

**MANUAL:**

ISSUED: 12/11/10

**TITLE: Uninsured Discount and Charity Care Policy Statement**

**SECTION: Hospital Operations**

**REVISED:**

**PAGE: 1 of 5**

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I. Scope:

Palmdale Regional Medical Center

II. Purpose:

To define Palmdale Regional Medical Center statement with regard to its discount payment policy, eligibility process and charity care program to assist those in financial distress.

III. Policy Statement:

As part of the on-going commitment to affordable healthcare and to assist the communities we serve, Palmdale Regional Medical Center will partner with our patients to address any financial responsibilities they may incur for their medical treatment in a way that is fair and sensitive to their financial circumstances in accordance with all government regulations. Patients without insurance and those with high medical cost will be treated fairly and with respect during and after their treatment.

IV. The Program:

Financial Counseling:

- Palmdale Regional Medical Center will provide financial counseling to help patients gain access to all government sources of medical assistance, including Medicaid, and other federal, state and local programs. Patients and their families have a responsibility to assist the hospital with qualifying them for the appropriate level and type of financial assistance given their circumstances.

Uninsured Patients:

- For patients who are uninsured, Palmdale Regional Medical Center has developed an Uninsured Discount, Insured with high medical costs and Charity Care Policy. This policy provides financial assistance to patients who meet the eligibility requirements as follows:
  - ◆ No third-party insurance.
  - ◆ No Medi-Cal or Medicaid insurance.
  - ◆ No compensable injury for purpose of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.
  - ◆ Household's gross monthly income must be at or below 350% of Federal Poverty Guidelines.
  - ◆ Out-of-pocket medical expenses in prior 12 months (incurred in or out of hospital) exceeds 10% of family income.
  - ◆ Patient is not eligible to receive discount as a result of third-party coverage.
- To qualify for charity care, uninsured patients will be asked to complete a simple form and provide income and resource verification information, documentation of monetary assets, excluding statements on retirement or deferred-compensation plan. Upon approval for Charity, the policy provides free care for any patient who received non-elective treatment and whose household financial resources and or incomes are at or below a specified percentage of the published Federal Poverty Guidelines.

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**REVISED:**

**PAGE: 2 of 5**

---

- For the uninsured patients who do not qualify for governmental programs and or Charity care, the hospital offers a discounted payment program which shall include an extended payment plan whereby the terms may be negotiated between the hospital and the patient. To qualify for the discounted program, uninsured patients will be asked to provide hospital with documentation of income and shall be limited to recent pay stubs or current income tax returns. For consideration, the patient must comply with the hospital's requirements.
  
- "Allowance for financially qualified patient" means services rendered to a financially qualified patient, an allowance that is applied after the hospital's charges are imposed on the patient, due to the patient's determined financial inability to pay the charges.
  
- "Federal poverty level" means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code.
  
- "Financially qualified patient" means a patient who is both of the following:
  - ◆ A patient who is a self-pay patient, means one who does not have third-party coverage from a health insurer, health care service plan, Medicare or Medi-Cal/Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance or other insurance as determined and documented by the hospital. Self-pay patients may include charity care patients.
  - ◆ A patient who has a family income that does not exceed 350 percent of the federal poverty level.
  
- "Hospital" means any facility that is required to be licensed under subdivision (a), (b), or (f) of Section 1250 except a facility operated by the State Department of Mental Health or the Department of Corrections.
  
- "A patient with high medical costs" means a person whose family income does not exceed 350 percent of the federal poverty level. A patient who does not receive a discounted rate from the hospital as a result of his or her third-party coverage.
  
- "High medical costs" means any of the following:
  - ◆ Annual out-of-pocket costs incurred by the individual that exceed 10 percent of the patient's family income in the prior 12 months.
  - ◆ Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.
  
- "Patient's Family" means the following:
  - ◆ For persons 18 years of age and older, spouse, domestic partner and dependent children under 21 years of age, whether living at home or not.
  - ◆ For persons under 18 years of age, parent, caretaker relatives and other children under 21 years of age of the parent caretaker relative.

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**PAGE: 3 of 5**

---

V. Written Notification and Signage

- As part of our Registration process, Palmdale Regional Medical Center will provide written notice about Eligibility of our Charity Care and Discount Payment Programs including contact information.

In addition, at the time of billing, a patient will again be notified of our Charity Care and Discount Payment Programs.

