

ADMINISTRATIVE MANUAL Charity Care (Financial Assistance Policy)	Implemented: 2/2007
	Revised: 2/2020
	Reviewed: 2/2020
	Responsibility: Administration, Business Office
Reference: California Health and Safety Code, IRS	
	§127400- 127446; IRC§501(r)

POLICY: Fairchild Medical Center's mission statement, "**To provide health care services of exceptional quality to all who need us**", reflects Fairchild Medical Center's social accountability to the community we serve. Providing charity care (financial assistance) to our patients, along with other community benefit services is important evidence of Fairchild Medical Center's mission fulfillment. It is imperative that the determination, reporting, and tracking of charity care are in concert with our not-for-profit mission and community obligation.

Partial and/or full charity care will be based on the individual's ability to pay as defined by Federal Poverty Income Guidelines and the attached sliding scale. Confidentiality of information and individual dignity will be maintained for all who seek charitable services. The handling of personal health information will meet all HIPAA requirements.

PURPOSE: The purpose of this policy is to define the eligibility criteria for charity care services and to provide administrative and accounting guidelines for the identification, classification and reporting of patient accounts as charity care.

DEFINITIONS:

Charity Care: A patient is eligible for Charity Care consideration based on meeting the income eligibility criteria as established by the Federal Poverty Income Guidelines Sliding Scale.

Charity care and discounts provided by this policy are generally not available for elective services otherwise classified as non-covered or not medically necessary. However, in certain cases an exception may be made. These exceptions require approval by Administration. Specialized, high-cost services requiring charity care are also subject to the review of Administration prior to the provision of service.

Uninsured: A patient who has no insurance or coverage under any governmental program and is not eligible for any third party payments such as worker's compensation or third party liability.

Underinsured: A patient who has limited insurance coverage that does not provide coverage for the medically necessary care provided or the maximum liability under the insurance coverage.

Family Income: For patients 18 years of age and older, the family includes the patient's spouse, registered domestic partner, and dependent children under 21 years of age, whether living at home or not. For patients under 18 of age, the family income includes the patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

Federal Poverty Level: The United States Congress has the authority to set the dollar amount of income it considers poverty according to family size. The Federal Poverty Level (FPL) is routinely updated and published in the Federal Register.

Medically Necessary Care: Medically necessary care is defined as “health care services or supplies that are needed to diagnose and treat an illness, injury, condition, disease, or its symptoms, and that meet accepted standards of medicine.

Income: Income is defined as a family’s annual earnings and cash benefits from all sources before taxes. Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earnings rates.

Self Pay: Is a patient who is uninsured and who is at or below 350% of the FPL. A patient without third-party coverage from a health insurer, health care service plan, Medicare, Medi-Cal, and whose injury is not a compensable injury for purposed of workers’ compensation, automobile insurance or other insurance.

PROCEDURE:

1. Who May Qualify For Charity (HSC127405.2; IRC§501(r)):

- a. Self-pay Patients
- b. Insured Patients with Limited Coverage
- c. Insured Patients who have exhausted their benefits
- d. Insured Patients with High Medical Costs
- e. Insured Patients with High Deductible Plans

2. Eligibility Criteria

a. Charity Care Application. (See Financial Assistance Application)

- (1) A patient who indicates a financial inability to pay a bill for a medically necessary service shall be evaluated for charity care assistance.
- (2) Fairchild Medical Center’s Financial Application Form will be used to document each patient’s overall financial situation.
- (3) Once a determination has been made a notification letter will be sent to each applicant advising them of the facility’s decision.
- (4) A patient’s employment status may be taken into consideration when evaluating charity care status as well as potential payments from pending litigation, and third party liens related to the incident of care.
- (5) The amount and frequency of hospital bills may also be considered.
- (6) The data used in making a determination concerning eligibility for charity care should be verified to the extent practical in relation to the amount involved.
- (7) The hospital will use the look-back method for calculating amounts generally billed.

b. Eligibility for Partial Charity Care Discount for Patients with No Third Party Coverage (Self Pay)

