SUBJECT: Financial Assistance Policy (FAP) AKA Charity Care/Uncompensated Care Program

APPLICATION: PIH Health Hospital – Whittier (PHH-W), PIH Health Hospital – Downey (PHH-D) All Departments

PURPOSE: To provide a reasonable amount of free or reduced cost care to patients who are unable to pay and to ensure compliance with Assembly Bill 774, SB 1276 and IRS rules.

DEFINITIONS: AB: Assembly Bill
ECA: Extraordinary Collection Activities IRS: Internal Revenue Service
FAP: Financial Assistance Policy
HPE: Hospital Presumptive Eligibility
SB: Assembly Bill

POLICY:

1. Recognizing its charitable mission, it is the policy of PIH Health Hospital to provide a reasonable amount of its emergency and medically necessary services without charge to eligible patients who cannot afford to pay for care. Because the hospital cannot employ physicians, this FAP applies only to hospital facility services and does not apply to emergency room physicians, radiologists, pathologists, anesthesiologists, hospitalists, surgeons or other physicians. However, AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs with income at or below 350% of the federal poverty level.

2. Medically necessary services (consistent with generally accepted standards of medicine in the community) of this facility will be available as uncompensated services to eligible patients. Patients are educated as follows:
   2.1. In compliance with SB 1276, prior to discharge, non-insured patients are provided with the Letter to the Uninsured in English or Spanish to educate them about availability of coverage through government programs, including the Exchange and Medi-Cal and local consumer assistance offices. In addition, a Medi-Cal and charity application is provided.
   2.2. In compliance with IRS Section 501(r)(5)(A), the hospital limits its charges for medically necessary care provided to financial assistance policy eligible individuals to no more than “amounts generally billed to individuals who have insurance covering such care”. Bills to the uninsured reflect significant self-pay discounts that equate to contracted government-sponsored plan rates (or less) and a notice that the patient may be eligible for state and/or the hospital’s FAP/uncompensated care program;

APPROVED
BOARD OF DIRECTORS

JUN 10 2019
2.3. Signs are posted throughout the facility to provide education about charity/FAP policies; 
2.4. The hospital’s website includes a copy of the policy and applications in English and Spanish.

3. Eligibility for financial assistance is determined by the inability of a patient to pay, versus bad debt as the unwillingness of the patient to pay. Charity Care does not include bad debt, contractual adjustments or unreimbursed costs. The financial status of each patient should be determined so that an appropriate classification and distinction can be made between charity care and bad debt.

4. The hospital or its collection agency(s) will not exercise any Extraordinary Collection Activities (ECAs) against an individual whose eligibility has not been determined before 120 days after the first post discharge billing statement.

5. If the patient is deemed able to pay, but unwilling or if the patient fails to complete the provided charity or Medi-Cal application within a reasonable time period and after reasonable efforts to collect (the patient has received the charity/FAP application, appropriate notices about the hospital FAP, three or more statements and a final statement), or pay the discounted rate, he/she will be classified as bad debt and assigned to Collections. The hospital’s collection agency(s) will be required to make reasonable efforts to initiate oral communication before implementing an ECA.

6. If a patient applies thereafter and before 240 days after the first post-discharge bill was sent to the patient, PIH Health will stop all ECAs while it determines eligibility for financial assistance. If the patient qualifies for the FAP, the account shall be removed from assignment to the Collection agency. Delinquencies will be removed from the patient’s credit report.

7. Eligibility requirements
   7.1. Uninsured patients who do not have the ability to pay as determined by the financial guidelines in this policy.
   7.2. Patients who have Restricted Medi-Cal Emergency and Pregnancy Services coverage (and no share of cost) and whose services are not covered for a particular episode or partial episode of care. (An uncompensated care application is not required since the patient is presumed to meet the charity care eligibility requirements);
   7.3. There are instances when 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. Presumptive eligibility (application not mandatory) for charity may be determined on the basis of individual life circumstances that may include but are not limited to:
     7.3.1. State-funded prescription programs;
     7.3.2. Homeless or received care from a homeless clinic or shelter;
     7.3.3. Participation in Women, Infants and Children programs (WIC);
     7.3.4. Food stamp eligibility;
     7.3.5. Subsidized school lunch program eligibility;
     7.3.6. Low income/subsidized housing is provided as a valid address;
     7.3.7. Patient is deceased with no known estate; and
7.3.8. Patients who are currently eligible for Medi-Cal, but were not eligible in one to three months prior to eligibility are presumed to be eligible for charity and do not need to fill out the application.

