

**TITLE:** Finance: Financial Assistance, Charity Care and Discounts  
**CATEGORY:** Administration  
**LAST APPROVAL:** 6/2018

**TYPE:**  Policy  Protocol  Practice Guideline  Standardized Procedure  
 Procedure  Plan  Scope of Service/ADT

**SUB-CATEGORY:** Finance  
**OFFICE OF ORIGIN:** Finance  
**ORIGINAL DATE:** 4/2000

**I. COVERAGE:**

Individuals eligible to receive financial assistance, charity care or discounts.

**II. PURPOSE:**

Consistent with its Mission, El Camino Hospital (ECH) strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care

**III. POLICY STATEMENT:**

ECH is committed to providing financial assistance and charity care to persons who have healthcare needs and are uninsured and ineligible for a government program, as well as to those patients with High Medical Costs, who are unable to pay for medically necessary care based on their individual financial situation. ECH will also provide discounts and extended payment plans to patients taking into consideration Essential Living Expenses. ECH is also committed to providing and assisting our patients with information necessary on how to apply for Covered California Plans, and will assist patients in determining eligibility for enrollment with Medi-Cal, and other government programs. Patients that are eligible for financial assistance are not charged more than the amounts generally billed (AGB) for emergency or other medically-necessary care.

El Camino Hospital adopts the look-back method for amounts generally billed; however, patients who are eligible for Financial Assistance are not financially responsible for more than the amounts generally billed because eligible patients do not pay any amount.

ECH's financial assistance programs are not substitutes for personal responsibility. Patients are expected to cooperate with ECH's procedures for obtaining financial assistance and to contribute to the cost of their care based on their ability to pay. In order to manage its resources responsibly and to allow ECH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes these guidelines for the provision of charity care.

**IV. DEFINITIONS:**

For the purpose of this policy, the terms below are defined as follows:

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**Monetary Assets:** The fair market value of the Patient’s Family’s savings and investments, excluding amounts held in retirement plans or deferred compensation plans

**Eligible Services:** The following services are ineligible for the application of Financial Assistance under this policy, except as required by law:

- Purchases from ECH retail operations, such as gift shops & cafeteria;
- Cosmetic surgery; and
- Any products or services that are:
  - Inconsistent with the symptom(s) or diagnosis and treatment of the condition, disease or injury.
  - Primarily for the convenience of the patient, the patient’s family, the physician or other provider.
  - Not the most appropriate level of services that can safely be provided to the patient.
- Services which are programmatically bundled and discounted. Some examples of these bundled services include packages for Self-Pay Endometriosis and Maternity Services. .
- Physician Services that are not billed by Hospital (See Attachment A for Hospital Departments where Physician Services are not covered by this policy.

Excluding any services specifically listed as ineligible, the following healthcare services are eligible for ECH’s financial assistance program:

- Emergency medical services provided in an emergency room setting;
- Services for a condition which, in the opinion of the treating physician or other health care professional, would lead to an adverse change in the health status of an individual if not treated promptly; and
- Non-elective services provided in response to life-threatening or health-threatening circumstances.

In addition, in its sole discretion, ECH management may elect to make other services eligible for Financial Assistance.

**Patient’s Family:**

1. For Persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not
2. For Persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

**Family Income:** Family Income is determined using the following income of a Patient’s Family when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance, veterans’ payments, survivor benefits, pension

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or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;

- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- Includes the income of Patient's Family members as defined above.

**High Medical Costs:** A patient who's Family Income does not exceed 400 percent of the federal poverty level and has annual out-of-pocket medical costs incurred by the individual at ECH or other healthcare providers that exceed 10 percent of the patient's Family Income in the prior 12 months.

For expenses incurred at other providers, the patient must provide documentation of medical expenses paid by the patient or the patient's family in the prior 12 months. .

The definition of High Medical Costs will include patients who have a balance due after insurance payment of a discounted rate as a result of 3<sup>rd</sup> party coverage.

**Out-of-network:** Certain insurance carriers and governmental health care programs may reduce or eliminate benefits unless care is provided at designated facilities. In cases where ECH is not one of the designated facilities, any non-emergency care provided is considered to be out-of-network. Out-of-network care will not be eligible for charity discounts except that ECH may, on a case-by-case basis, grant assistance in the case of medical indigence. An Uninsured Discount will be given on amounts denied for out of network amounts.

**Uninsured:** The patient has no level of insurance or third party assistance to assist with meeting his/her payment obligations. A patient who has insurance or third party assistance to provide medical services but whose insurance or assistance does not include services provided at ECH will be considered as out-of-network, not as uninsured. An Uninsured Discount will be given on amounts denied as non-covered.

**Essential Living Expenses:** Include rent, house payment and maintenance, food, household supplies, utilities telephone, clothing, medical and dental payment, 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.

