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Purpose:

To establish policies and procedures to ensure consistent identification, accountability and recording of patient's potentially eligible for charity / discounts in compliance with all applicable laws, including the California Fair Pricing Law.

Policy:

Charity Care/ Discount Payment Plan

Hollywood Presbyterian Medical Center (HPMC) strives to provide quality services in a caring environment and to make a positive, measurable difference in the health of individuals we serve. Helping to meet the needs of the low-income, uninsured and underinsured is an important element of our commitment to the community. The hospital's Charity Care / Discount Payment Plan policy provides the means for HPMC to demonstrate its commitment to achieving its mission and values.

Scope:

Patient Accounting

Admitting/Registration

Definition(s):

Financial Assistance:

The term Financial Assistance as used in this policy refers to both the Charity Care plan and the Discount Payment plan.

Federal Poverty Guidelines (FPG):

Federal Poverty Level (FPL)

The guidelines published in the Federal Register updated annually.

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Charity Care:

Charity Care represents all healthcare services that are provided to patients who are financially unable to satisfy their debts as determined by the patient's ability to pay. It is not defined as their willingness to pay.

To be an eligible patient for Charity Care, the patient must be determined to be:

- a. a self pay patient, not covered under any health care coverage or third party liability, under-insured with "high medical cost", not covered under any Government Program, has an application or a pending application for another health coverage program. and whose treatment is not due to a compensable injury under workers' compensation, automobile insurance;
- b. whose income does not exceed 350% federal poverty level ("FPL"),
- c. who also completes the Confidential Medical and Financial Assistance Application and provides documentation which may include paycheck stubs and/or tax returns, declarations, verbal attestation, credit report (including the lack thereof) and other forms used to substantiate the need for Charity Care consideration.

Classifications of Charity Care:

- 1. Statutory Charity Care will be defined by facility participation in various federal, state and/or county uncompensated care programs. Criteria for such must comply with government guidelines and /or state or county regulations. Each patient who appears eligible for Statutory Charity Care determination and requests such determination must complete a Charity Care Application. The patient/guarantor must complete the application and attest to the accuracy of the information by signing the application. Account will be adjusted to 1149100.
- 2. Non-statutory Charity Care is defined as patient Charity Care meeting HPMC Charity Care policies and procedures. However there may not be state or county programs in which the facility participates. Account will be adjusted to 1156090.
- 3. Medi-Cal Charity Care will be defined as a category of patients who qualify for Medi-Cal pursuant to government guidelines and/or state or county regulations. Each patient who appears to be eligible for Medi-Cal Charity Care will not be

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required to complete the Confidential Medical and Financial Assistance Application because Medi-cal eligibility, in itself, is deemed to meet the requirements of charity care and, therefore, meets HPMC's criteria for Charity Care.

Charges not billable or "un-billable" to the patient may not be claimed as Charity Care where it is not allowed by State Law / Regulation. Billable charges related to denied days, denied days of care, non-covered services and any denied treatment authorizations would be included as Medi-Cal Charity Care. In addition, Medicare patients who have Medi-Cal coverage for their co-insurance deductibles for which Medi-Cal will not make any additional payment, and for which Medicare does not ultimately provide bad debt reimbursement will also be included as Charity Care.

4. Emergency physician who provides emergency medical care in a hospital is also required by California law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350% of the federal poverty level.

Discount Payment:

Discount Payment Policy is defined as Financial Assistance for all healthcare services provided to patients who are determined to be partially financially unable to satisfy their debts and their inability to pay those debts. It is not defined as their willingness to pay.

To be eligible for a discount the patient must be determined to be

- a. self-pay patient, not covered under any health care coverage or third party liability, not covered under any Governmental program, and whose treatment is not due to a compensable injury under workers' compensation, automobile insurance; or
- b. an insured patient with high medical costs s a result of his or her third party coverage; or has an application or pending application for another health coverage program; and
- c. in the case of (a) or (b) above, whose income is not greater than 350% of the federal poverty level, who completes the Confidential Medical and Financial Assistance Application and provides supporting documentation, which may include paycheck stubs and/or tax returns, for eligibility determination.

