ALAMEDA HEALTH SYSTEM

HOSPITAL FINANCIAL ASSISTANCE AND CHARITY CARE

Department	Patient Access Services	***Effective Date***	03/2004
Campus	AHS System	***Date Revised***	12/2019, 03/2020, 3/21
Category	Finance	***Next Scheduled Review***	3/23
Document Owner	Vice President Revenue Cycle	***Executive Responsible***	Chief Financial Officer

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PURPOSE

The purpose of this policy is to provide patients with information on the Financial Assistance and Charity Care availability and other discounts at Alameda Health System and to outline the process for determining eligibility. This policy addresses Hospital Financial Assistance, there is a separate policy for FQHC Charity Care.

POLICY

Alameda Health System will operate in a manner such that no patient shall be denied service due to an individual's inability to pay. Consistent with this commitment, it is the policy of Alameda Health System (AHS) to provide Financial Assistance and Charity Care to qualified low-income uninsured or underinsured patients to whom we provide services in our community. This policy will be administered in a manner consistent with state and federal laws and regulations.

As required by law, AHS shall provide patients with information regarding charity care and other programs during the patient intake process. It is imperative that the notification of availability, determination, reporting and tracking of charity care are in concert with our mission and our community obligations. Patients that are eligible for Charity Care are not charged more than the amounts generally billed (AGB) for emergency or other Medically Necessary Care.

AHS adopt the look-back method for amounts generally billed; however, patients who are eligible for Charity Care are not financially responsible for more than the Amounts Generally Billed because eligible patients do not pay any amount.

AHS's Financial Assistance programs are not substitutes for personal responsibility. Patients are expected to cooperate with AHS's procedures for obtaining financial assistance and to contribute to the cost of their care based on their ability to pay.

AHS Patients who do not have third-party insurance and are not eligible for a government program will receive a self-pay discount off AHS charges. The self-pay uninsured discount percentage is 50%.

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

Patient's Family [Health and Safety Code §127400(h)]:

a) **Patients 18 years of age and older – t h e** family includes the patient's spouse, registered domestic partner and dependent children under 21 years of age.
b) **Patients under 18 years of age – t h e** family includes the patient's parent, caretaker relatives, and other children (under 21 years of age) of the parent or caretaker relative.

Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

Self-pay patient: A patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid/Medi-Cal, and whose injury is not a compensable injury for Worker's Compensation, automobile insurance, or other insurance (third party liability) as determined and documented by hospital. Self-pay patients may include charity care patients.

Uninsured patient: An "uninsured patient" is a patient who has no third-party source of payment for any portion of their medical expenses, including but not limited to, commercial or other health insurer, health care service plan, Medicare, or Medicaid/Medi-Cal, or third party liability. For the purpose of this policy an "uninsured patient" may include a "self-pay" patient. Also includes a patient whose benefits under all potential sources of payment have been exhausted prior to admission.

Self -Pay Discount: Describes the situation where the hospital has determined that the patient does not qualify for charity care but is eligible for a self-pay discount and is expected to pay only a part of the bill.

High Medical Costs: Is a person whose family income does not exceed 350 percent of the FPL percent if that individual does not receive a discounted rate from the hospital because of his or her third party coverage.

Financially Qualified Patient: A patient who is both of the following: A patient who is a self-pay patient, or a patient with high medical costs. And a patient who has a family income that does not exceed 350 percent of the federal poverty level.

PROCEDURE:

A. Eligibility

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 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 consider 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 350% of the Federal Poverty Guidelines.

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 earnings summary from SSA.

In determining whether each individual qualifies for charity care, other county or governmental assistance programs should also be considered. Many applicants are not aware that they may be eligible for assistance such as Medi-Cal, Health PAC, Victims of Crime, California Children Services, or the Affordable Care Act benefit plans.

AHS shall assist patients in exploring appropriate alternative sources of payment and coverage from public and private payment programs and to also assist patients in applying 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.

Medi-Cal patients who are responsible to pay share of cost are not eligible to apply for Financial Assistance to reduce the amount of Share of Cost owed. AHS shall seek to collect these amounts from the patient.

Patients whose income exceeds 350% of the FPL may be eligible to receive discounts based on AHS Discount policy.

Insured patients with high medical costs or limited coverage who have exhausted their benefit coverage may qualify for charity care.

