Office of Origin: **Medical Center Administration – Chief Financial Officer**

I. PURPOSE

UCSF Medical Center strives to provide quality patient care and high standards for the communities we serve. This policy demonstrates UCSF Medical Center's commitment to our mission and vision by helping to meet the needs of the low income, uninsured patients and the underinsured patients in our community. This policy is not intended to waive or alter any contractual provisions or rates negotiated by and between UCSF Medical Center and a third party payer, nor is the policy intended to provide discounts to a non-contracted third party payer or other entities that are legally responsible to make payment on behalf of a beneficiary, covered person or insured.

This policy is intended to comply with California Health & Safety Code section 127400 *et seq. (AB 774)*, Hospital Fair Pricing Policies, effective January 1, 2007 and as amended, and Office of Inspector General, Department of Health and Human Services ("OIG") guidance regarding financial assistance to uninsured and underinsured patients. Additionally, this policy provides guidelines for identifying and handling patients who may qualify for financial assistance. This policy also establishes the financial screening criteria to determine which patients qualify for Charity Care. The financial screening criteria provided for in this policy are based primarily on the Federal Poverty Level (FPL) guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. Uninsured patients who do not meet the criteria for Charity Care under this policy may be referred to the Patient Financial Assistance Policy 3.04.06.

II. REFERENCES

California Health & Safety Code section 127400 *et seq*

UCSF Medical Center Administrative Policies

- 3.04.06 Patient Financial Assistance
- 6.03.09 EMTALA
- 6.03.01 Admission and Transfer-In Acceptance

III. DEFINITIONS

A. "Charity Care Patient" – A Charity Care Patient is a financially eligible self-pay patient, or a low-income patient with high medical cost.

B. "Bad Debt" – A Bad Debt results from services rendered to a patient who is determined by the medical center, following a reasonable collection effort, to be able but unwilling to pay all or part of the bill.

C. "Self-Pay Patient" – A financially eligible Self-Pay patient is defined as follows:

1. No third party coverage;
2. No Medi-Cal/Medicaid coverage, or patients who qualify but who do not receive coverage for all services or for the entire stay[1];
3. No compensable injury for purposes of government programs, workers' compensation, automobile insurance, other insurance, or third party liability as determined and documented by the hospital;
4. Family income is at or below 350% of the Federal Poverty Level (FPL).

D. "High Medical Cost patient" – A financially eligible High Medical Cost patient is defined as follows:

1. Not Self-Pay (has third party coverage);
2. Family income at or below 350% of the Federal Poverty Level (FPL);
3. Out-of-pocket medical expenses in prior twelve (12) months (whether incurred in or out of any hospital) exceeds 10% of family income;

E. "Medically Necessary Service" – A medically necessary service or treatment is one 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 is not considered an elective or cosmetic surgery or treatment.

F. "Patient's Family" - For patients 18 years of age and older, patient's family is defined as their spouse, domestic partner, dependent children under 21 years of age, whether living at home or not, and patient's parent(s) or other adult who claims the patient as a dependent for tax filing purposes. For persons under 18 years of age, patient's family includes a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

G. "Reasonable Payment Plan" means monthly payments that are not more than 10% of the income of the Patient's Family for a month, excluding deductions for essential living expenses.

H. "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.

[1] This includes charges for non-covered medically necessary services, denied days or denied stays. Treatment Authorization Requests (TAR) denials and any lack of payment for non-covered medically necessary services provided to Medi-Cal patients are also included. In addition, Medicare patients who have Medi-Cal coverage of their co-insurance and/or deductibles, for which Medi-Cal does not make payment and Medicare does not ultimately provide bad debt reimbursement are also included.

IV. POLICY

A. It is the policy of UCSF Medical Center to provide assistance to Financially Eligible Patients [statutorily defined term], who require medically necessary services, are uninsured, ineligible for third party assistance or have low income with high medical cost. Patients are granted assistance from unfunded charity, State-funded California Healthcare for Indigent Program (CHIP), county programs, or grant programs for some or all of their financial responsibility depending upon their specific circumstances.