7.3.9. Undocumented patients who do not qualify for Hospital Presumptive Eligibility (HPE) but meet income guidelines for charity care.

7.4. Insured patients whose coverage is inadequate to cover a catastrophic situation;

7.5. Persons whose income is sufficient to pay for basic living costs but not medical care, and also those persons with generally adequate incomes who are suddenly faced with catastrophically large medical bills;

7.6. Insured and uninsured patients who demonstrate ability to pay part but not all of their liability. For example, those who have an out of pocket that exceeds 10% of their annual net family income in the prior twelve months.

7.7. A “reasonable payment plan” must be offered to all patients when the hospital and patient cannot agree on a plan. “Reasonable payment plan” means monthly payments that are not more than 10 percent of a patient’s family income for a month, excluding deductions for essential living expenses including rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses. Payment plans can be considered inoperative after the patient’s failure to pay consecutive payments during a 90-day period and after sending written notice and placing a call to the patient.

8. As required by law, PIH Health will publicize its financial assistance policy on its website, via signage in the emergency room and admission area, on billing statements, and through community health activities.

9. In compliance with IRS rules, if a patient pays for services and applies for financial assistance within eight months of discharge and qualifies, PIH Health will refund the difference between what was paid and the qualified amount. If the overpayment is less than $5.00, a refund is not required.

PROCEDURE:

1. Eligibility Procedures:
   1.1. In addition to the eligibility requirements above, consider the following factors to determine the amount of assistance for which a patient is eligible at the time of service:
   1.1.1. Patient should reside in the hospital’s primary/secondary service area and have a physician who is a member of the hospital’s Medical Staff. Additionally, out of area patients who were seen in or admitted through the Emergency department will be considered for uncompensated care.
   1.1.2. Consider the patient’s individual or family income, as appropriate, using the income guidelines in this policy.
   1.1.3. Consider individual or family net worth including all liquid and non-liquid assets owned, less liabilities and claims against assets. Monetary assets shall not include retirement or deferred-compensation plans. Furthermore, the first ten thousand
($10,000) dollars of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50% of a patient’s monetary assets over the first ten thousand ($10,000) dollars be counted in determining eligibility.

1.1.4. Consider employment status along with future earnings sufficient to meet the obligation within a reasonable period of time. Consider family size. Under AB 774, family includes the patient, the spouse or domestic partner, parent and/or caretaker of minors and dependent children less than 21 years of age, whether living at home or not.

1.1.5. Consider other financial obligations including living expenses and other items of a reasonable and necessary nature.

1.1.6. Consider the amount(s) and frequency of hospital and other healthcare/medication bill(s) in relation to all of the factors outlined above.

1.1.7. All other resources must be applied first, including third-party payers, Victims of Crime and Medi-Cal. If a patient does not have Medi-Cal but would qualify, he/she should be encouraged to cooperate with the application process. If the application is denied, consider for uncompensated care.

2. Determine the appropriate amount of financial assistance in relation to the amounts due after applying all other eligible resources. A patient who can afford to pay for a portion of the services will be expected to do so. Reasonable payment guidelines as defined in this policy and by law will be incorporated. Part of an account might be paid by a third party, part by the patient; part may be adjusted to a charity write-off. Work with the patient to establish payment arrangements. As required by AB 774, "If a patient is attempting to qualify for eligibility under the hospital's charity care of discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency." If the patient does not pay the amount deemed to be his/her responsibility under the FAP, for a period of 100 days and fails to renegotiate the payment plan, the uncollectible balance would become bad debt.

3. Request evidence of eligibility especially for large balance accounts. The patient must provide supporting documentation of income which can include:

3.1. Recent pay stubs such as paychecks, General Relief, Social Security, pension, unemployment or disability check stubs, or tax returns;

3.2. Application verification may include accessing of the patient/guarantor's credit report. The patient must sign the charity form or Consent of Admissions prior to accessing his/her credit information.

4. Instruct the patient to inform his/her physicians that he/she has been approved for the hospital's uncompensated care program. Some physicians will reduce or write off the patient's bill with this documentation.

5. Eligibility may be reevaluated for a patient’s eligibility when the following occur:

5.1. Subsequent rendering of services;

5.2. Income change;

5.3. Family size change;
5.4. When six months has passed since the last application or if circumstances change.

6. Determine eligibility for financial assistance at the time of admission/pre-registration, or as soon as possible thereafter. In some cases, it can take investigation to determine eligibility, particularly when a patient has limited ability to provide needed information. Also, because of complications unforeseen at the time of admission, the patient may need to be reclassified as a full or partial charity.