Eligibility Criteria

Financial Assistance Category	Patient Eligibility Criteria	Available Discount
Full Charity Care	Patient is an Uninsured Patient with a Family Income at or below 350% of the most recent FPL	Full Write off
High Medical Cost Charity Care (for insured Patients)	Patient is an Insured Patient with a Family Income at or below 350% of the most recent FPL and Medical expenses for themselves or their family (incurred at AHS or other providers in the past 12 months) exceed 10% of the patient's Family Income	A write off the Patient Responsibility amount

Income and Monetary Assets of Patient

In determining eligibility under this policy, AHS may consider income and monetary assets of the patient. For purposes of this determination, monetary assets shall not include retirement or deferred compensation plans qualified under the internal revenue code or nonqualified deferred compensation plans. Furthermore, the first ten thousand ($10,000.00) of a patient's monetary assets shall not be counted in determining eligibility, nor shall fifty percent (50%) of a patient's monetary assets over the first ten thousand dollars ($10,000.00) be counted in determining eligibility. Assets are cash, checking accounts, savings accounts, money market funds, certificates of deposits, real estate property, etc.

Charity Presumptive Eligibility

AHS understands that certain patients may be unable to complete a Financial Assistance application, comply with requests for documentation, or are otherwise non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for Financial Assistance may be established without completing the formal assistance application and/or providing the necessary and required documents for approval. AHS may utilize other sources of information to make an individual assessment of financial need to determine whether the patient is eligible for financial assistance and approval. This information will enable AHS to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. Presumptive eligibility for Financial Assistance may be determined on the basis of individual life circumstances that may include:

- Homelessness or receipt of care from a homeless clinic;
- Participation in Women, Infants and Children (WIC) programs;
- Eligibility for food stamps;

- Eligibility for school lunch programs;
- Living in low-income or subsidized housing; and
- Patient is deceased with no estate or deceased and cannot identify patients name or address.

Contracting with Other Organizations to Determine Eligibility

AHS may from time to time contract with other organizations that specialize in assisting patients and their families with qualifying for charity or other sources of funding or insurance enrollment. Organizations (Contractors) are required to abide by the policies set forth by AHS. Patients are given information regarding the availability of assistance from these other organizations and are encouraged to cooperate with the qualifying process. Patients are not expected to incur any costs when utilizing these services.

Eligibility Period:

Once the determination is made that the patient is eligible for Financial Assistance and Charity Care patients will be eligible for a period of one year after the determination is made. After one year, patients must re-apply for Financial Assistance and Charity Care. If at any time information relevant to the eligibility of the patient changes, it is the patient's responsibility to notify AHS of the updated information.

A review will include any other outstanding accounts for the patient that may also be eligible for the financial assistance approval timeframe.

Collection Agency

If a collection agency identifies a patient meeting AHS Charity Care eligibility criterion, the patient account may be considered charity care, even if they were originally classified for collection or as a bad debt. The Collection Agency should return the account to the AHS billing office to be reviewed for charity care eligibility.

B. Application Process

1. A low-income uninsured hospital patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance and any other federal, state, or county program.

2. The AHS standardized application form, shown as the "Charity Budget Form" (see Attachment A), will be used to document each patient's overall financial situation. This application should be available in the primary languages of service area (*i.e.*, English and Spanish). This form is for internal use only.

3. Patients should complete the application for Financial Assistance as soon as possible after receiving Hospital Services. Failure to complete and return the application within 240 days of the date the Hospital first sent a post-discharge bill to the patient may result in the denial of financial assistance.

4. The patient must make every reasonable effort to furnish the hospital with documentation of income. The documentation requirements are on the charity budget form and the charity care application form.

5. The patient must attest in writing that the information they are furnishing to the hospital is accurate.

6. An uninsured patient may also obtain a charity care application on our website or calling our Customer Service Team or our Financial Counselors.

Special Circumstances

Deceased patients without an estate or third-party coverage may be eligible for charity.

Patients who are in bankruptcy (filed but an open case) or completed bankruptcy in the past three (3) months may be eligible for charity.

Homeless Patients: Emergency room patients without a payment source may be classified as charity if they do not have a job, mailing address, residence, including temporary residence, or insurance. However, all other county, state, or government programs must be considered as part of enrollment screening. Consideration must also be given to classifying emergency-room-only patients who do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of their care.

For homeless patients seen in our inpatient or emergency services areas, AHS must ensure financial screening is provided to the patient prior to discharge. This includes but is not limited to screening for charity care.