B. Patients with demonstrated financial need may be eligible if they satisfy the definition of a Charity Care patient or High Medical Cost patient as defined in section III above.

C. This policy permits non-routine waiver of a patient's out-of-pocket medical costs based on an individual determination of financial need in accordance with the criteria set forth below.

D. This policy excludes routine waiver of deductibles, co-payments and/or co-insurance imposed by insurance companies for patients whose family income is greater than 350% of the federal poverty level.

E. This policy excludes services which are not medically necessary.

F. This policy will not apply if the patient/responsible party provides false information about financial eligibility or if the patient/responsible party fails to make every reasonable effort to apply for and receive government-sponsored insurance benefits for which they may be eligible.

G. This policy and the financial screening criteria will be consistently applied to all cases throughout UCSF Medical Center. If application of this policy conflicts with payer contracting or coverage requirements, consult with UCSF Medical Center legal counsel.

H. This policy applies to hospital inpatient and outpatient departments, including professional fees.

V. PROCEDURE

A. GENERAL PROCEDURES

1. Patients will be provided a written notice with their bill that contains information regarding the hospital's charity care policy, including information about eligibility, as well as contact information for a hospital

employee or office from which the patient may obtain further information about these policies. At the time of service, notices are to be given to patients that do not appear to have third party coverage, in the Admitting Department, Emergency Room and other outpatient hospital settings. Notices should be provided in English and in languages as determined by UCSF Medical Center's geographical area. (See Attachment A)

2. UCSF Medical Center Patient Financial Services shall publish policies and train staff regarding the availability of procedures related to patient financial assistance.

3. Notice of our Charity Care Policy will be posted in conspicuous places throughout the hospital including the Emergency Department, Admissions Offices, Outpatient settings and the Patient Financial Services Department, in languages as determined by UC Medical Center's geographical area.

4. See below section V.G. Patient Billing and Collection Practices, Part A.

B. ELIGIBILITY PROCEDURES

1. Responsibility: Admitting/Registration, Emergency Department, Outpatient Settings, Ancillary Registration Areas, Clinics, Patient Financial Services

2. Every effort will be made to screen all patients identified as uninsured or in need of financial assistance for admissions, emergency and outpatient visits for the ability to pay and/or determine eligibility for payment or financial assistance programs, including those offered through the UCSF Medical Center. Screened patients' financial information will be monitored as appropriate. Screened patients will be provided assistance in assessing patient eligibility for Medi-Cal or any other third party coverage.

3. Patients without third party coverage will be financially screened for potential eligibility for state and federal governmental programs as well as charity care funding at the time of service or as near to the time of service as possible. If the patient does not indicate coverage by a third-party payer, or requests a discounted price or charity care, the patient should be provided with an application for the Medi-Cal program, the Healthy Families program, California Children's Services CCS, Healthy San Francisco or other local universal health program, or state funded governmental program before the patient leaves the hospital, emergency room or other outpatient setting.

4. Low income patients with third party coverage with high medical costs will be screened by a Financial Counselor in the Admitting Department, or by Patient Financial Services to determine whether they qualify as a High Medical Cost patient. Upon patient request for a charity care discount, the patient will be informed of the criteria to qualify as a High Medical Cost patient and the need to provide receipts if claiming services rendered at other providers in the past twelve months. It is the patient's decision as to whether they believe that they may be eligible for charity and wish to apply. However, the hospital must insure that all information pertaining to the Charity Care Discount Policy was provided to the patient.

5. All potentially eligible patients must apply for assistance through State, County and other programs before charity care funds are considered. If denied, UCSF Medical Center must receive a copy of denial. Failure to comply with the application process or provide required documents may be considered in the determination. Willful failure by the patient to cooperate may result in UCSF Medical Center's inability to provide financial assistance.

6. The Financial Assistance Application form (see Attachment B) is used to determine a patient's ability to pay for services at UCSF Medical Center and/or to determine a patient's possible eligibility for public assistance.

7. All uninsured patients will be offered an opportunity to complete a Financial Assistance Application. The form is available in English and in languages as determined by UC Medical Center's geographical area.