7. Financial counselors, registration clerks, cashiers, care managers, Patient Accounting staff and patients can initiate the application process.

8. Review Process:
   8.1. Uncompensated Care Committee Composition:
       8.1.1. Vice President, Revenue Cycle or Patient Accounting Director
       8.1.2. Customer Service/Collection Supervisor or Manager
       8.1.3. Collectors

9. Duties of the Committee
   9.1. Review all applications for charity care and determine eligibility based on established criteria. Pend the application when the patient applies for Medi-Cal or Victims of Crime or insufficient information from which to determine eligibility for uncompensated care.
   9.1.1. Financial Counselors and Collectors will determine the patient’s out-of-pocket, if any, based on the guidelines in this policy and preliminarily approve applications when the cash discount rate is expected to be less than $3,000. If the patient does not meet the financial criteria but has extenuating circumstances such as catastrophic illness, the account will be referred to the manager who will make a recommendation to the Director. Uncompensated Care approval authority is as follows:
       9.1.1.1. Write-offs from $.01 to $14,999 require final approval by the Credit and Collections Supervisor.
       9.1.1.2. Write-offs $15,000 and over require approval by the Patient Accounting Director or Vice President, Revenue Cycle and Managed Care.

10. Pre-approved patients will be registered to insurance plan code 9030. Community program accounts will be registered to plan code 9031.

11. Ensure patients are notified, in writing, regarding approval, denial or pending of uncompensated care.

12. If the application is incomplete and the discrepancy cannot be cleared up by phone, request the missing information in writing, provide a notice about potential ECAs (and an accompanying plain language summary of the FAP). Allow a minimum of 30 days for the complete application to be returned.

13. Denials may be appealed to the committee with the following documentation:
   13.1. Appeal letter to committee from the patient or guarantor requesting reevaluation.
13.2. Supporting documents that may prove inability to pay that weren't part of the initial consideration.

14. The committee will review appeals and the committee will make recommendations to the Chief Financial Officer or his designee for final approval.

15. The hospital will retain charity care/FAP applications and documents for six years.

REFERENCES:

External References: N/A

Internal Cross References: N/A

Supersedes 100.85300.600 and 200.85300.600
Revised 8/92, 5/93, 4/96, 10/97, 3/98, 4/99, 5/00, 1/01, 4/01, 04/02, 10/02, 11/03, 2/04, 3/05, 05/05
2/06, 07/06, 01/07, 11/07, 02/08, 09/08, 02/09, 08/2010, 02/2011, 01/2012, 02/201, 3/13, 3/14,
01/15 and 3/16 to update federal poverty guidelines
Amount of Financial Assistance/Charity Care Determination is Based on

Methodology: PIH Health Hospital uses the "Sliding Scale Method" to determine the dollar amount to be considered as charity care for eligible patients.

Charity Care: Patient applications that show that family income at or below 100% of Federal Poverty Guidelines (FPL) will be approved for no-cost to the patient.

Discounted Charity Care: Patient applications that show that family income between 101% and 400% FPL will be granted the lessor of the self-pay rate or discounts as outlined below.

