

HOLLYWOOD PRESBYTERIAN MEDICAL CENTER

Manual: Patient Accounting Services	
Title: Charity Care/Discount Payment- Review & Evaluation Process	
Policy #: PAS-RI-0061	Page 1 of 14
Formulated: January 1, 2005	Revised:
Date Approved: June 23, 2009	

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.

Employees of HPMC should 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.

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):

The guidelines published in the Federal Register updated annually.

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.

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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, not covered under any Government Program and whose treatment is not due to a compensable injury under workers' compensation, automobile or other insurance;
- b. whose income is 200% or less of the federal poverty guideline ("FPG"),
- c. who also completes the Confidential Medical and Financial Assistance Application and provides documentation which may include paycheck stubs and/or tax returns, credit report for eligibility determination.

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.
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.
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 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

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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 be also included as Charity Care.

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 or other insurance; or
- b. an insured patient with high medical costs that does not receive a discounted rate from the hospital as a result of his or her third party coverage; and
- c. in the case of (a) or (b) above, whose income is not less than 200% and it is not greater than 350% of the federal poverty guideline, 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.

Procedures for Charity Care and Discount Payment Plans:

The Medical Eligibility Program (MEP) Staff will attempt to identify potential Financial Assistance needs while the patient is in-house. Upon the completion of the Financial Assistance Packet and after the patient's bill has been finalized it will be forwarded to the Director of Patient Accounting or designee for approval.

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 a MEP Staff, or other designated HPMC employee.

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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)
 - 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, MEP Specialist will:
 - Offer the Patient a Confidential Medical and Financial Assistance Application form
 - 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
 - Refer to Hospital Financial Counselors for discount program assessment
 - Assess need for Financial Assistance in the event that he or she is unable to pay the Facility flat rate.

For patients who appear to meet the income guidelines set forth in this Charity Care / Discount Payment policy, the MEP 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.

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

When the MEP 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 MEP Specialist will complete a Confidential Medical and 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 MEP 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
- ◆ Payroll stubs
- ◆ Declarations
- ◆ Verbal attestation
- ◆ Other forms used to substantiate the need for Financial Assistance consideration

The MEP Specialist will apply FPG guidelines by using the FPG table, which is updated annually. The patient's family size is use to determine whether monthly or annual income falls at, below, or exceeds 200% of the FPG for Charity Care consideration and 350% for the Discount Payment consideration.

If the family gross income falls below, or is at the designated income of the FPG ratio threshold, the patient's account will be considered for Charity Care consideration or Discount Payment consideration, as appropriate.

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Income Level:

Self-Pay Patients with family income:

200% or less of Federal Poverty Level

200%-350% of Federal Poverty Level

350% and above of Federal Poverty Level

Patient Liability

Charity Care

Medicare Allowed Amount

Self Pay Liability

- ◆ 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 MEP Specialist 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.

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

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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, and all of their dependents.
 - b. **Minors**—To calculate the number of family members in a minor patient’s household, include the patient, the patient’s mother/father and/or legal guardian, and all of their other dependents.
2. **Income Calculation**—HPMC requires patients to provide their household’s yearly gross income.
 - a. **Adults**—The term “yearly income” on the application means the sum of the total yearly gross income of the patient and the patient’s spouse.
 - 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 MEP staff to ensure that a Charity Care adjustment is appropriate. The co-pay will be waived if no other guarantor appears on the patient account.
4. **Homeless Patients**- Patients may be deemed homeless once verification processes have been exhausted by MEP staff. The co-pay will be waived if no other guarantor appears on the patient account.

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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:

1. **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.
2. **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.
3. **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.

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2011 Poverty Guidelines

48 States Yearly Gross

Persons in Family or Household	48 States Yearly Gross			
	100% of FPG	200% of FPG	300% of FPG	350% of FPG
1	\$10,890	\$21,780	\$32,670	\$38,115.0
2	14,710	\$29,420	\$44,130	\$51,485.0
3	18,530	\$37,060	\$55,590	\$64,855.0
4	22,350	\$44,700	\$67,050	\$78,225.0
5	26,170	\$52,340	\$78,510	\$91,595.0
6	29,990	\$59,980	\$89,970	\$104,965.0
7	33,810	\$67,620	\$101,430	\$118,335.0
8	37,630	\$75,260	\$112,890	\$131,705.0