#### IV. PROCEDURE:

##### A. **Charity Care Program**

Information in this section applies to the provision of charity care when a patient has no health insurance or has High Medical Costs and is not eligible for any government programs.

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**1. Eligibility Criteria for Charity Care.** Eligibility for charity care will be considered for those individuals who are unable to pay for their care and are uninsured and ineligible for any government health care benefit program or for those patients that have High Medical Costs. The granting of charity care shall be based on an individualized determination of Family Income, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

Full Charity Care will be offered if Family Income is AT OR BELOW 400% of the Federal Poverty Guidelines.

**2. Determination of Eligibility for Charity Care.** The cooperation of the patient and/or the Patient's Family is necessary in order for ECH to determine eligibility.

a) Eligibility will be determined in accordance with the following procedures to ensure an individual assessment of Family Income. The application process will require the following information from the patient:

- Completed signed application
- Proof of Income Tax return and monetary assets or subsequent month bank statements or most recent payroll stub or FICA earning summary from SSA.
- Include reasonable efforts by ECH to explore appropriate alternative sources of payment and coverage from public and private payment programs and to assist patients to apply for such programs. However if the patient applies, or has a pending application for another health coverage program at the same time that he or she applies for a hospital charity care or discount payment program, neither application shall preclude eligibility for the other program.; and
- Include a review of the patient's outstanding accounts for any open accounts that may also be eligible for charity care for the approval timeframe.
- For patients who are unable to complete the application or provide financial information, ECH may determine eligibility using presumptive determination based on information obtained from Experian.

b) Eligibility determination may be done at any point in the collection cycle. The eligibility for Charity Care shall be based on the patient's insured status at the time services are rendered, and shall give consideration to any retroactive denial or granting of insurance. That is, if the patient is believed to be insured at the time services are rendered but is subsequently found to have been uninsured at that time, then the patient is eligible for an Uninsured discount. Similarly, if the patient is believed to be uninsured at the time services are rendered but is subsequently found to have been insured at that time, then the patient is not eligible for an Uninsured discount. Charity Care will be reversed in these situations.

c) If at any time information relevant to the eligibility of the patient changes, it is the patient's responsibility to notify ECH of the updated information.

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The determination of financial need shall be done consistently with the requirements of California AB 774, including the requirement that the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.

d) Eligibility for financial assistance shall be reevaluated every 12 months or at any time additional information relevant to the eligibility of the patient becomes known. If such information does change, it is the patient's responsibility to notify ECH of the updated information.

e) ECH's values of respect and integrity shall be reflected in the application process, eligibility determination and granting of an uninsured discount. Requests for Charity Care shall be processed promptly and ECH shall notify the patient or applicant in writing of its decision on a completed application. .

## **B. Uninsured Discounts and Extended Payment Plans**

### **1. Uninsured Discounts**

ECH Patients who do not have third-party insurance and are not eligible for a government program will receive a published discount off ECH charges.. A patient may choose not to use available third-party insurance and may receive an Uninsured discount. . The uninsured discount percentage for Hospital/Facility billing is 75%. Uninsured discounts are determined by ECH management.

### **2. Extended Payment Plans**

ECH will negotiate an extended payment plan to allow payment over time that is agreed upon between ECH and the patient based on the patient's Family Income and Essential Living Expenses. All payment plans shall be interest free. The extended payment plan may be declared no longer operative after the patient's failure to make all consecutive payments during a 90-day period. Before declaring the extended payment plan no longer operative, ECH or its collection agency shall make a reasonable attempt to contact the patient by phone and to give notice in writing, that the extended payment plan may become inoperative and of the opportunity to renegotiate the extended payment plan. ECH does not report to consumer credit agencies.

## **C. Other Provisions**

- 1. Communication of this Policy to Patients and the Public.** Notification about charity care and discounts available from ECH, which shall include a contact number, shall be disseminated by ECH by various means, which may include, but are not limited to, the publication of notices on facility websites or on patient bills, and by posting notices in the emergency room, admitting and registration departments, hospital business offices, Clinics and patient financial services offices that are located on facility campuses, and at other public places as ECH may elect. Such

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information shall be provided in the primary languages spoken by the population serviced by ECH. Referral of patients for financial assistance may be made by anyone, subject to applicable privacy laws.

Such communications include:

- Published Uninsured Discount Percentage
- Extended Payment Plans option with phone number to call
- Charity Care eligibility and current Federal Poverty Guidelines along with a customer service phone number to call for assistance
- High Medical Costs definition
- Links to other programs including Covered California
- Phone number for Consumer Support/Legal Assistance
- Discounts from Emergency Room Physicians and a phone number to call for assistance.