8. The Charity Care Discount financial screening and means testing will be performed by Financial Counselors in the Admitting Department, and/or by Patient Financial Services. It is the patient's responsibility to cooperate with the information gathering process.

9. Patient-specific information will be provided to the County and State in accordance with County and State guidelines for eligibility determinations.

C. ELIGIBILITY FOR 100% CHARITY CARE

1. Patients without third party coverage and income at or below 200% of the FPL will be extended a 100% charity care discount on services rendered.

2. Means testing consists of a review of the patient's income and assets. Family income will be verified with either the most recent filed federal tax

return or recent paycheck stubs. Additional information regarding assets may be required based on review of the tax return.

3. The Financial Assistance Application should be completed for all patients requesting a charity care discount.

4. Criteria and process to determine a patient's eligibility for a 100% charity care discount are as follows:
   a. Patient's family income is verified not to exceed 200% of FPL with the most recent filed Federal tax return or recent paycheck stubs.
   b. First $10,000 of monetary assets (liquid assets) is excluded.
   c. 50% of all monetary assets (liquid assets) above $10,000 are excluded.
   d. Retirement accounts and IRS-defined deferred-compensation plans (both qualified and non-qualified) are not considered monetary assets and are excluded from consideration.
   e. Assets above the statutorily excluded amounts will be considered exceeding allowable assets and may result in denial of charity care discounts.

5. High Medical Cost patients with third party coverage who are below 200% of the FPL with medical costs in excess of 10 % of the patient's family annual income will be extended a 100 % charity care discount on services rendered.

6. High Medical Cost patients will be evaluated monthly for eligibility determination, and their status will be valid for the current month or most current service month **retroactive to twelve months of service.**

D. ELIGIBILITY FOR PARTIAL CHARITY CARE DISCOUNT FOR PATIENTS WITH NO THIRD PARTY COVERAGE (SELF-PAY)

1. Patients with no third party coverage with family income between 201% and 350% of FPL are eligible for a partial charity care discount.

2. Family income will be verified with either the most recent filed Federal tax return or recent paycheck stubs.

3. The Financial Assistance Application should be completed for all patients requesting a charity care discount.

4. Once it is determined that a patient's family income is between 201% and 350% of the poverty level, no assets will be considered in the eligibility

determination for a charity care discount. Eligibility will be based on the patient's family income qualification only.

5. Discounted payments will be limited to the highest of Medicare, Medi-Cal, Healthy Families, any other government-sponsored health program in which the hospital participates.

E. ELIGIBILITY FOR PARTIAL CHARITY CARE DISCOUNT FOR HIGH MEDICAL COST PATIENTS WTH THIRD PARTY COVERAGE

1. High Medical Cost patients with third party coverage whose family incomes are between 201% and 350% of FPL with high medical costs are eligible for a partial charity care discount. High medical costs are 10% of annual family income paid for medical costs in the last twelve months. [2]

2. Patient is required to provide proof of payment of medical costs. Proof of payment may be verified.

3. The Financial Assistance Application should be completed for all patients requesting a charity care discount. High Medical Cost patients need to be evaluated monthly to accurately account for medical cost for the last twelve (12) months, and their status will be valid for the current month or most current service month retroactive to twelve (12) months of service.

4. Patient's family income will be verified with either the most recent filed Federal tax return or recent paycheck stubs to confirm that the patient's family income is between 201 % and 350 % of the FPL.

5. Once it is determined that a patient's family income is between 201% and 350% of the poverty level, no assets will be considered in the determination for a charity care discount. Eligibility will be based on the patient's family income qualification only.

6. Discounted payments will be limited to the highest of Medicare, Medi-Cal, Healthy Families, or any other government-sponsored health program in which the hospital participates.

