

**TITLE: Patient Accounts, Financial Assistance, including Charity Care,
Hospital Services****IDENTIFIER: S-FW-LD-5406****EFFECTIVE:****APPROVED: Executive Cabinet 02/01/11
ORIGINAL FORMULATION: 05/01**▣ **Acute Care:****ENC: 03/11****GH: 03/11****LJ: 03/11****MER: 03/11****03/11**▣ **Home Health:****REVISED: 09/04, 08/06, 12/06, 12/07, 02/11
REVIEWED: 08/08**▣ **SHAS:****03/11**▣ **SMF:****SC: _____****SCMC: _____****CSC: _____****KEYWORDS: Account, Bill, Cash Pay, Collection, Discounts, Patient Account, Payment,
Payment Plan, Insurance, Underinsured, Uninsured****I. PURPOSE**

Scripps Health strives to provide superior health services in a caring environment and to make a positive, measurable difference in the health of the patients we serve. Helping to meet the needs of low-income uninsured and underinsured patients is an important element of our commitment to the community. This policy defines the means for Scripps Health to demonstrate its long standing commitment to achieving its mission and values.

The financial assistance policy sets forth Scripps' policies regarding discount payments and 100% financial assistance for qualified patients and is in written form to direct and guide staff and effectively communicate how our commitment will be applied consistently to all patients.

II. POLICY

- A. Scripps will make every reasonable effort to assist patients in meeting their financial obligation to pay for hospital services. Scripps financial assistance is designed to support patients with demonstrated financial need and is not intended to supplement or circumvent third party coverage including Medicare.
- B. Financial assistance information will be posted in conspicuous registration areas to include but not be limited to emergency department, billing office, main admission, and ancillary service locations.
- C. To the extent required by law, Scripps will provide a copy of this policy and related information to the Office of Statewide Health Planning and Development. In addition, Scripps' policy will be available to individuals of the public for review upon request made through Patient Financial Services Customer Service. Review will be facilitated through the use of interpreters (language, vision, hearing) or written materials as requested by the individual.
- D. Scripps Health will respect the dignity of each patient, act ethically in all patient financial matters and communicate effectively to assist patients in resolving their financial obligations as described in the procedural elements below.
- E. Scripps also recognizes that patient family members and friends may offer to assist monetarily with the hospital bill, even though they are under no obligation to do so. To reduce the burden of unfunded care to the community, Scripps will accept these payments. However, these payments, and the assets of those offering the

payments, will not be considered in the patient application for financial assistance. Scripps will follow all HIPAA privacy-related guidelines before discussing the patient's bill with relatives or other representatives.

- F. Information obtained in the course of determining income and/or charity care eligibility for financial assistance under this policy shall not be used in collection efforts.

III. PROCEDURES

A. Communication and Patient/Account Identification

1. Written information about financial assistance will be provided to all self pay patients. The Patient Financial Assessment Statement is available and will be provided to patients who express an interest in or have been identified as needing financial assistance when possible. Written materials will be available in English and Spanish. Language interpretive services are provided whenever necessary to facilitate the patient's understanding and participation in options for financial assistance.
2. Financial Assistance determination will be made as soon as reasonably possible. Patients are screened for the ability to pay and/or to determine eligibility for payment programs including those offered directly through Scripps Health. Scripps Health personnel will make all reasonable efforts to obtain information from patients about whether private or public health insurance may fully or partially cover the charges for care. Scripps will provide assistance in assessing the patient's eligibility for Medi-Cal, County Medical Services (CMS) or any other third party coverage as part of the application process for financial assistance.
3. Patients' accounts for hospital services that may be appropriate for financial assistance include the following:
 - a. Uninsured patients with no or partial financial means to pay;
 - b. Insured patients who are unable to pay patient liabilities, i.e. deductibles, co-insurance, co-pay if the patient does not otherwise receive a discounted rate from the hospital as a result of his or her third party coverage.
4. Patients are made aware through the *Agreement for Services at a Scripps Facility*, that hospital services do not include those services provided by independent contracting physicians such as emergency, attending, consulting, anesthesiologists, radiologists and pathologists.
5. Account payment shortfalls will be classified as "financial assistance" any time the hospital does not receive the full reimbursement from any government payer established to assist individuals in need of financial assistance.
6. If the hospital is unable to obtain adequate information after diligent efforts regarding ability to pay for any patient treated in the emergency department, the patient may be granted 100% financial assistance only after appropriate billing and/or other attempts to collect information have been made.
7. All physicians and surgeons furnishing services to the patient (except for residents in some facilities) are independent contractors and bill separately for their professional services. Emergency physicians providing emergency