Medi-Cal Denied Patient Days and Non-Covered Services:
Medi-Cal/CCS and other State of California programs patients are eligible for Charity Care write-offs related to denied stays in limited circumstances (e.g., when the admission/services were medically necessary as determined by the treating physician or the patient was not safe to discharge and there is no administrative day payment). The Treatment Authorization Request (TAR) will record the reason for the denial.

C. Charity Care Determination

The determination for Financial Assistance, Charity Care and other government programs for which a patient may be eligible should be confirmed as close to the time of service as possible, in some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information. At any time, if a patient sends confirming information and the application that demonstrate qualification for Charity Care, then charity care will be indicated. AHS will make every effort to provide a determination of eligibility within 30 days of receiving all requested information and documentation from the patient.

Every effort should be made to determine a patient's eligibility for charity care. In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. Accordingly, any collection agency will be made aware of the policy on charity care. (See Debt Collection and Collection Agency management policy) This will allow the agency to refer patient accounts back to AHS that may be eligible for Charity Care.

After 150 days of no response from a patient to formally determine eligibility the account may proceed to debt collection. If the patient was initially identified as probable charity care and the staff has no public or private record to locate the patient (e.g., homeless with no residence) the case may be classified as Charity Care. The Director of Patient Financial Services will use appropriate judgment to differentiate Charity Care based on the criteria in lieu of a bad debt determination.

<u>Disputes:</u>
A patient may seek review of any decision by the Hospital to deny Charity Care by notifying the Director of Patient Financial Services or the Director of Patient Access.

Patients may dispute verbally or in writing. The Director will review the patients dispute as soon as possible and inform the patient of any decision in writing.

D. Uninsured discounts and Extended Payment Plans

AHS patients who do not have third party insurance and are not eligible for a government program will receive a discount off AHS charges. The uninsured discount percentage for Hospital and Professional billing is 50% from total charges

AHS and any Collection Agency acting on our behalf shall offer uninsured patients and insured patients with a patient responsibility portion the option to enter into an agreement to pay their patient responsibility portion and any other amounts due over time. AHS will also offer extended payment plans for those patients who indicate an inability to pay a patient responsibility amount in a single installment. Terms of Payment Plans: all payment plans shall be interest-free. AHS will negotiate an extended payment plan to allow payments over time that is agreed upon between AHS and the patient based on the patient's family income and essential living expenses. If AHS and the patient are unable to agree on the terms of the payment plan, AHS shall extend a payment plan option under which the patient may make a monthly payment of not more than 10% of the patient's monthly family income after excluding essential living expenses. "essential living expenses" means expenses for any of the following: rent, 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. 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 payment plan no longer operative, AHS or the contracted 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 that the patient has the opportunity to renegotiated payment plan. After a payment plan is declared inoperative, AHS or the contracted collection agency may commence collection activities.

E. Charity Care Exclusions

The following services are ineligible for the application of charity care under this policy

Medi-Cal Patients with Share of Cost: Medi-Cal patients who are responsible to pay share of cost are not eligible to apply for charity care to reduce the amount of share of cost owed
Cosmetic Procedures: Elective procedure that is normally an exclusion from coverage under a health plan such as cosmetic procedures are not eligible for charity care
Physician Services: that are not billed by the Hospital
Payer pays patient directly: If a patient receives a payment for services directly from a payer, the patient is not eligible for charity care for the services
Insured patient does not cooperate with third-part payer: An insured patient who is insured by a third-part payer that refuses to pay for services because the patient failed t provide information to the third-party payer necessary to determine the third-party payer's liability is not eligible for charity care

Services which are already bundled and discounted

I. Availability of Financial Assistance Information

A. Pre-Admission or Registration: during preadmission or registration (or soon thereafter as practicable) and except in the case of emergency services,
AHS shall provide patients with information regarding financial assistance which also includes a plain language summary of the Financial Assistance policy. AHS shall also provide patients with contact information for an AHS employee or office from which the patient may obtain further information about charity care and discount payments. The information provided shall be in the primary language of AHS service area and in a manner consistent with all applicable federal and state laws and regulations. A language is a primary language of Alameda Health System service area if 5% or more of Alameda Health System local population speaks the language.

Financial Counselors: patients who may be uninsured patients shall be interviewed and screened by a Financial Counselor who shall visit with the patients in person at the Hospital. Financial Counselors shall give such patients a Financial Assistance application and screen the patient for other government programs.