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Procedures for Charity Care and Discount Payment Plans:

Hollywood Presbyterian Medical Center's (HPMC) policy for financially qualified and self pay patients will be visibly posted in Emergency Room department, Business Office, Admissions Office and Other Outpatient Registration areas of the hospital.

The Health Care Representative is required to identify potential Financial Assistance needs while the patient is in-house. Inform the patient that they may be eligible for coverage offered through California Health Benefit Exchange and other State or County-funded health coverage as well as Medicare, Medi-Cal, Healthy Families and California Children's Services.

Financial Counselor and or Health Care Representative are required to provide self pay patients with a referral or list of local consumer assistance centers.

HealthCare Representative will screen the patients for potential linkage to Government/County programs and at the same time assist the patient with the application.

Employees of HPMC will not at any time indicate or suggest to the patient that he/she will be relieved of the debt by way of a write off to Charity Care until the determination has been made.

Factors to be considered in determining eligibility for Financial Assistance must include comparing the patient's gross income to the annually published Federal Poverty Guidelines (FPG), or an equivalent thereof. The patient's gross income may be obtained through verbal means from the patient/guarantor and documented by an Eligibility Specialist, or other designated HPMC employee.

Other factors may include, but are not limited to, the following:

- > The patient's employment status, credit status, and capacity for future earnings.
 - Patients who are unemployed and do not qualify for future earnings
 - Patients that have no credit established and bad debt collection accounts
 - Patients with a lack of revolving credit accounts (information)
 - Patients with a lack of bank revolving accounts (information)

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- Patients with delinquencies reported on open line accounts
- If the initial interview with the patient reveals there is no viable source of payment and the patient will not qualify for any government programs, the Health Care Representative will:
 - Refer the patient to the Hospital Financial Counselor who will offer the Facility flat rate
 - Assess need for Financial Assistance in the event that he or she is unable to pay the Facility Flat rate.
 - Offer the Patient a Confidential Medical and Financial Assistance Application form and refer to Eligibility Specialist who will:
 - Assist the patient in completing a Confidential Medical and Financial Assistance Application, which documents the patient's financial need
 - Obtain the patient's signature on the Confidential Medical and Financial Assistance Application

For patients who appear to meet the income guidelines set forth in this Charity Care / Discount Payment policy, the Eligibility Specialist will gather all substantial information to support the application. The Financial Assistance Packet should include a Confidential Medical and Financial Assistance Application, a Credit Bureau Report, and any other documents that substantiate the patient's financial need for Financial Assistance consideration. Where the patient is unable to complete a written Confidential Medical and Financial Assistance Application, verbal attestation will be accepted.

The amount of information to support a Financial Assistance recommendation will vary depending on the Eligibility Specialist's ability to effectively obtain the information from the patient or family.

When the Eligibility Specialist is unable to obtain hard copy documentation from the patient or family, but all indications from the information received verbally or in writing at the time of service (or soon thereafter) demonstrate that the patient would qualify for Financial Assistance, the Eligibility Specialist will complete a Confidential Medical and

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Financial Assistance Application recommending Financial Assistance. The Application will include:

- A Credit Report or summary
- An Analysis that support the recommendation for Financial Assistance Adjustment

The Eligibility Specialist will attempt to secure supporting documentation. Income and/or assets may be verified by attaching any one of the following:

- Credit Bureau Report (including the lack thereof)
- IRS tax returns, in lieu of tax return, documentation to support the need for a discount
- Payroll stubs, in lieu of payroll stub, documentation to support the need for a discount
- Declarations
- Verbal attestation
- Other forms used to substantiate the need for Financial Assistance consideration

The Eligibility Specialist will apply FPG guidelines by using the FPG table, which is updated annually. The patient's family size is used to determine whether monthly or annual income falls at, below, or exceeds200 % of the FPL for Charity Care consideration and 350% for the Discount Payment consideration.

Charity discounts will be granted based upon the following income levels..

