



## ARROWHEAD REGIONAL MEDICAL CENTER Administrative Operations Manual

POLICY NO. 110.29 Issue 2  
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**SECTION: ADMINISTRATIVE SUBSECTION: OPERATIONS**

**SUBJECT: PATIENT FINANCIAL ASSISTANCE**

**APPROVED BY:** \_\_\_\_\_

CHIEF EXECUTIVE OFFICER

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### **PURPOSE AND EFFECTIVE DATE**

The purpose of this policy is to define the eligibility criteria for Financial Assistance and to provide guidelines for the identification and classification of patient accounts as Financial Assistance effective for services rendered on or after July 1, 2006.

### **DEFINITION**

Financial Assistance is that portion of patient care services provided by Arrowhead Regional Medical Center for which a third-party payer is not responsible and a patient does not have the ability to pay. Financial Assistance does not include service dates prior to July 1, 2006, contractual adjustments, or un-reimbursed costs (payment shortfalls). Financial Assistance may include unpaid coinsurance, deductibles, and non-covered services if the patient meets the hospital's eligibility criteria.

### **TYPE OF SERVICES COVERED**

All services rendered by Arrowhead Regional Medical Center are eligible for Financial Assistance. This does not include professional services.

### **POLICY**

Arrowhead Regional Medical Center (ARMC) is committed to providing quality healthcare to the community and providing assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for government programs, and are otherwise unable to pay for medically necessary care based on their individual financial situations. ARMC strives to ensure that the financial capacity of those who need health care services does not prevent them from seeking or receiving care. Patients are expected to cooperate with ARMC's procedures for obtaining Financial Assistance and to contribute to the cost of their care based on individual ability to pay.

Emergency Physicians, as defined in AB 1503, Stats. 2010, Ch. 445.) Section 127450, who provides emergency medical services in a hospital that provides emergency care, is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

### **PROCEDURES**

#### ELIGIBILITY

Eligibility for Financial Assistance will be considered for those individuals, who are uninsured, underinsured, ineligible for any government health care benefit program, and unable to pay for their care, based upon a determination of financial need. *The granting of Financial Assistance shall not be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.* Patients who are denied eligibility to government programs for failing to cooperate with the eligibility process will not be eligible for Financial Assistance.

Patients with a family income ranging between 101% and 350% of the Federal Poverty Level (FPL) may qualify for Financial Assistance.

Financial Assistance shall not extend to any third party payer.

When determining eligibility to Financial Assistance, monetary assets will be considered. Patients must meet the Resource limits established for the State of California's Medi-Cal program. The first \$10,000 of monetary assets is exempt, 50% of all assets in excess of \$10,000 are also exempt. All remaining monetary assets will be compared to the Medi-Cal resource limit. Individuals who exceed this limit will not qualify for assistance. Retirement accounts, deferred compensation plans qualified under Internal Revenue Code, or nonqualified deferred compensation plans are not included in the determination of monetary assets.

#### Determination of Financial Need

Financial need shall be determined by an assessment of the Applicants financial situation, which will include an application process that the patient or the patient's guarantor is required to complete. The patient or his/her guarantor is expected to supply all documentation necessary to make the determination of financial need. Failure to provide necessary verification within thirty (30) calendar days of request shall result in denial of application. Necessary documentation shall include:

- Copy of Social Security Card (if applicable)
- Copy of Valid Picture Identification
- Proof of Income Claimed on Application (recent pay stubs or tax returns)
- Proof of Spouses Income (if married)
- Statement of Support providing explanation if living with no Income

ARMC's staff will make a reasonable effort to assist patients in applying for alternative sources of payment from public programs.

Any patient who indicates the financial inability to pay a bill for medically necessary service shall be evaluated for Financial Assistance.

#### Patient Financial Assistance Application

ARMC's Determination of Benefit Eligibility form and Screening form shall be used to document each patient's financial situation (Attachment A). The patient will be sent a notification form once a final eligibility determination is made (Attachment B).

#### Considerations

- Family income will be considered when evaluating eligibility for Financial Assistance as well as potential payments from pending litigation and third party liens related to the incident of care.
- The amount and frequency of hospital bills may also be considered.
- A patient's eligibility for Financial Assistance may be determined any time information on the patient's eligibility becomes availability.
- Financial Assistance for services provided to low-income uninsured patients will be the remaining balance after application of the allowable discounted rate as determined pursuant to the below referenced FINANCIAL ASSISTANCE GUIDELINES.