**2. Relationship to Collection Policies.** ECH management shall develop policies and procedures for internal and external collection practices that take into account the extent to which the patient qualifies for financial assistance, a patient's good faith effort to apply for a governmental program or for financial assistance from ECH, a patient's good faith effort to comply with his or her payment agreements with ECH, and all applicable laws and regulations. The Patient Accounts-Collection Practices and Collection Agency Management Policy outlines the presumptive charity care eligibility screening process used to evaluate charity care eligibility prior to an account being sent to collections. The patient's account will not be sent to collections if eligible for Charity Care. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their hospital bills, ECH may offer extended payment plans to eligible patients, will not impose wage garnishments or liens on primary residences, and will not send unpaid bills to outside collection agencies. Any agency performing routine monitoring and follow-up for such accounts on ECH's behalf shall be instructed not to report such accounts to any credit monitoring agency, and shall not be considered to be an "outside collection agency" under this policy. In the event ECH should err in following these policies, ECH will take appropriate steps to correct its error in a timely fashion.

**3. Errors and Misrepresentations.** ECH may deny an application for Financial Assistance and/or may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate. In addition, ECH may elect to pursue legal actions, against persons who it believes knowingly misrepresented their financial condition, and including those who accept financial assistance after an improvement in their financial circumstances which was not made known to ECH.

**4. Regulatory Requirements.** In implementing this Policy, ECH shall comply with all federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy such as AB 774 and SB 1276.

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**D. Exceptions and Limitations**

The Chief Executive Officer and Chief Financial Officer of ECH are each granted the authority to provide exceptions to these policies and procedures as appropriate to the individual patient’s circumstances and as appropriate to the financial ability and needs of ECH. These individuals are also each granted the authority to adjust the parameters of the financial assistance program in order to ensure the total amount of financial assistance provided is consistent with the organization’s financial ability and to ensure ECH is able to meet its financial obligations.

This policy is intended to be a statement of general intent, setting forth the basic principles to be followed by the organization in administration of its programs to provide financial assistance and charity care to its patients. However, because the complexities of human existence can present myriad possible individual circumstances, and because of the challenges present in managing a health care organization, it is recognized that some degree of flexibility is appropriate in administering these programs. As such, nothing in this policy shall be construed to create an affirmative obligation for ECH to grant financial assistance to any particular patient, other than as required under the law.

**V. APPROVAL:**

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Finance Committee:	5/2018
ePolicy Committee:	5/2018
Medical Executive Committee:	N/A
Board of Directors:	6/2018
Historical Approvals:	4/00, 7/03, 6/04, 1/07, 6/07, 4/08, 6/09, 2/11, 12/11, 10/12, 6/13, 4/15

**VI. REFERENCES:**

Patient Protection and Affordable Care Act of 2010 and California AB 774 and SB 1276

**VII. ATTACHMENTS:**

Physician Services provided in the following Departments are not subject to El Camino Hospital's FAP except for professional fees billed by El Camino Medical Associates.

6015	CCU 3A; ICU	7639	IMAGING - MAMMOGRAPHY
6070	NICU	7640	RADIATION ONCOLOGY
6150	PROGRESSIVE CARE UNIT-PCU 3A	7641	OUTPATIENT INFUSION CENTER
6173	TELEMETRY-3B	7650	IMAGING - NUC MED
6174	TELEMETRY STROKE-3C	7660	IMAGING - MRI

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6175	SURG PEDS 4A; ORTHO SPINE	7670	IMAGING - US/ECHO
6176	MEDICAL - 2C	7680	IMAGING - CT SCAN
6177	MED SURG ONC 4B; MED SURG 1	7720	RESPIRATORY CARE SVCS
6310	MOTHER BABY	7730	PULMONARY DIAGNOSTICS LAB
6315	MOTHER-BABY UNIT	7741	DIALYSIS-INPATIENT
6340	ACUTE IP PSYCH	7761	ENDOSCOPY
6440	INPATIENT ACUTE REHAB	7881	PRENATAL DIAGNOSTIC CENTER
6900	PRE-OP SHORT STAY; OPS		
7010	EMERGENCY ROOM		
7011	OB EMERGENCY DEPARTMENT		
7086	WOUND CARE CLINIC		
7087	CANCER CLINIC		
7088	SURVIVORSHIP CLINIC		
7260	BEHAVIORAL HEALTH-OP		
7400	LABOR DELIVERY		
7420	OPERATING ROOM		
7426	MINOR PROCEDURES		
7427	PACU		
7429	SLEEP CENTER		
7501	CLIN LAB-HEMATOLOGY		
7520	ANATOMIC PATHOLOGY		
7570	INTERVENTIONAL SERVICES		
7590	ECG		
7593	CARDIOPULM WELLNESS CTR		
7630	IMAGING - DIAGNOSTIC		
7636	IMAGING RN SUPPORT		