Income Level:

Self-Pay Patients with family income:
200% or less of Federal Poverty Level

201%-350% of Federal Poverty Level

Patient Liability

Charity Care

Medicare Allowed Amount/Discounted Program

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Self-Pay Patients with family income:	Patient Liability
351% and above of Federal Poverty Level	Self Pay Liability
tients with Commercial Insurance or Managed re plans & with High Medical Cost "person whose nily income does not exceed 350% of FPL	Medicare Allowed Amount/Discounted Program
family income does not exceed 350% of FPL 350% or Less of FPL	Amount allowed by Medicare for the same service MINUS the amount paid by the patient's insurer and if the insurer paid the Medicare allowed amount or greater, patient liability is zero

- Expected payment for eligible patients is limited to the amount received for the similar services from Medicare, Medical or Healthy Families. Whichever is greater
- Unpaid balances not to incur interest charges.
- Extended Payment terms may be negotiated.

If the Eligibility Specialist or Health Care Representative has exhausted all efforts for those patients who meet Government Programs or Financial Assistance criteria, but is unable to complete the required applications and documentation (e.g. unable to contact the patient, unable to provide sufficient documentation, etc) and/or verify potential change in future circumstances and recovery, then the account will not be recommended for Charity Care or Discount Payment considerations.

Those patients who do not meet the guidelines for Financial Assistance under the Charity Care or Discount Payment plans, the standard collection process will apply.

Confidential Medical and Financial Assistance Application Documentation:

In order to qualify for Financial Assistance, HPMC requests each patient or family to complete the Confidential Medical and Financial Assistance Application. This application allows the collection of information about income and the documentation of requirements as designed below.

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In cases where the patient is unable to complete the written application, verbal attestation is acceptable. A Confidential Medical and Financial Assistance Application completed by the patient may not be required for patients who are deemed to be already eligible for other Federal, State, and County Assistance Programs. Such programs include, but are not limited to Medicaid, County Assistance Programs, MIA, MSI, AFDC, and Food Stamps, if it is not disallowed by State Law/ Regulation.

- 1. **Family Members**—HPMC will require patients to provide the number of family members in their household.
 - a. Adults—To calculate the number of family members in an adult patient's household, include the patient, the patient's spouse and/or legal guardian,, domestic partner and all of their dependents' children under 21 years of age, whether living at home or not.
 - b. Minors—To calculate the number of family members in a minor patient's household, include the patient, the patient's mother/father, legal guardian and/or caretaker relative and all of their other dependents under 21 years of age..
- 2. **Income Calculation**—HPMC requires patients to provide their household's yearly gross income.
 - a. Adults—The term "yearly income" on the Confidential Financial Assistance Application means the sum of the total yearly gross income of the patient and the patient's spouse or domestic partner.
 - b. Minors—If the patient is a minor, the term "yearly income" means the income from the patient, the patient's mother/father and/or legal guardian, and all of their other dependents.
- 3. **Expired Patients**—Expired patients may be deemed to have no income for purposes of the facility calculation of income. Although no documentation of income and no Confidential Medical and Financial Assistance Application are required for expired patients, the patient's financial status will be reviewed at the time of death by Eligibility Specialist to ensure that a Charity Care adjustment is appropriate.

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- 4. **Homeless Patients** Patients may be deemed homeless once verification processes have been exhausted by Eligibility Specialist.
- 5. **International Patients** are considered on a case by case basis for ER treatment and/or ER admission only.
- 6. **Under-Insured Patients-**An "Under-Insured Patient" is an insured patient with "high medical costs" with third-party insurance coverage and whose family income does not exceed 350% of the FPL.
- 7. **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.

8. Income Verification

Hollywood Presbyterian Medical Center requests patients to attest to the income set forth in the application. In determining a patient's total income, Hollywood Presbyterian may consider other financial assets and liabilities of the patient, as well as the patient's family income, when assessing the ability to pay. If a determination is made that the patient has the ability to pay their bill, such determination does not preclude a reassessment of the patient's ability to pay upon presentation of additional documentation. Any of the following documents are appropriate for substantiating the need for Financial Assistance:

- 5. **Income Documentation**—Income documentation may include IRS form W-2, Wage and Earnings Statement, paycheck stub, tax returns, telephone verification by employer of the patient's income, signed attestation to income, bank statements, or verbal verification from patient.
- 6. **Participation in a Public Benefit Program**—Public Benefit Program documentation showing current participation in programs, such as Social Security, Workers' Compensation, Unemployment Insurance, Medicaid, County Assistance Programs, AFDC, Food Stamps, or other similar indigence-related programs.