- Notice of the hospital's "policy for financially qualified individuals and self-pay patients" will be posted in "The Emergency Department", "The Billing Office", "The Admissions Office", and Other Outpatient Settings"

VI. Procedure and Eligibility for Charity Care Determination

- Upon registration hospital Financial Counselor/Staff will communicate with the patient and their family's information regarding Palmdale Regional Medical Center Charity Care Program. Each uninsured patient will be made aware of the program and provided applications for Medi-Cal and Healthy Families Programs. The Financial Counselor or Eligibility Staff will perform a review to assess the patient's potential eligibility for this program.
- The patient will be responsible to contact the governmental agencies applicable.
- If determined to be ineligible for other programs, the patient may be eligible for Charity Care, based on financial resources and income, The patient is responsible to contact the hospital Financial Counselor/Business Office to provide information to determine eligibility for our Charity Program. If determined eligible for Charity, the patient will not have any payment responsibility for the hospital bill.
- Patient's eligibility for the Charity Care Program will be determined by completion of the hospital's application for financial assistance worksheet, which shall be supported by income tax returns of all wage earners within the household. Household income must be at or below 350 percent of the Federal Poverty Level to be eligible for this program. An application and all required documents and verification must be supplied to the facility within 90 days of discharge and or service date. Recent pay check stubs can be substituted in the absence of income tax returns. Documentation of monetary assets excluding statements on retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans will be necessary to determine eligibility for charity care.
- In addition, patients will be required to provide facility with a copy of the denial from a governmental agency within 90 days from the date of the initial application.

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**ISSUED:**

**SECTION: Hospital Operations**

**REVISED:**

**PAGE: 4 of 5**

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- If a patient was granted an Uninsured Discount and later was determined to be eligible for Charity, the uninsured discount will be reversed and the Charity Care discount will be provided the patient. Any payments received will be refunded to the patient with interest.
- If ineligible for Charity, the High Medical Cost patient may be eligible for our discount payment program (please refer to section VII for the uninsured discount eligibility requirements). If eligible, the uninsured discount will be taken at time of final bill.
- Federal poverty guidelines will be used in determining eligibility at or below 350 percent of the federal poverty level.

**VII. Procedure for Eligibility for Uninsured Discount Payment Programs/High Medical Cost**

- Upon registration hospital Financial Counselor/Staff will communicate with the patient and their family's information regarding Palmdale Regional Medical Center Discount Payment Program. Each uninsured patient will be made aware of the program and provided applications for Medi-Cal and Healthy Families Programs. The Financial Counselor or Eligibility Staff will perform a review to assess the patient's potential eligibility for this program.
- The patient will be responsible to contact the governmental agencies applicable.
- If determined to be ineligible for other programs, the patient may be eligible for the Discount Payment Program, based on financial resources and income. The patient is responsible to contact the hospital Financial Counselor/Business Office to provide information to determine eligibility for our Discount Payment Program. If determined eligible for the discount program, the patient will billed the amount determined by the hospital.
- Patient's eligibility for the Discount Payment Program will be determined by completion of the hospital's application for financial assistance worksheet, which shall be supported by income tax returns of all wage earners within the household, documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months. Household income must be at or below 350 percent of the Federal Poverty Level to be eligible for this program. An application and all required documents must be supplied to the facility within 90 days of discharge and or service date. Recent pay check stubs can be substituted in the absence of income tax returns. Documentation of monetary assets excluding statements on retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans will be necessary to determine eligibility for the Discount Program.
- If determined to be eligible for the Discount Payment Program, the patient will be entitled for an extended payment plan of the discounted price over time which may be negotiated between the hospital and the patient.

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PALMDALE REGIONAL MEDICAL CENTER

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REVISED:

PAGE: 5 of 5

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- If a patient was granted an Uninsured Discount and later was determined to be eligible for Charity, the uninsured discount will be reversed and the Charity Care discount will be provided the patient. Any payments received will be refunded to the patient with interest.
- A Discounted Payment should be no more than the amount of payment the hospital would receive for providing services from Medicare, Medi-Cal, Healthy Families, or any other government sponsored health program or health benefits in which the hospital participates.
- The hospital may consider failure in making its determination if patient or legal representative fails to provide information to hospital that is reasonable and necessary for determining eligibility.
- Federal Poverty Guidelines are issued each year in the Federal Register by the **Department of Health and Human Services Department(HHS)**
- Debt Collection Practices statement from Collection Agencies on file
- Professional fees such as those for the Emergency Department, Radiologist, Cardiologist, Pathologist etc. are excluded from this policy and will be handled by their individual billing service.