SOURCE: Federal Register, Vol 76, January 20, 2011, pp 3637-3638

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Confidential Medical and Financial Assistance Application			
Acct. #:	Patient Name:	SSN:	DOB:
Patient Address:		Patient Home Phone:	Patient Work Phone:
SECTION A: MEDICAL ASSISTANCE SCREENING — Please circle answer "Y" for yes to "N" for no.			
1. Is the patient under age 21?	Y / N	6. Is the patient pregnant, or was the admission pregnancy related?	Y / N
2. Is the patient over the age of 65?	Y / N	7. Will the patient potentially be disabled for 12 months?	Y / N
3. Is the patient a married parent of a minor child?	Y / N	Answer these questions if the patient answered no to questions 1-5.	
If yes, answer the following questions:		a. When did the patient last work? _____	
a. Does the child(ren) live full time in the home? Y / N		b. Is the patient planning to return to work? Y / N	
b. Does the patient have a 30-day incapacitation? Y / N		If yes, when? _____	
c. Is the patient the primary wage earner for the household? Y / N		c. Does the patient have any additional medical problems? Y / N	
		If yes, please list all medical conditions. _____	
4. Is the patient a single parent of a child under age 21?	Y / N	8. Is the patient a Victim of Crime?	Y / N
5. Is the patient a caretaker or guardian of a child under 21?	Y / N	If yes, was a police report filed? Y / N	
		9. Does the patient have a "COBRA" or insurance policy that the premium has lapsed?	Y / N
SECTION B: RESPONSIBLE PARTY/GUARANTOR			
Responsibility Party:		Relationship to patient:	
SSN:	DOB:		
Home Address:		Phone #:	
Gross Income: \$	Circle One - <input type="checkbox"/> Hourly <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly		
Name of employer:	Hours Per Week:		
If income is \$0/unemployed, what is your means of support?	<input type="checkbox"/> Living on Savings/Annuity <input type="checkbox"/> Live with parent/family/friends		
	<input type="checkbox"/> Homeless <input type="checkbox"/> Shelter		
Total Number of Dependent Family Members in Household			
<i>(Include patient, patient's spouse, legal guardian, and any children the patient has under the age of 18 living in the home. If the patient is a minor, include mother/father and/or legal guardian, and all other children under the age of 18 living in the home.)</i>			
SPOUSE			
Responsibility Party:		SSN:	
Home Address:		Phone #:	
Work Address:		Phone #:	
Gross Income: \$	Circle One - <input type="checkbox"/> Hourly <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly		
SECTION C: HOMELESS AFFIDAVIT			
I, _____, hereby certify that I am homeless, have no permanent address, no job, savings, or assets, and no income other than potential donations from others.			
Patient/Guarantor Initials			
I hereby acknowledge all of the information provided herein is true and correct. I understand that providing false information will result in the denial of this Application. Additionally, depending upon local or state statutes, providing false information to defraud a hospital for obtaining goods or services maybe considered an unlawful act. I also acknowledge and consent that a credit report may be obtained or other such measure may be taken to verify information provided herein. I fully understand that the Charity Care program(s) is a "Payor of Last Resort" and hereby confirm all prior assignments of benefits and rights, which may include liability actions, personal injury claims, settlements, and any and all insurance benefits which may become payable, for fitness or injury, for which Hollywood Presbyterian or its' subsidiaries provided care.			
PATIENT/GUARANTOR SIGNATURE _____		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 Admitting Representative should 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 Admitting Representative will:

- ◆ Offer the patient a Confidential Medical and Financial Assistance Application.
- ◆ 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 forward the application to the hospital Financial Counselor/Eligibility Specialist deemed appropriate.

For potential linkage to Government/County programs, Eligibility Specialist will;

- ◆ Change the financial class and assign the account to Eligibility Specialist within five days from the date of discharge, thereby, netting the account to expected government reimbursement.
- ◆ Make a determination as to whether linkage will prevail within an additional 25 days from the assignment date, totaling no more than 30 days from the date of discharge.

Financial Counselor Procedure:

Patient assessed by a Financial Counselor to have no third party coverage and /or benefits available will be offered the facility flat rate or discounted rate allowed by State law/regulation.

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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 evaluation for Charity Care and/or Discount Plan.

Patients who do not qualify for Financial Assistance should be 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 FPG 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% FPG, the patient is eligible for discount rate. If the patient household income is 351% and above, they will be eligible for the flat rate.

The Factors to be considered in determining eligibility for Charity Care/ Discount Payment plans must include comparing the patient's gross income to the annually published Federal Poverty Guideline (FPG) or an equivalent thereof. This information may be obtained through verbal means from the patient/guarantor and documented by an Eligibility Specialist, Financial Counselor, or other specially designated employee.

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

- ◆ Validate means of support if unemployed and no earned or unearned income have been provided on the application.
- ◆ Validate activity on current accounts reported on credit bureau to determine how payments are being made if household expenses exceed income reported on Confidential Medical and Financial Assistance Application.

A Confidential Medical and Financial Assistance Application completed by the patient may not be required for patients who are deemed to be Assistance already eligible for other federal, state and county assistance programs. Such programs include, but not limited to Medicaid, County Assistance Programs, MIA, MSI, Food Stamps, and WIC.

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.

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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, recommendation will be made to handle as a cash account.

If Charity determination is made after the account is assigned to an outside vendor/agency, the account will be recalled and considered as charity care.

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 alter or modify other HPMC's efforts to obtain payment from third-payer, patient transfers, emergency care and state-specific regulations.

Review Process:

The review process for Financial Assistance (Charity Care / Discount Payment plans) is outlined below.

On the uninsured patients, the Admitting Representative should 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 Charity / Discount Payment determination only in the event Eligibility Specialist/Financial Counselor is unable to obtain eligibility for the patient for Government/County programs.

For potential linkage to Government/County programs, Eligibility Specialist will;

- ◆ Change the financial class and assign the account to Eligibility Specialist within five days from the date of discharge, thereby netting the account to expected government reimbursement.
- ◆ Make a determination as to whether linkage will prevail within an additional 25 days from the assignment date, totaling no more than 30 days from the date of discharge.

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The Director 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.

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

References:

California Fair Pricing Law