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7. **Assets**—All liquid assets should be considered as a possible source of payment for services rendered. For patients with no source of regular income (employment, SSI, disability, etc.) other than liquid assets, those assets would be the patient's income source and should be measured against the FPG.

Information Falsification

Falsification of information will result in denial of the application for Financial Assistance. If, after a patient is granted Financial Assistance, HPMC finds material provision(s) of the application to be untrue, Financial Assistance status may be revoked and the patient's account will follow the normal collection processes.

Uncooperative Patients

Uncooperative patients are defined as patients or guarantors who are not willing to disclose or provide financial information as requested for charity discount determination during the screening process. These patients will be considered Non-Compliant for not meeting all required documentation and patients will not be processed for Charity Care. Standard collection process will be implemented.

2014 FEDERAL POVERTY GUIDELINES			48 States Y	early Gross	
PERSONS IN FAMILY/HOUSEHOLD	ANNUAL	GROSS INCOME			
	POVERT	Y GUIDELINES			
	100	% of FPG	200% of FPG	300% of FPG	350% of FPG
			\$	\$	\$
1	\$	11,670.00	23,340.00	35,010.00	40,845.00
			\$	\$	\$
2	\$	15,730.00	31,460.00	47,190.00	55,055.00
			\$	\$	\$
3	\$	19,790.00	39,580.00	59,370.00	69,265.00
			\$	\$	\$
4	\$	23,850.00	47,700.00	71,550.00	83,475.00
			\$	\$	\$
5	\$	27,910.00	55,820.00	83,730.00	97,685.00
			\$	\$	\$
6	\$	31,970.00	63,940.00	95,910.00	111,895.00

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2014 FEDERAL POVERTY GUIDELINES		48 States Y	early Gross	
PERSONS IN FAMILY/HOUSEHOLD				
	% of FPG	200% of FPG	300% of FPG	350% of FPG
7	\$ 36,030.00	\$ 72,060.00	\$ 108,090.00	\$ 126,105.00
8	\$ 40,090.00	\$ 80,180.00	\$ 120,270.00	\$ 140,315.00
For families with more than 8 persons, add \$4,060 for each additional person				

Source: Federal Register Notice, January 24, 2013

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	Confidential	Medical a	nd I	Financial	Assista	nce App	lication	
Acct. #:	Patient Name:			SSN:			DOB:	
Patient Add	ress:	Pa	tient	Home Phon	e:		Patient Work Phone:	
SECTION A :	MEDICAL ASSISTANCE	SCREENING	G- Ple	ease circle	answer "Y	" for yes to	"N" for no.	
1. Is the patie	nt under age 21?	Y/N	6.				s the admission	Y/N
	int over the age of 65?	Y/N		pregnan	cy related	?		
	nt a married parent of a	Y/N	7.	Will the	patient pol	tentially be	disabled for 12 months?	Y/N
minor child				Answer	these que	stions if the	patient answered no to	
If yes, answ	wer the following questions:			question			96 - - 1	
	e child(ren) live full time in			a. When	did the pa	atient last w	ork?	
the hom				D. Is the	patient pla	anning to re	turn to work? Y / N	
D. DOES INE	ə patient have a 30-day itation? Y / N			If yes,	when?	thave any	 additional medical	
c le the na	tient the primary wage			C. DUES	ms? Y/N	t flave ally a	auditional medical	
	or the household? Y / N						I conditions.	
cantor to				11 yes,	picase iis	it all medice		
4. Is the pat	ient a single parent of a	Y/N	8.	Is the pati	ent a Victi	m of Crime	?	Y/N
	er age 21?			If ves, was	a police	report filed?	Y/N	
5. Is the pat	ient a caretaker or guardian	Y/N	9.	Does the	patient hav	ve a "COBR	A" or insurance policy	Y/N
	under 21?			that the pr	emium ha	s lapsed?		
	RESPONSIBLE PARTY/G	UARANTOF	{					
	sibility Party:	· · · · · · · · · · · · · · · · · · ·			R	elationship	to patient:	
SSN:		DOB:						
Home Ad							one#:	V
Gross In				le One -		Daily	Weekly Monthly	Yearly
	employer: is \$0/unemployed, what is y			rs Per Wee			ve with parent/family/friend	10
	f support?	your		Homeless [e with parentramity/ment	19
Total N	umber of Dependent Fa	mily Men	here	in House	hold			
(Include)	patient, patient's spouse, legal	quardian, and	anv	hildren the l	patient has	under the ad	ne of 18 livina in the home.	If the
patient is	a minor, include mother/father	and/or legal	quard	lian, and all o	other childr	en under the	age of 18 living in the home	e.)
SPOUSE	,							
	ibility Party:		SSN	1			DOB:	
Home Ad					and the second se		Phone #:	
Work Add	Iress:						Phone #:	
Gross Inc	come: \$	Circle On	e-	Hourly	Daily	Weekly	Monthly Yearly	
<u>SECTION C</u> :	HOMELESS AFFIDA							
·	, herby ce	ertify that I ar	n hon	neless, hav	e no perm	anent addre	ess, no job, savings, or as	sets, and
Patient/Gi	uarantor Initials no incon	ne other thai	n pote	ential donati	ons from (otners.		
horoby ockny	owledge all of the inform	ation provi	dod	horoin in l	ruo ond	correct 1	understand that provid	ing false
nformation wil	I result in the denial of th	is Applicati	on 4	Additionally	denend	ling upon	local or state statutes	nrovidinc
alse information	on to defraud a hospital	for obtainin		nods or se	rvices m	avhe cons	sidered an unlawful ac	t. Lalso
acknowledge	and consent that a credi	it report m	av b	e obtained	d or othe	er such m	easure may be taken	to verify
nformation pro	ovided herein. I fully under	stand that	the C	harity Car	e progran	n(s) is a "F	ayor of Last Resort" an	d hereby
confirm all pri	or assignments of benef	fits and ric	ihts,	which ma	y include	e liability	actions, personal injury	y claims
settlements, ar	nd any and all insurance b	penefits wh	ich m	nay becom	e payable	e, for fitnes	ss or injury, for which H	lollywood
Presbyterian o	r its' subsidiaries provided	care.						
DATIENT		<u></u>	-				DATE	
PATIENT/GU	JARANTOR SIGNATUR						DATE	