7. If a third-party payer has paid an amount equal to or more than the maximum governmental program payment, UCSF Medical Center would

[2] Definition of "High Medical Cost patient" A financially eligible High Medical Cost patient is defined as follows:
a) Not Self-Pay (has third party coverage)
b) Family income at or below 350% of the Federal Poverty Level (FPL)
c) Out-of-pocket medical expenses in prior twelve (12) months (whether incurred in or out of any hospital) exceeds 10% of family income

consider the difference as a partial charity care discount, and write off the difference. If payment received is less than the maximum governmental program payment, UCSF Medical Center can collect from the patient the difference between the third-party payment and the acceptable governmental program payment. However, this policy does not waive or alter any contractual provisions or rates negotiated by and between UCSF Medical Center and a third party payer, and will not provide discounts to a non-contracted third party payer or other entities that are legally responsible to make payment on behalf of a beneficiary, covered person or insured.

8. Patients can be offered an extended payment plan. The terms of the payment plan shall be negotiated by the hospital and the patient, and shall take into consideration the patient's family income and Essential Living Expenses. Extended payment plans will be interest-free. Standard payment plan length will be twelve (12) months. Longer payment plans may be negotiated. If UCSF and the patient cannot agree on the payment plan, UCSF shall create a Reasonable Payment Plan as defined herein.

9. For patients with no third party coverage whose incomes are above 350% of the Federal Poverty Level are given a self-pay discount (125% of Medicare rates for inpatient services, and 40% discount off standard rates for physician and outpatient services). Please refer to the Patient Financial Assistance Policy 3.04.06.

F. REVIEW PROCESS

1. Responsibility: Admitting/Registration and Patient Financial Services

2. Requirements above will be reviewed and consistently applied throughout UCSF Medical Center in making a determination on each patient case.

3. Information collected in the Patient Financial Assistance Application may be verified by UCSF Medical Center. A waiver or release may be required authorizing the hospital to obtain account information from a financial or commercial institution or other entity that holds or maintains the monetary assets to verify their value. The patient's signature on the Financial Assistance Application form will certify that the information contained in the application is accurate and complete.

4. Any patient, or patient's legal representative, who requests a charity care discount under this policy shall make every reasonable effort to provide the hospital with documentation of income and all health benefits

coverage. Failure to provide information would result in denial of charity care discount.

5. Eligibility will be determined based on patient's family income including monetary assets as outlined in Health & Safety Code Section 127400 et al, Hospital Fair Pricing Policy.

6. The Financial Assistance Application will be required each time the patient is admitted and is valid for the current admission plus any other outstanding patient liability at UCSF Medical Center at the time of determination. The Financial Assistance Application is valid for outpatient services for six calendar months starting with the month of eligibility determination and any other patient financial liability at UCSF Medical Center at the time of determination. High Medical Cost patients will be evaluated monthly for eligibility determination, and their status will be valid for the current month or most current service month retroactive to twelve (12) months of service.

7. Patients who are homeless or expire while admitted to a UC Medical Center and have no source of funding or responsible party or estate may be eligible for charity care even if a financial assistance application has not been completed. All such cases must be approved by the Patient Access Director or the Patient Financial Services Director or their designees.

8. Patient will be notified in writing of approval or reason for denial of charity care eligibility in languages as determined by UCSF Medical Center's geographical area pursuant to federal and state laws and regulations.

9. Specific payment liability for partial charity care discounts will require the episode of care or treatment plan to be determined and priced to enable accuracy of federal healthcare program reimbursement reporting. For patients with third party coverage with high medical costs, it may be necessary to wait until a payer has adjudicated the claim to determine patient financial liability.

10. See Section V.H below for Appeals/Reporting Procedures

G. PATIENT BILLING AND COLLECTION PRACTICES

1. Responsibility: Patient Financial Services

2. Patients who have not provided proof of coverage by a third party at or before care is provided will receive a statement of charges for services rendered at the hospital. Included in that statement will be a request to provide the hospital with health insurance or third party coverage information. An additional statement will be provided on the bill that informs the patient that if they do not have health insurance coverage, the patient may be eligible for Medi-Cal, Healthy Families, California Childrens' Services, Covered California, other state- or county-funded health coverage, or charity care.

3. Patient's request can be communicated verbally or in writing and a Financial Assistance Application will be given/mailed to patient/guarantor address. Written correspondence to the patient shall also be in the languages as determined by UCSF Medical Center's geographical area pursuant to federal and state laws and regulations.

