

TITLE: CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY	NUMBER: 6:3100 JC Approval: 3/11 BOT Approval: 4/11						
STANDARD: <div style="text-align: center;">#6</div> Management of Patient and Financial Information	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Approvals</th><th style="text-align: left;">Date</th></tr> </thead> <tbody> <tr> <td>Functional Team</td><td>1/11</td></tr> <tr> <td>Med Exec</td><td>3/11</td></tr> </tbody> </table> Originator: Managed Care Operations Mgr.	Approvals	Date	Functional Team	1/11	Med Exec	3/11
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PURPOSE

To define the process for Charity Care, Self Pay and High Medical Cost discounts.

POLICY

Natividad Medical Center complies with State law AB774 relative to charity care, self pay, high cost medical discounts and debt collection policies.

PROCEDURE

1. Definitions of the four discount programs available at Natividad Medical Center:
 - a. Charity Care: Billed charges are written off to charity care; granted in appropriate cases when a pay source is not available and all collection efforts have been exhausted.
 - b. Self Pay Discount: Discount off of billed charges, granted after application process has been completed. Patients do not have third party coverage, Medi-Cal, or third party liability coverage.

High Medical Cost Discount Option A: High medical cost definition means total (Natividad Medical Center and non-Natividad Medical Center) out of pocket medical expenses exceed 10 per cent of family income

High Medical Cost Discount Option B: High medical cost definition means patient does not qualify for the Self Pay Discount, did not receive a discount from third party coverage, and qualifies for a discount amount above the Self Pay Discount amount.

2. General Guidelines:

- a. All patients are encouraged to contact or visit the Financial Counseling office (831) 755-4165, Monday through Friday, excluding holidays, 8 a.m. -- 4:30 p.m. to apply for assistance,
- b. All Self Pay patients will be given an English/Spanish version of the **CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY**, a Medi-Cal application and a Health Family application at the time of registration (inpatient, outpatient and emergency department).
- c. The **CHARITY CARE, SELF PAY AND HIGH MEDICAL COST DISCOUNT POLICY** and Debt Collection Notice are posted in English/Spanish at all registration desks, Financial Counseling and the Business Office.

- d. The Financial Counseling Medically Indigent Adult (MIA)/Charity Care/High Medical Cost Discount application process will be completed for all charity care and discount programs.
 - a. Applicants will be screened for other forms of assistance.
 - b. Applicants must provide the same information as required for MIA applicants as applicable.
 - e. This policy is limited to services provided by and billed by Natividad Medical Center; it excludes providers who do their own billing.
 - f. This policy does not apply to Medi-Cal or Managed Care Medi-Cal Shares of Cost.
 - g. Patients must apply for assistance within 150 days of the date of service or inpatient discharge date.
 - h. Patients will be given a written statement if they qualify or are denied for one of the programs.
 - a. Statement will indicate the discount program name
 - b. Statement will indicate approval or denial/denial reason/appeal process
 - c. The original statement will be given or mailed to the patient
 - d. A copy of the statement will be given in the Financial Counseling Office
 - i. Effective January 1, 2008, anytime this policy is updated, it will be sent to the Office of Statewide Health Planning and Development.
 - j. The hospital reserves the right to receive new information retrospectively concerning patients from any source and to consider applicability/acceptance for charity care.
 - k. Self pay patients will not be turned over to a collection agency before 150 days except patients who provide false or inaccurate addresses.
 - l. An Outpatient pharmacy prescription dispensing fee of \$16 will be charged for each prescription related to these programs.
 - m. This policy does not apply to elective cosmetic surgeries.
 - n. For payment plan options, see the attached Payment Plans policy.
 - o. The emergency room physicians billing group has charity care and discount payment plans available.
3. Self Pay Discount Policy:
- a. Applicants must be at or below 350% of the Federal Poverty Level as distributed in May of each year by the federal government.
 - b. Applicants must not have third party coverage from a health insurer, health care plan, any county plans, Medicare, MediCal, third party liability such as Workers' Compensation, auto insurance medical benefits or other insurance/liability coverage.
 - c. Applications will be based on the month of service; documents requested will be based on the month prior to the month of service.
 - d. Discounts are listed in Attachment A and may change periodically.
 - e. Patient Financial Services will adjust off above any discounted amount due as charity care.
 - f. The Patient Financial Services Director/Operations Manager, with the approval of the Chief Financial Officer, may approve patients up to 400% of the Federal Poverty Level.
4. High Medical Cost Patients Option A eligible applicant attributes:
- a. Family income at or below 350% of the current Federal Poverty Level
 - b. All (Natividad and non-Natividad) out of pocket medical expenses in prior 12 months exceed 10% of family income.
 - c. Qualification for program is based on income as proven by income tax returns or pay stubs from the 12 months prior to services and documentation of all out of pocket medical expenses.

- d. Assets are not considered for this program.
 - e. Patient Financial Services will adjust off above any discounted amount due as charity care.
 - f. The Patient Financial Services Director/Operations Manager, with the approval of the Chief Financial Officer, may approve patients up to 400% of the Federal Poverty Level.
 - g. Discounts are listed in Attachment A and may change periodically.
5. High Medical Cost Patients Option B eligible applicant attributes:
- a. Patient does not otherwise receive discount as a result of third party coverage.
 - b. Assets will be given the same consideration as the MIA program.
 - c. Patient Financial Services will adjust off above any discounted amount due as charity care.
 - d. Discounts vary based on assets, income and billed charges.
6. Charity Care Policy:
- a. Assets will be considered in the same manner as the MIA program except:
 - a. Retirement and deferred compensation plans are excluded from consideration.
 - b. Fifty percent (50%) of monetary assets over \$10,000 will be considered.
 - b. Patient Financial Services will adjust Medi-cal denials as charity care when the patient has limited/emergency only Medi-Cal, the services are denied because they are non-covered and an Advanced Beneficiary Notification is not on file.
 - c. Patient Financial Services will adjust off above any discounted amount due as charity care.
 - d. Charity patients are self pay or underinsured who are at or below 100% of the Federal Poverty Level and have limited assets: patients may be assessed a copayment based on income level and/or the nature of services received.
7. Patients with HIV may contact Financial Counseling for payment considerations under the SLIDING SCALE FOR HIV CASE MANAGEMENT PATIENTS.
8. Non-profit credit counseling may be available in the area; patients are encouraged to check the yellow pages of the local telephone book.
9. Dispute Mechanism:
- a. Patients will be given a written denial if they are not accepted for one of the above programs.
 - b. Patients have 10 working days to file a written appeal with reasons for appeal to: Natividad Medical Center, Managed Care Operations Manager, 1441 Constitution Blvd., Salinas, CA 93906
 - c. The Manager will respond in writing to the patient and the Patient Financial Services Director within 10 working days.
 - d. Patients may send a final appeal with justification within 10 working days to: Natividad Medical Center, Chief Financial Officer, 1441 Constitution Blvd., Salinas, CA 93906
 - e. The Chief Financial Officer will respond in writing to the patient and the Patient Financial Services Director within 10 working days.

REFERENCES: California State Law AB774

Attachment A:

Discount rates as of June 1, 2011:

Inpatient: 84% off of billed charges

Outpatient: 91% off of billed charges