physician, please contact the physician's billing service to determine if you qualify for a discount.

() Does not meet the Hospital's established guidelines for uncompensated services.

Reason for denial:

- _____ Monthly income exceeds qualifications.
- _____ Potential third party payor source
- _____ Application not complete.
- _____ Supporting documentation not adequate.

If you have questions, please call the Customer Service Supervisor at (562) 698-0811, extension 14186.

Sincerely,

Uncompensated Care Committee



PIH Health Hospital - Downey
11500 Brookshire Ave.
Downey, CA 90241-7010
T: 562.904.5000

Hearing Impaired
TDD: 562.861.3130
PIHHealth.org

Date: _____

Dear _____,

Thank you for choosing PIH Health Hospital for your health care needs.

Please promptly complete and return the attached application for financial assistance AKA uncompensated care. Additionally, please provide photocopies of your last two pay checks relating to any source(s) of income as well as photocopies of your last two bank statements.

Please call me at (562) 698-0811, extension 14186, if I can answer any questions.

Sincerely,

Customer Service/Collection Supervisor

Policy

SUBJECT: Self Pay Payment Program

APPLICATION: All Departments

PURPOSE: To offer discounted rates to all uninsured (AKA Self Pay) patients of PIH Health Hospital (PHH) and if appropriate, to assist the uninsured in applying for Medi-Cal, Victim of Crimes, Uncompensated Care or other programs.

POLICY: It is the policy of PIH Health Hospital to automatically extend a discount to uninsured patients, regardless of income, (and to those with very limited benefits) that is reflective of or less than the rates negotiated with a contracted Medicare Advantage plan. The patient will be asked to pay the discounted rate. If the patient cannot pay his/her entire discounted obligation and the patient does not qualify for government or hospital programs, PIH Health Hospital will extend reasonable no-interest payment plan.

In compliance with Assembly Bill 774, PIH Health Hospital will publish its policy for uninsured patients by clearly and conspicuously posting notices in locations that are visible to the public, including, but not limited to, all of the following:

- (1) Emergency department;
- (2) Billing/cashier office;
- (3) Patient Registration;
- (4) Other outpatient settings.

Additionally, uninsured patients will be provided with the Letter to the Uninsured included on page 3 of this policy. In compliance with SB 1276, the letter will educate patients about availability of coverage through government programs, including the Exchange, be accompanied by a Medi-Cal application, and will provide a referral number to a local consumer assistance center housed at legal services offices.

AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs who are at or below 350% of the federal poverty level.



In compliance with Bad Debt Policy 85300.0098, accounts will not be approved for legal action until AFTER 150 days after the initial billing. In addition, in compliance with IRS rules, the hospital or its collection agency(s) will not exercise any Extraordinary Collection Activities (ECAs) including reporting to credit agencies, against an individual whose eligibility has not been determined before 120 days after the first post discharge billing statement. PIH Health will not garnish wages. It will however permit liens on homes or other real estate for the purpose of securing repayment at sale or refinancing when income exceeds 400% of FPL. Under certain circumstances when income does not exceed 400% FPL, PIH Health Hospital may file a lien on a primary residence for a hospital bill that will not be exercised during the life of the patient or his/her spouse, or during the period a child of the parent is a minor, and/or as otherwise outlined by state law.

PROCEDURE:

1. Pre-register scheduled uninsured patients and explain the Self Pay Discount Program.
2. Prior to or at registration/admission (*or after an Emergency Department patient has been medically screened and stabilized*) educate the uninsured patient about the Self Pay Discount Program and provide the letter to the uninsured. Allow the patient to apply for Hospital Presumptive Eligibility. If he/she declines or does not qualify:
 - 2.1 Estimate the patient's total charges based on the discount rates.
 - 2.2 Request the patient's estimated liability.
 - 2.3 Set up payment arrangements for any amount that cannot be collected at the time of service or prior to discharge. Work with the patient to negotiate the terms of the payment plan. If the hospital and the patient cannot agree on the payment plan, use the formula described in subdivision (i) of Section 127400 to create a reasonable payment plan.
 - 2.3.1 Income does not include retirement or deferred compensation plans.
 - 2.3.2 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.
 - 2.3.2.1 "Essential living expenses" means, for purposes of this subdivision, 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."
 - 2.3.2.2 For example, if income is \$3,000 per month and essential expenses are \$2000, PIH Health Hospital would need to agree to \$100 payments ($3000-2000=1000 \cdot .10=100$).



2.4.1 Payment plans can be considered inoperative after the patient's failure to pay consecutive payments during a 90-day period and after sending written notice and placing a call to the patient. The hospital will attempt to renegotiate the payment plan.

3. Most Self Pay Discount adjustments will automatically be written off to transaction code 9700014. For those services that do not adjust automatically, Patient Accounting Staff will submit adjustment 9700014 for posting to the patient account.
4. Statements will automatically reflect the discounted rates. In addition they will include information required under SB 1276 and under IRS rules.
5. Any accounts referred to bad debt will reflect the discounted rate.
6. Hospital collection agencies will 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 post discharge billing



11500 Brookshire Ave.
Downey, CA 90241-7010
(562) 904-5000
Hearing Impaired and TDD (562) 861-3130

Dear Patient:

Thank you for choosing PIH Health for your healthcare needs. Our records indicate that you do not have insurance. If that is incorrect, please provide your insurance information today.

PIH Health has implemented a Self Pay Payment Program for its uninsured patients. Your bill will automatically be reduced to an amount equal to or less than contracted rates with a Medicare Advantage plan. We accept cash, check, Visa, MasterCard, Discover and American Express. Upon request, PHH will also extend a reasonable no-interest payment plan. Additionally, you may qualify for one of several programs:

- Government sponsored programs (*for example Medi-Cal, California Children's Services (CCS), Victims of Crime*). Note that to qualify for Medi-Cal, in most cases, you must apply in the same month you had care for that care to be paid by the program. Let us know if you want to apply. We can assist you. You have also been provided with an application today.
- The Hospital's Financial Assistance/Uncompensated Care Program if your family income is at or below 400% of federal poverty guidelines or your medical expenses in the past 12 months exceeded 10% of your annual income. You have been provided with an application today. It is also available at www.pihhealth.org under Patients/Visitors and Billing and Insurance/Financial Assistance.
 - Physicians are not covered under the hospital's Financial Assistance program. However, the law requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs whose income is at or below 350% of the federal poverty level. If you have a bill from an ER physician, please contact the physician's billing service to determine if you qualify for a discount.
- In addition, during open enrollment you may be able to obtain coverage under Covered California. Open enrollment begins in mid-November and ends in mid-February. Also, if you have had a qualifying event in the last 30 days, you may be able to apply now. You can locate certified counselors or insurance agents who can assist you at <https://www.coveredca.com>.

The local consumer assistance center housed at legal services offices may also be of assistance. It can be reached at 562-864-9935.

In all cases, you will receive separate bills from all physicians involved in your care. Services ordered by your physician can affect your out-of-pocket expense.

While you are at PIH Health, you may ask for a Financial Counselor who can provide you with applications for most government and hospital programs. After you are discharged, please call Customer Service, Monday through Friday, at 562-967-2875 to discuss any questions.

SELF PAY PAYMENT PROGRAM RATES

Inpatient rates	\$2,858 per day (plus implant cost)
Outpatient Rates	100% of Medicare for Los Angeles County