4. If a patient is attempting to qualify for eligibility under the hospital's charity care policy, and is attempting in good faith to settle the outstanding bill, 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.

5. Patients are required to report to UCSF Medical Center any change in their financial information promptly.

6. For financially eligible Charity Care patients, prior to commencing collection activities against a patient, the hospital and our agents will provide a notice containing a statement that non-profit credit counseling may be available, and containing a summary of the patient's rights.

7. UCSF Medical Center, or its contracted collection agencies, will undertake reasonable collection efforts to collect amounts due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for charity care, offers of no-interest payment plans, and offers of discounts for prompt payment. Neither UCSF Medical Center nor its contracted collection agencies will impose wage garnishments or liens on primary residences except as provided below. This requirement does not preclude the UCSF Medical Center from pursuing reimbursement from third party liability settlements or other legally responsible parties.

8. Agencies that assist the hospital and may send a statement to the patient must sign a written agreement that it will adhere to the hospital's standards and scope of practices. The agency must also agree to:

a. 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.
b. Not use wage garnishments, except by order of the court upon noticed motion, supported by a declaration file by the movant identifying the basis for which it believes that the patient has the ability to make payments on the judgment under the wage garnishment, which the court shall consider in light of the size of the judgment and additional information provided by the patient prior to, or at, the hearing concerning the patient's ability to pay, including information about probable future medical expenses based on the current condition of the patient and other obligations of the patient.
c. Not place liens on primary residences.
d. Adhere to all requirements as identified in Health & Safety Code Section 127400 et seq.

9. In the event that a patient is overcharged, the hospital shall reimburse the patient the overcharged amount with 7 % interest (Article XV, Section 1 of the California Constitution) calculated from the date the patient made the overpayment.

H. APPEALS/REPORTING PROCEDURES

1. Responsibility: Patient Financial Services

2. Patients who are denied charity care or discounts may appeal the decision by writing to: Credit and Collections Manager, UCSF Medical Center, Patient Financial Services, Box 0810, San Francisco, CA 94143-0810.
   a. In the event of a dispute or denial, patients may seek a second level appeal by writing to the Director of Patient Financial Services at the same listed address.

3. The Charity Care policy, Discount Payment policy, and Financial Assistance Application shall be provided to the Office of Statewide Health Planning and Development (OSHPD) at least biennially on January 1, or with significant revision. If no significant revision has been made by UCSF Medical Center since the policies and financial information form was previously provided, OSPHD will be notified that there has been no significant revision.

I. RESPONSIBILITY

Questions about the implementation of this policy should be directed to the Credit and Collections Manager/Patient Financial Services at 415-353-3700.

Questions about Financial Assistance eligibility should be directed to the Customer Service Department at 1-866-433-4035.

VI. HISTORY OF POLICY

Prepared by Patient Financial Services Directors/Admitting Directors

Reviewed December 2007 by Robin Hanson, Manager of Patient Financial Services, and Lucia Kwan, Director of Patient Financial Services

Reviewed March 2009 by Lucia Kwan, Ann Sparkman, Legal Affairs, Susan Penney, Risk Management, Cindi Drew, Ambulatory Services and Paul Axelrod, Medical Center Administration

Approved April 2009 by Mark Laret, Chief Executive Officer

Reviewed February 2013 by Lucia Kwan, Patient Financial Services Director and Bryan Chamberlin, Executive Director of Revenue Cycle (Interim)

Reviewed and approved March 2013 by Barrie Strickland, CFO on behalf of the Policy Steering Committee

Reviewed July 2014 by Lucia Kwan, Patient Financial Services Director and Michael Sciarabba, Admissions and Registration Director (no changes); Approved on behalf of the Policy Steering Committee

Reviewed August 2015 by Lucia Kwan, Revenue Cycle Director and Robin Hanson, Customer Service Manager

Revised August 2016 by Lucia Kwan, Revenue Cycle Director and Joseph Zheng, Credit and Collections Manager (Interim).