#### Financial Assistance Guidelines

Financial Assistance shall be made in accordance with the patient's financial need as determined by the Federal Poverty Level (FPL) in effect at the time of financial determination.

- Patients with income ranging between 101% and 350% of the FPL are eligible to receive discounts and may receive services at a rate not to exceed the Medicare reimbursement rate. In the event that the inpatient Medicare rate exceeds the billed charges, the billing will be discounted by applying the Medicare outpatient percentage.
- Patients applying for Financial Assistance shall comply with the application process to apply for the County Medical Services Plan (ArrowCare). Upon determination that the patient does not qualify for ArrowCare, the application shall be reviewed for eligibility for Financial Assistance.

#### Communication of the Financial Assistance Program

Arrowhead Regional Medical Center shall make every effort to ensure all patients receive Financial Assistance information. The "Patient Financial Services Information" notice shall be distributed to patients upon admission and as part of the outpatient consent package. Information shall also be posted in each patient registration lobby throughout the facility.

Hospital bills sent to uninsured patients will include:

- A detailed statement of charges for services rendered
- A request that the patient inform the hospital if the patient has health insurance coverage or coverage under a government health program
- A statement that provides the patient with a hospital contact resource from which the patient may obtain information about the hospital's Financial Assistance Policy for low-income uninsured patients and how to apply for such assistance for the payment of services that were provided.

In addition, ARMC shall provide, at patient's request, a copy of the Financial Assistance Policy.

#### Patient Appeal Process

Any patient denied eligibility for Financial Assistance may file an appeal for re-evaluation. All appeals are to be submitted in writing to the attention of the Patient Accounts Department, 400 N Pepper Ave., Colton, CA 92324. The patient shall be notified in writing of the outcome of their appeal within forty-five (45) days.

#### Advancing Debt for Collection

Amounts determined to be patient liability may be assigned to a collection agency pursuant to the Patient Notification of Debt Collection Referral Policy located in the Patient Accounts Policy & Procedure Manual.

#### Collections

ARMC will not knowingly send patient bills to Central Collections prior to 150 days from time of initial billing for those patients with a pending application for a government program serving the low-income or a pending application for Financial Assistance. Income and asset information obtained for the purpose of determining eligibility for financial Assistance shall not be used for the purpose of collections.

ARMC shall provide Central Collections with a copy of the Patient Financial Assistance Policy, along with ARMC's Mission Statement. As part of its processing of patient accounts for ARMC, Central Collections shall agree to adhere to the Financial Assistance Policy. Central Collections shall also comply with all State and Federal laws regarding collection practices. Central Collections shall not use wage garnishments or seek liens against the primary residence of any patient qualified through the Financial Assistance program.

Repayment

ARMC and Central Collections shall work with patients qualified through Financial Assistance to negotiate a monthly repayment agreement for any balances due based on the patients ability to pay. Such a plan shall be free of interest. Payment plans may be deemed inoperable should the patient fail to make all scheduled payments. ARMC or Central Collections shall make reasonable effort to contact the patient to renegotiate a new agreement before a repayment plan is deemed inoperable. Contact efforts shall include an attempt to telephone the patient at the last known phone number, and written notice sent to the last known address. No civil action or adverse credit reporting shall take place until such time that all contact attempts have been made and the extended repayment plan is declared to be no longer operative.

Overpayments

An account shall be considered overpaid when payment received directly from the patient, spouse, or parent of a minor, exceeds the patient obligation determined through the Financial Assistance program. Payment from any third party source shall not constitute an overpayment unless such payment is in excess of billed charges. ARMC or Central Collections shall reimburse patients the amount overpaid plus interest at the legal rate established in Code of Civil Procedure Section 685.010. Reimbursement or interest shall not be required if the amount due is less than \$5.00.