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Evaluation Process:

The evaluation process for Financial Assistance (Charity Care or Discounted Payment plans) is outlined below.

On the uninsured patients, the Health Care Representative is required to screen patients for potential linkage to Government programs. During the admitting process, the representative should secure a Confidential Medical and Financial Assistance Application. The application is to be used for potential Financial Assistance determination only in the event Eligibility Specialist/Financial Counselor is unable to obtain eligibility for the patient for Government/County programs.

If during the initial interview with the patient it is revealed that there is no viable source of payment and the patient does not qualify for any government programs, the Health Care Representative will:

- Refer to Hospital Financial Counselors who offer the Facility flat rate and at the same time will assess the need for Financial Assistance in the event that patient is unable to pay
- Offer the patient a Confidential Medical and Financial Assistance Application and refer the account to the Eligibility Specialist who will
- Assist the patient in completing a Confidential Medical and Financial Assistance Application, which will document the patient's financial need.
- Obtain the patient's signature on the Confidential Medical and Financial Assistance Application and obtain the necessary documentation for additional follow up.

Financial Counselor Procedure:

Patient assessed by a Financial Counselor to be uninsured, under insured with "high medical cost" and has an application or pending application for health coverage program, will be offered the facility flat rate or discounted rate allowed by State law/regulation. Patient will receive a letter during registration process explaining the discounts and different options to pay for their health services.

The patient that is unable to pay the facility's flat rate and meets the guidelines set forth by the Charity Care/Discount Plan will be referred back to Eligibility Specialist for

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Charity Care and/or Discount Plan evaluation. Patients will be required to complete and return the application within 30 days of receipt for financial assistance consideration.

Patients who do not qualify for Financial Assistance will e treated as Self-Pay and standard collection processes will apply. The Charity/ Discounted rate is based on household income compared to the Federal Poverty Guidelines (FPG) for the current year. Those with household income 200% or under FP will be eligible for Charity Care for the date of service in which an application is completed. If the household income falls between 201% and 350% FPL, the patient is eligible for discount rate which is at Medicare allowed rate. Patients with household income of 351% and above, will be eligible for the flat rate.