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medical services in a hospital that provides emergency care are 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. (Health and Safety Code Section 127405)

B. Financial Assistance Evaluation Process

1. Scripps Health will work to assist any patient unable to pay for services, who cooperatively provides information about his/her ability to pay. Failure by the patient to cooperate may result in the inability of the hospital to provide financial assistance determination.
2. Initial financial assistance determination may be based on the patient providing individual or family income and family size as determined by tax returns or recent pay stubs.
 - a. The following additional information may be required:
 - i. Information on all monetary assets, both liquid and non-liquid, but shall not include statements on retirement or deferred-compensation plans;
 - ii. Waivers or releases authorizing Scripps to obtain account information from financial or commercial institutions that hold monetary assets to verify their value;
 - iii. Family size (includes legally qualified dependents) used to determine the appropriate benchmark for 100% financial assistance, if income is at or below the established income levels;
 - b. If it is determined that the family income is above 400% FPL (Federal Poverty Level), Scripps may still consider the patient eligible for financial assistance but the following information may be required:
 - i. Individual or family net worth including assets, both liquid and non-liquid, liabilities and claims against assets;
 - ii. Employment status will be considered in the context of the likelihood future earnings will be sufficient to meet the cost of paying for healthcare services within a reasonable period of time;
 - iii. Unusual expenses or liabilities;
 - iv. Additional information as required for special circumstances or required by management.
3. The first \$10,000.00 of a patient's monetary assets and 50% of a patient's monetary assets over the first \$10,000.00 shall not be considered in determining eligibility for financial assistance.
4. Financial Assistance determination may be made through the use of an automated charity calculator tool.
5. Eligibility for financial assistance may be determined at any time Scripps is in receipt of qualifying information. However, patients shall be encouraged to provide the information within 30 days of the request in order to enable Scripps to accomplish certain essential steps in the financial assistance determination process:
 - a. Provides documentation that supports a financial status determination;
and

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- b. Allows the hospital to determine if the patient has declared income and/or assets giving him/her the ability to pay for the health care services he/she has received or will continue to receive;
- c. Provides an audit trail in documenting the hospital's commitment to providing financial assistance.

C. Financial Assistance Determination

1. To qualify for financial assistance coverage for either the entire hospital bill or a portion of the hospital bill, the following criteria must be met:
 - a. Expected payment for services being provided is not covered/reimbursed by Medi-Cal, Medicare or any other third party or, if the patient does not receive a discounted rate from Scripps as a result of his or her third party coverage and the patient's documented annual out-of-pocket medical expenses exceed 10% of the patient's family income in the prior 12 months;
 - b. The services are medically necessary, not strictly elective and/or cosmetic;
 - c. The patient's family income does not exceed 400% of the FPL.
2. Financial assistance will be granted on an "all or partial" basis; according to a Discount Schedule. Related Form D: *Patient Financial Assistance Discount Schedule*. The schedule will be reviewed and updated at least annually by the Scripps Health Revenue Cycle Steering Committee. Key features of this schedule include:
 - a. For an income Level 200% of FPL or less: the entire hospital bill will be forgiven;
 - b. For an income Level between 201% and 400% of FPL: the maximum expected from the patient will equal the lowest Medicare reimbursement for the system or, in the absence of Medicare established payment, 30% of charges.
3. Patients stating they are "homeless" and not participating in another financial assistance program will be granted 100% financial assistance.
4. All uninsured patients will be offered the hospital's cash price for services rendered. If the patient's income is over 400% of the FPL, the patient will *not* automatically qualify for any additional write-off of the hospital bill. However, other considerations for eligibility may be made if the patient is unable to pay the cash price. These considerations include:
 - a. Presence of extenuating circumstances such as catastrophic medical events or other special situations. Any or all such cases require specific management approval. Net worth information included on the Patient Financial Assessment Statement will be used to evaluate these special situations;
 - b. The presence of an applicable recent bankruptcy of the patient or third party providing coverage for the patient.
5. In determining the total amount an uninsured patient would be held responsible for if they only qualified for partial financial assistance, the established cash price, not the total charges, will be used.
6. Circumstances where applications are not required:

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- a. Patients who have previously been identified as eligible for financial assistance may be granted financial assistance without repeating the full financial evaluation process for a period of six months.
 - b. Patients who qualify for specific programs, such as the Mercy Outreach Surgical Team, Missionaries of Charity, and Carmelites or the Fresh Start program will qualify for financial assistance without the need to complete a separate application. Others require approval by the hospital chaplain or the Director of Mission Services.
7. Patients requesting to appeal Financial Assistance determinations will be referred to the Director of Customer Service and Collections or his/her designee. The Director of Customer Service and Collections will review the patient's appeal in conjunction with the Administrative Director of System Wide Case Management to ensure the patient's clinical and social condition with possible restrictions are considered along with his financial status.
 8. A determination of eligibility will be made within 10 business days of receipt of all requested documentation.
 9. At the time of the evaluation, should it be determined that the patient had paid more than required, a refund of the excessive amount, with interest (10% per annum) will be issued.
- D. Account Management
The following practice principles will be applied to patient accounts:
1. Initial billing statements for all patients will include a prominent statement indicating the availability of financial assistance. The bill will also indicate the dates of hospital services and if a third party has been billed.
 2. Patient bills will include information about a hospital contact including an address and telephone number patients may call when they have questions about their bill. Patient billing questions will be responded to promptly by telephone or in writing.
 3. All collection activity will be based upon written procedures adhered to by both Scripps collection staff and external collection agencies. Collections will be pursued in a consistent manner based upon those procedures.
 4. Accounts being evaluated for financial assistance will not be turned over to an internal or external collection agency until the conclusion of the financial assistance evaluation or at such time that the patient fails to cooperate in pursuing his or her request for assistance not to exceed 30 days.
 5. Scripps or an outside collection agency shall not use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills.
 6. The difference between total charges and the established cash price amount will be classified as financial assistance (charity care). In addition, any uncollected portion of the established cash price amount will also be classified as financial assistance (charity care).
- E. Extended Payment Plans without interest charges will be made available and negotiated between Scripps and the patient to allow the patient to pay over time.
1. Any negotiated payment plan will only be considered to default if a scheduled payment is not received for 90 days.
 2. An attempt will be made to contact the patient both by phone and in writing before the payment plan is declared inoperative.

IV. ATTACHMENTS

Attachment A: Financial Assistance Glossary of Terms

V. REFERENCES

- A. Federal Poverty Level, current publication
- B. Scripps Financial Assistance Discount Schedule (current)
- C. Hospital Fair Pricing Policies Act, Health & Safety Code sections 127400, *et seq.*

VI. RELATED POLICIES

- A. Adjustments, Patient Accounts Receivable; S-FW-LD-5412
- B. Patient Account Management, Cash Pay and Discounts; S-FW-LD-5407
- C. Patient Account Management, Payment Plan; S-FW-LD-5404
- D. Patient Account Management, Billing and Collections; S-FW-LD-5400

VII. RELATED FORMS

- A. Emergency Department Financial Assistance Quick Screen; 100-8590-500 (English), 100-8590-851 (Spanish)
- B. Scripps Patient Financial Assessment Statement (English); 100-8560-019
- C. Scripps Patient Financial Assessment Statement (Spanish); 100-8560-021
- D. Scripps Financial Assistance Discount Schedule, FPL, current edition
- E. Financial Assistance Brochure; 100-8560-2004

VIII. SUPERSEDED

Patient Financial Assistance, Including Charity Care, Hospital Services;
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Attachment A: Financial Assistant Glossary of Terms

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Charity Care	That portion of care provided by a hospital to a patient for which a third party payer is not responsible and the patient is unable to pay, and for which the hospital has no expectation of payment.
Disposable Income	Disposable income is that income left over after paying all required taxes, insurances and all essentials such as food, clothing, and shelter.
Established Cash Price	The expected payment amount after the application of a discount from its full charges for services offered to patients who have no insurance and qualify under the hospital's discount payment policy.
Federal Poverty Level	The most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.
Homelessness	<p>A person is homeless if he/she lives:</p> <ol style="list-style-type: none">1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks;2. Emergency shelters;3. Transitional or supportive housing (for people coming from street or shelter) and;4. In any of the above places, but is in a hospitals/institution short-term (30 days or less)5. Evicted within a week from a private dwelling6. Discharged within a week from an institution that does not provide housing as part of discharge planning.7. A victim of Domestic Violence who does not have a secure living environment.8. No subsequent residence has been identified and no resources and support networks to obtain housing. <p>Source: HUD gov offices http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homelessness_%20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessness%22</p>
Patient	For the purpose of this policy, patient refers to the individual seeking services or the individual responsible financially for services. Scripps defines the guarantor as the patient unless mentally incapacitated or a minor.
Self Pay Patient	<p>A patient who meets the following criteria:</p> <ul style="list-style-type: none">• No third party insurance• No Medi-Cal• No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.
Total Charges	Total charges are at the hospital's full established rates for the provision of patient care services