Education and Training

Hospital Staff shall receive training regarding the Financial Assistance. The following staff shall be trained:

- Registration/Admitting
- Financial Interviewers
- Patient Advocate
- Billing/Patient Accounts

Regulatory Requirements

In implementing this policy, Arrowhead Regional Medical Center shall comply with all federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

**REFERENCES:** California Health & Safety Code Sections 127400-127450

**DEFINITIONS:** N/A

**ATTACHMENTS:** Attachment A: Statement of Financial Condition  
Attachment B: Notification Form

**APPROVAL DATE:** 2/07/08 Administration  
5/22/08 Executive Committee

**REPLACES:** N/A

**EFFECTIVE:** 02/05/07 **REVISED:** 08/13/10, 1/3/12

**REVIEWED:** N/A



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Administrative Operations Manual**

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**SECTION: ADMINISTRATIVE SUBSECTION: OPERATIONS**

**SUBJECT: PATIENT CHARITY CARE**

**APPROVED BY:** \_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

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**PURPOSE AND EFFECTIVE DATE**

The purpose of this policy is to define the eligibility criteria for Charity Care and to provide guidelines for the identification and classification of patient accounts as Charity Care effective for services rendered on or after July 1, 2006.

**DEFINITION**

Charity Care is that portion of patient care services provided by Arrowhead Regional Medical Center for which a third-party payer is not responsible and a patient does not have the ability to pay. Charity Care does not include service dates prior to July 1, 2006, contractual adjustments, or un-reimbursed costs (payment shortfalls). Charity Care may include unpaid coinsurance, deductibles, and non-covered services if the patient meets the hospital's eligibility criteria.

**TYPE OF SERVICES COVERED**

All services rendered by Arrowhead Regional Medical Center are eligible for Charity Care. This does not include professional services.

**POLICY**

Arrowhead Regional Medical Center (ARMC) is committed to providing quality healthcare to the community and providing assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for government programs, and are otherwise unable to pay for medically necessary care based on their individual financial situations. ARMC strives to ensure that the financial capacity of those who need health care services does not prevent them from seeking or receiving care. Patients are expected to cooperate with ARMC's procedures for obtaining Charity Care. (Health & Safety Code Section 127405)

Emergency Physicians, as defined in AB 1503, Stats. 2010, Ch. 445.) Section 127450, who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon the hospital.

**PROCEDURES**

ELIGIBILITY

Eligibility for Charity Care will be considered for those individuals, who are uninsured, underinsured, ineligible for any government health care benefit program, and unable to pay for their care, based upon a determination of financial need. *The granting of charity shall not be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.*

Patients who are denied eligibility to government programs for failing to cooperate with the eligibility process will not be eligible for Charity Care.

Patients with a family income less than 100% of the Federal Poverty Level (FPL) may qualify for Charity Care.

Charity Care shall not extend to any third party payer.

When determining eligibility to Charity Care, monetary assets will be considered. Patients must meet the resource limits established for the State of California's Medi-Cal program. The first \$10,000 of monetary assets is exempt., 50% of all assets in excess of \$10,000 are also exempt. All remaining monetary assets will be compared to the Medi-Cal resource limit. Individuals who exceed this limit will not qualify for assistance. Retirement accounts, deferred compensation plans qualified under Internal Revenue Code, or nonqualified deferred compensation plans are not included in the determination of monetary assets. (Health & Safety Code Section 127405)

#### Determination of Financial Need

Financial need shall be determined by an assessment of the Applicants financial situation, which will include an application process that the patient or the patient's guarantor is required to complete. The patient or his/her guarantor is expected to supply all documentation necessary to make the determination of financial need. Failure to provide necessary verification within thirty (30) calendar days of request shall result in denial of application. Necessary documentation shall include:

- Copy of Social Security Card (if applicable)
- Copy of Valid Picture Identification
- Proof of Income Claimed on Application (recent pay stubs or tax returns)
- Proof of Spouses Income (if married)
- Statement of Support providing explanation if living with no Income

ARMC's staff will make a reasonable effort to assist patients in applying for alternative sources of payment from public programs.

Any patient who indicates the financial inability to pay a bill for medically necessary service shall be evaluated for Charity Care.

#### Determination Process for Presumptive Determinations

There may be instances where 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. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, ARMC could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- Homeless or received care from a homeless clinic
- Patient is deceased with no known estate

#### Patient Financial Assistance Application

ARMC's Determination of Benefit Eligibility form and Screening form shall be used to document each patient's financial situation (Attachment A). The patient will be sent a notification form once a final eligibility determination is made (Attachment B).