### 2018 FEDERAL POVERTY GUIDELINES

<table>
<thead>
<tr>
<th>% FPL</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>IP per day &amp; OP Surg</th>
<th>OP non Surgery &amp; ER visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>$12,140</td>
<td>$16,460</td>
<td>$20,780</td>
<td>$25,100</td>
<td>$29,420</td>
<td>$33,740</td>
<td>$38,060</td>
<td>$42,380</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>125%</td>
<td>$15,175</td>
<td>$20,575</td>
<td>$25,975</td>
<td>$31,375</td>
<td>$36,775</td>
<td>$42,175</td>
<td>$47,575</td>
<td>$52,975</td>
<td>$100</td>
<td>$35</td>
</tr>
<tr>
<td>138%</td>
<td>$16,753</td>
<td>$22,715</td>
<td>$28,676</td>
<td>$34,638</td>
<td>$40,600</td>
<td>$46,561</td>
<td>$52,523</td>
<td>$58,484</td>
<td>$200</td>
<td>$50</td>
</tr>
<tr>
<td>150%</td>
<td>$18,210</td>
<td>$24,990</td>
<td>$31,170</td>
<td>$37,650</td>
<td>$44,130</td>
<td>$50,610</td>
<td>$57,090</td>
<td>$63,570</td>
<td>$300</td>
<td>$65</td>
</tr>
<tr>
<td>175%</td>
<td>$21,245</td>
<td>$28,805</td>
<td>$36,365</td>
<td>$43,925</td>
<td>$51,485</td>
<td>$59,045</td>
<td>$66,605</td>
<td>$74,165</td>
<td>$400</td>
<td>$80</td>
</tr>
<tr>
<td>185%</td>
<td>$22,459</td>
<td>$30,451</td>
<td>$38,443</td>
<td>$46,435</td>
<td>$54,427</td>
<td>$62,419</td>
<td>$70,411</td>
<td>$78,403</td>
<td>$600</td>
<td>$120</td>
</tr>
<tr>
<td>200%</td>
<td>$24,280</td>
<td>$32,920</td>
<td>$41,560</td>
<td>$50,200</td>
<td>$58,840</td>
<td>$67,480</td>
<td>$76,120</td>
<td>$84,760</td>
<td>$800</td>
<td>$150</td>
</tr>
<tr>
<td>225%</td>
<td>$27,315</td>
<td>$37,035</td>
<td>$46,755</td>
<td>$56,475</td>
<td>$66,195</td>
<td>$75,915</td>
<td>$85,635</td>
<td>$95,355</td>
<td>$1,000</td>
<td>$200</td>
</tr>
<tr>
<td>250%</td>
<td>$30,350</td>
<td>$41,150</td>
<td>$51,950</td>
<td>$62,750</td>
<td>$73,550</td>
<td>$84,350</td>
<td>$95,150</td>
<td>$105,950</td>
<td>$1,200</td>
<td>$225</td>
</tr>
<tr>
<td>275%</td>
<td>$33,385</td>
<td>$45,265</td>
<td>$57,145</td>
<td>$69,025</td>
<td>$80,905</td>
<td>$92,785</td>
<td>$104,665</td>
<td>$116,545</td>
<td>$1,350</td>
<td>$275</td>
</tr>
<tr>
<td>300%</td>
<td>$36,420</td>
<td>$49,380</td>
<td>$62,340</td>
<td>$75,300</td>
<td>$88,260</td>
<td>$101,220</td>
<td>$114,180</td>
<td>$127,140</td>
<td>$1,500</td>
<td>$325</td>
</tr>
<tr>
<td>325%</td>
<td>$39,455</td>
<td>$53,495</td>
<td>$67,535</td>
<td>$81,575</td>
<td>$95,615</td>
<td>$109,655</td>
<td>$123,695</td>
<td>$137,735</td>
<td>$1,550</td>
<td>$375</td>
</tr>
<tr>
<td>350%</td>
<td>$42,490</td>
<td>$57,610</td>
<td>$72,730</td>
<td>$87,850</td>
<td>$102,970</td>
<td>$118,090</td>
<td>$133,210</td>
<td>$148,330</td>
<td>$1,600</td>
<td>$375</td>
</tr>
<tr>
<td>375%</td>
<td>$45,525</td>
<td>$61,725</td>
<td>$77,925</td>
<td>$94,125</td>
<td>$110,325</td>
<td>$126,525</td>
<td>$142,725</td>
<td>$158,925</td>
<td>$1,700</td>
<td>$425</td>
</tr>
<tr>
<td>400%</td>
<td>$48,560</td>
<td>$65,840</td>
<td>$83,120</td>
<td>$100,400</td>
<td>$117,680</td>
<td>$134,960</td>
<td>$152,240</td>
<td>$169,520</td>
<td>$1,850</td>
<td>$500</td>
</tr>
</tbody>
</table>

Patient liability is based on the lesser of:
- 13.7% of total charges for services rendered at PHH-W; 12.7% of total charges for services rendered at PHH-D (based on the amounts generally billed during the look back period October 2016 – September 2017)
  - Amounts generally billed is calculated from the actual past claims paid to each hospital facility by Medicare fee-for-service together with all private health insurers paying claims to the hospital facility
- The cash discount rate (based on the rates of a government-sponsored plan agreement, or less);
- 10% of the patient’s annual income; or;
- The amount outlined above.

PIH HEALTH HOSPITAL REQUEST FOR FINANCIAL ASSISTANCE/UNCOMPENSATED SERVICES
I ask PIH Health Hospital to determine if I am eligible for help in paying for my hospital bill. I understand that I need to give certain information for this to be done. I understand that filling out this form does not guarantee that I will receive this help. If I am not eligible for uncompensated services, I am responsible for my hospital bill.