B. Public Notice and Posting of Charity Care
Public notice of the availability of assistance through this policy should be made through each of the following means: Posting notices in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration. Notices must be posted in at least the emergency departments, billing offices, admitting offices, and hospital outpatient service settings. Posted notices shall contain the following information:

1. A statement indicating that AHS has a financial assistance policy for low-income uninsured patients who may not be able to pay their bill and that this policy provides for full
2. Identification of a hospital contact phone number that the patient can call to obtain more information about the policy and how to apply for assistance.

C. Bills and Statements

1. AHS shall include notice on all bills and statements sent to patients notifying patients of the availability of financial assistance. The information shall include following:
2. Phone number for patients to call with questions about financial assistance
3. The website address where patients can obtain additional information about financial assistance including the financial assistance policy and a plain language summary of the policy and the application for financial assistance.

II. Reimbursing Overcharges

If the hospital erroneously collected the patient portion, from a patient who qualifies for charity care, the patient will be reimbursed the principle. This clause shall not apply if the overpayment is $5 or less. In this case, the hospital shall furnish credit equal to the amount of $5 or under for a period of 60 days.

III. Not Available for Charity Care

Charity care and/or discounts provided by this policy are not available for cosmetic procedures. The application of this policy does not apply to any portion of a patient's services because of the transfer of a patient to another facility that bill for services under a different Tax Identification Number. The hospital will make every effort to locate a charitable organization that AHS is aware of or has a relationship with to furnish elective procedures.

IV. Authority and Responsibilities

A. Authority

Authority for decision making with regard to this policy and the progression to formal debt collection is granted to the Director for Patient Accounting and Patient Access Services and/or an individual with such authority at a higher level or rank in the hospital including the Vice President of Revenue Cycle, the Chief Financial Officer and other personnel granted this authority for coverage when the Director or designee is not available.

B. Responsibilities

Who Can Grant Charity Care Write-offs:
Director of Patient Financial Services, Director of Patient Access Services, or their designee

C. Roles and Responsibilities:

Procedures must be adopted that clearly address the various responsibilities in the determination of charity care. This includes documentation of any contact with the patient, provision of information, and assistance to the patient making the determination of charity care eligibility and notifying the patient.

D. Record keeping:

Records relating to potential charity care patients must be readily accessible. AHS must maintain information regarding the number of uninsured patients who have received service, the number of financial assistance applications completed, the number approved, the estimated dollar value of the benefits provided, the number denied, and the reasons for denial.

In addition, notes relating to charity application and approval or denial should be entered on the patient's account

V. MISCELLANEOUS

Beginning January 1, 2008, and biennially thereafter (every two years) by January 1, AHS shall forward copies of this policy to the Office of Statewide Health Planning and Development (OSHPD). Submission of the policy shall be consistent with the manner prescribed by OSHPD.

Who Can Grant Charity Care Write-offs:
Director of Patient Financial Services, Director of Patient Access Services, or their designee

Accounting for Charity Care:

To allow AHS to track and monitor the amount and type of charity care being granted, the hospital will account for the charity care write-offs and record all transactions as an "administrative write-off."

Roles and Responsibilities:
Procedures must be adopted that clearly address the various responsibilities in the determination of charity care. This includes documentation of any contact with the patient, provision of information, and assistance to the patient making the determination of charity care eligibility and notifying the patient.

Record keeping:
Records relating to potential charity care patients must be readily accessible. AHS must maintain information regarding the number of uninsured patients who have received service, the number of financial assistance applications completed, the number approved, the estimated dollar value of the benefits provided, the number denied, and the reasons for denial.

In addition, notes relating to charity application and approval or denial should be entered on the patient's account.

Submission to OSHPD:
Beginning January 1, 2008, and biennially thereafter (every two years) by January 1, AHS shall forward copies of this policy to the Office of Statewide Health Planning and Development (OSHPD). Submission of the policy shall be consistent with the manner prescribed by OSHPD.

Amounts Generally Billed
In accordance with Internal Revenue Code Section 1 501(r) -5 AHS adopts the prospective 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.

ATTACHMENTS
- Attachment A: Charity Care Application Budget Form
- Attachment B: Notification Form-Eligibility Determination for Charity Care
- Attachment C: Application for Financial Assistance

Reference
Internal Revenue Code section 501 (r)
California Health and Safety Code Section 127400 through 127401

APPROVALS

		System	Alameda	AHS/Highland/John George/San Leandro
Department	**Date:**	N/A	03/2020	03/2020
Clinical Practice Council (CPC)	**Date:**	04/2020	N/A	N/A
Medical Executive Committee	**Date:**	2/17/21	04/2020 2/17/21	04/2020
Board of Trustees	**Date:**	3/10/21	N/A	N/A