### Considerations

- Family income will be considered when evaluating eligibility for Charity Care as well as potential payments from pending litigation and third party liens related to the incident of care.
- The amount and frequency of hospital bills may also be considered.
- A patient's eligibility for Charity Care may be determined any time information on the patient's eligibility becomes availability.

### Charity Care Guidelines

Charity Care shall be made in accordance with the patient's financial need as determined by the Federal Poverty Level (FPL) in effect at the time of financial determination.

- Applicants determined to be eligible for Charity Care shall receive the considered services free of charge.
- Patients applying for Charity Care shall comply with the application process to apply for the County Medical Services Plan (CMSP). Upon determination that the patient does not qualify for CMSP, the application shall be reviewed for eligibility for Charity Care.

### Communication of the Charity Care Program

Arrowhead Regional Medical Center shall make every effort to ensure all patients receive Charity Care information. The "Patient Financial Services Information" notice shall be distributed to patients upon admission and as part of the outpatient consent package. Information shall also be posted in each patient registration lobby throughout the facility.

Hospital bills sent to patients will include:

- A detailed statement of charges for services rendered
- A request that the patient inform the hospital if the patient has health insurance coverage or coverage under a government health program.
- A statement that provides the patient with a hospital contact resource from which the patient may obtain information about the hospital's Charity Care Policy for low-income uninsured patients and how to apply for such assistance for the payment of services that were provided.

In addition, ARMC shall provide, at patient's request, a copy of the Charity Care Policy.

### Patient Appeal Process

Any patient denied eligibility for Charity Care may file an appeal for re-evaluation. All appeals are to be submitted in writing to the attention of the CMSP Department Manager, 400 N Pepper Ave., Colton, CA 92324. The patient shall be notified in writing of the outcome of their appeal within forty-five (45) days.

### Advancing Debt for Collection

Amounts determined to be patient liability may be assigned to a collection agency pursuant to the Patient Notification of Debt Collection Referral Policy located in the Patient Accounts Policy & Procedure Manual.

### Collections

ARMC will not knowingly send patient bills to Central Collections prior to 150 days from time of initial billing for those patients with a pending application for a government program serving the low-income or a pending

application for Charity Care. Income and asset information obtained for the purpose of determining eligibility for Charity Care shall not be used for the purpose of collections.

ARMC shall provide Central Collections with a copy of the Patient Charity Care Policy, along with ARMC’s Mission Statement. As part of its processing of patient accounts for ARMC, Central Collections shall agree to adhere to the Charity Care Policy. Central Collections shall also comply with all State and Federal laws regarding collection practices. Central Collections shall not use wage garnishments or seek liens against the primary residence of any patient qualified through the Charity Care program.

Overpayments

An account shall be considered overpaid when payment received directly from the patient, spouse, or parent of a minor, exceeds the patient obligation determined through the Charity Care program. Payment from any third party source shall not constitute an overpayment unless such payment is in excess of billed charges. ARMC or Central Collections shall reimburse patients the amount overpaid plus interest at the legal rate established in Code of Civil Procedure Section 685.010. Reimbursement or interest shall not be required if the amount due is less than \$5.00.

Education and Training

Hospital Staff shall receive training regarding Charity Care. The following staff shall be trained:

- Registration/Admitting
- Financial Interviewers
- Patient Advocate
- Billing/Patient Accounts

Regulatory Requirements

In implementing this policy, Arrowhead Regional Medical Center shall comply with all federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

**REFERENCES:** California Health & Safety Code Sections 127400-127446  
AB 1503. Stats. 2010, Ch. 445 Section 127450

**DEFINITIONS:** N/A

**ATTACHMENTS:** Attachment A: Statement of Financial Condition  
Attachment B: Notification Form

**APPROVAL DATE:** 2/07/08 Administration  
5/22/08 Executive Committee

**REPLACES:** Administrative Policy No. 110.28 Issue 2

**EFFECTIVE:** 8/24/06                      **REVISED:** 10/30/06, 02/05/07, 10/12/07, 08/13/10, 01/03/12

**REVIEWED:** N/A