Name ______________________________ Account number ______________

Address

Number Street City State Zip

Phone number_________________________

Employer name ______________________ Employer phone _____________

Employer address ______________________

Date of birth _____/____/____ Sex Code 1=Male 2= Female

Name Relationship Age Gender

Number of family members living with you

Name Relationship Age

Gender ______________________________

Physician Name ______________________ Diagnosis ____________________

INCOME: PLEASE PROVIDE PHOTOCOPIES OF PAYCHECKS AND BANK STATEMENTS AND LIST INCOME

Wages (Self)

(Spouse)

(Other Family Member)

Farm or self employment

Public Assistance

Social Security

Unemployment Compensation

Strike Benefits

Alimony /Child Support

Military Family Allocations

Pensions

Income from Dividends, Interest, Rent

Monthly Annual

EXPENSES (Monthly)

Mortgage/Rent (1)

Utilities

Telephone

Food

Finance/other loans

Auto Loans

(1) If none, source of housing

Medical Insurance

Auto Insurance

Medical Bills

Hospital

Physician

Medication

TOTAL EXPENSES

Do you own a home? Yes ( ) No ( )

If yes, estimated value: _______ Amount owed _______

Do you own other property? Yes ( ) No ( )

If yes, estimated value: _______

Do you own automobiles? Yes ( ) No ( )

If yes, Model/Make:______ Year:______ Value:______

I declare under penalty of perjury that the answers I have given are true and correct to the best of my knowledge.

I agree to tell the provider of services, within 10 days, if there are any changes in my (or the persons on whose behalf I am acting) income, property, expenses, or in the persons in the household or of any change of addresses.

I understand that I may be asked to prove my statements and that my eligibility statements will be subject to verification by contact with my employer, bank, credit verification and property searches.

I further agree, that in consideration for receiving health care services as a result of an accident or injury, to reimburse the hospital from proceeds of any litigation or settlement resulting from such act.

I understand that if I do not qualify for uncompensated services, I will be personally liable for the charges of the services rendered by PIH Health Hospital or I may appeal decision in writing with additional documentation.

Signature __________________________ Date __________________________

PIH HEALTH
Date

Patient Name

Account number

Dear Mr./Mrs. ____________________________

We have carefully reviewed your application for financial assistance/uncompensated care and have determined that your account:

☐ Meets the Hospital's established guidelines for uncompensated services.

Approved amount $ __________
Your last payment posted on __________ in the amount of $ __________.

The account will be reduced by the above amount and the guarantor is responsible for $ __________ payable at $ __________ per month for ___ months.

If you have bills from physicians that provided care during your hospitalization at PIH Health Hospital, you may want to provide them with a copy of this letter. AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs whose income is at or below 350% of the federal poverty level. If you have a bill from an ER physician, please contact the physician's billing service to determine if you qualify for a discount.

☐ Does not meet the Hospital's established guidelines for uncompensated services. Reason for denial:

_______ Monthly income exceeds qualifications.

_______ Potential third party payor source

_______ Application not complete.

_______ Supporting documentation not adequate.

If you have questions, please call the Customer Service Supervisor at (562) 698-0811, extension 14231.

Sincerely,

Uncompensated Care Committee
Date: ________________

Dear __________________,

Thank you for choosing PIH Health Hospital for your health care needs.

Please promptly complete and return the attached application for financial assistance AKA uncompensated care. Additionally, please provide photocopies of your last two pay checks relating to any source(s) of income as well as photocopies of your last two bank statements.

Please call me at (562) 698-0811, extension 14231, if I can help answer any questions.

Sincerely,

Customer Service/Collection Supervisor
Policy Approvals

Policy Name: Financial Assistance Policy (FAP) AKA Charity Care/Uncompensated Care Program

Entity: PHH - Whittier & Downey Department: Patient Accounting

Originator of Policy:
Cole Christianson Name
Patient Accounting Department

Committee Approvals:
Quality Management Systems Committee Committee 03/04/19 Date
Medical Executive Committee Committee 03/14/19 Date

Signatures:
Cole Christianson Name 11/27/18 Date
Greg Williams Name 12/2/18 Date
Rewa Cooper Name 11/28/18 Date
Ramona Pratt Name 12/14/18 Date
James R. West Name 10/10/19 Date

For PHH - Downey Use Only
Level 1: Internal Level 2: Electronic Level 3: Policy/Procedure