The Eligibility Specialist will forward the completed Confidential Medical and Financial Assistance Application, which will include supporting documentation for their recommendation for Financial Assistance, charity care and/or discount payment to the Director of Patient Account or designee for review and approval. Plan code will be updated to XE5C0-Pending Charity. If the Eligibility Specialist does not have the information needed to make a recommendation, two telephone calls and a certified letter will be mailed to the patient requesting additional information to ensure complete assessment.

If patient is not cooperative and required information is not provided, account will be considered a cash account. Plan code will be changed to self pay for assignment to an Early Out agency for further collection. Uncooperative patients, patients who do not qualify for the Charity Care program and patients who has not provided proof of coverage by a third party will receive a collection statement with notification that they may be eligible for health coverage through Covered California or other state or county-funded program.

Self pay accounts assigned to bad debt and sent to a Collection Agency shall be in accordance with the requirements of the California Fair Pricing Law, and HPMC will ensure the External Collection Agencies' adherence to the law.

If Charity determination is made after the account is assigned to an outside vendor/agency or bad debt agency, the account will be recalled and adjusted to charity care.

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At all times, Health Care Representative, Eligibility Specialist, Financial Counselor and Patient Accounting staff are required to document on the account all actions taken and information received from the patient.

Reservation of Rights:

 It is the policy of HPMC to reserve the right to designate certain services that are not subject to the hospital's Charity Care.

This policy shall not be altered or modified other HPMC's efforts to obtain payment from third-payer, patient transfers, emergency care and state-specific regulations.

Charity Care Review and Approval Process

 As soon as the Eligibility Specialist receives all the required documentation and determines that the patient qualifies for Charity Care Financial Assistance Application will be sent to Patient Accounting.

The Director/ Manager of Patient Accounting Services or designee will review all Confidential Medical and Financial Assistance Applications submitted. The Director of Patient Accounting Services or designee will determine whether patient has met the qualifications for the Charity Care plan or Discount Payment plan. Once the Charity Care is approved, Director of Patient Accounting or designee will change the plan code to Charity (XE5C1) or Charity Discounted.

A verbal or written notification to the patient or guarantor on the status (approved or denied) of their application within 30 days of receipt of application or required documentation and appropriate adjustment will be entered. Patients have the right to appeal facility decisions by submitting a written appeal providing the reasons why the charity application should have been considered or approved. HPMC's CFO or designee is responsible for reviewing the appeal and making a final determination. The final determination will be communicated to the patient in writing.

Charity accounts with charges of \$25,000 or greater require Director of Patient Accounting and CFO approval.

Approved Charity Care accounts will be valid for all existing accounts for an additional 30 days after approval.

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In the event the application for Discount Care was denied, a patient may appeal a denial of eligibility. Appeal must be filed with the facility's CFO/Chief Financial Officer within 21 days of the date of the notice of denial. Patients must provide written appeals outlining the reasons they believe the charity determination was incorrect. The facility CFO is responsible for reviewing all appeals and making a final determination. This authority may be delegated by the CFO to the Director/Manager of Patient Accounting and the final determination will be communicated to the patient in writing.

Payment Arrangements

In cases where the patient or patient guarantor requests a payment plan, the hospital will negotiate a reasonable monthly payment which shall be interest free. Monthly payments of less than 10 % of a patient's family income for a month after deductions for essential living expenses will be the consideration. Payment plan will be considered delinquent when the patient or patient guarantor fails to make all consecutive payments during a 90 day period. HPMC representative or outside agency will declare the account delinquent after all reasonable attempts to contact the patient either by phone or in writing have been exhausted. External collection agency will also comply with the HPMC's definition and reasonable payment plan guidelines.

The discount remains in effect should the account remain unpaid and qualify for bad debt.

Refund

If Charity is approved at 100%, any deposits paid toward accounts approved for charity will be refunded to the account guarantor or to the person who made the payment with 10% interest from the final determination day and/or final payment was received. However, HPMC will not pay interest if the amount due is less than five dollars (\$5.00).

Third party payments, including casualty insurance payments or settlements, paid from attorney trust accounts DO NOT apply.

References:

California Hospital Fair Pricing Law SB1276 California Department of Public Health AFL 14-25-1 http://aspe.hhs.gov/POVERTY/14poverty.cfm