- (1) Patients with no third party coverage with family income less than 200% of the FPL may qualify for free care.
 - (2) Patients with no third party coverage with family incomes between 201% and 350% of FPL are eligible for a partial charity discount.
 - (3) Eligibility will be determined by a review of patient's income. Income will be verified with either the most current recent filed Federal tax return or recent paycheck stubs. Additional information may be requested after a review of the tax return.
 - (4) Patient to complete Fairchild Medical Center's Financial Assistance Application requesting a charity discount. Applications are available on line at fairchildmed.org/financial-assistance, or by contacting a Financial Counselor at (530) 841-8537.
 - (5) Criteria to be used to determine a patient's eligibility for a Partial Charity Care Discount:
 - a) Patient's income must be between 201% and 350% of FPL with most recent tax return or recent paycheck stubs.
 - b) Sliding scale approach will be used to determine the charity care discount depending on patient/family income. This may result in a different charity discount for the same service depending on patient's income level.
 - (6) Patients may also be offered an Extended Payment Plan. The terms of the plan will be negotiated by the patient and Fairchild Medical Center's Financial Counselors and will take into consideration the patient's family income.
- c. Eligibility for Partial Charity Care Discount for High Medical Cost Patients with Third Party Coverage
- (1) High Medical Cost patients with third party coverage whose family incomes are between 201% and 350% of the FPL are eligible for a partial charity care discount. High Medical Costs are defined as 10% of annual family income paid for medical costs in the last twelve months.
 - (2) Patient to complete Fairchild Medical Center Financial Assistance Application requesting a charity discount.
 - (3) Patient to provide proof of payment of medical costs. Fairchild Medical Center reserves the right to verify payments.
 - (4) Criteria to be used to determine a patient's eligibility for Partial Charity Care Discount for High Medical Costs:
 - a) Patient/Families income is verified and must be between 201% and 350% of the FPL and is verified utilizing patient's most current filed Federal tax return or recent paycheck stubs.
 - b) Patients may also be offered an Extended Payment Plan. The terms of the plan will be negotiated by the patient and Fairchild Medical Center's Financial Counselors and will take into consideration the patient's family income.

d. Eligibility for 100% Charity Care (Catastrophic Charity Care)

In order to qualify for 100% Charity Care, the patient must meet the expense qualification as described below:

- (1) Expense Qualification: The patient's Allowable Medical Expenses must exceed 50 percent of his or her Family Income determined as follows:
 - a) The Hospital will multiply the Family Income as determined (see Definition of Income) by 50%.
 - b) The Hospital will determine the patient's Allowable Medical Expenses.
 - c) The Hospital will compare 50% of the Family Income (Definition of Income) to the total amount of the patient's Allowable Medical Expenses. Based on this comparison, the hospital will establish the appropriate discount amount using the guidelines provided in Exhibit A (Charity Discount Matrix).
- (2) If the patient qualifies for the catastrophic charity discount and the full/partial charity discount, the hospital will apply the greater of the two discounts.
- (3) Eligibility Period: The eligibility period is one year from the date of the initial eligibility determination, unless over the course of that year the patient's family income or insurance status change to such an extent that the patient becomes ineligible.
- (4) If the patient receives a discount as a result of third-party coverage, the patient is not eligible for an additional catastrophic care discount.

e. Homeless Patients

Emergency room patients without a payment source may be classified as charity if they do not have a job, mailing address, residence, or insurance. 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.

f. Collection Agency

If a collection agency identifies a patient meeting the hospital's charity care eligibility criteria their patient account may be considered charity care, even if they were originally classified as a bad debt. Collection agency patient accounts meeting charity care criteria shall be returned to the hospital billing office and reviewed for charity care eligibility. If an account is returned and the patient is deemed to be eligible for financial assistance, the patient will not be charged more than the Amounts Generally Billed for emergency and other medically necessary care and will be charged less than the gross charges for any medical care covered under the hospital's Financial Assistance Policy. Refer to agreement with collection agency.

g. Special Circumstances.

- (1) Deceased patients without an estate or third party coverage will be eligible for charity. Copy of Death Certificate or obituary will verify patient's death.
- (2) Patients who are in bankruptcy or recently completed bankruptcy may be eligible for charity.

- (3) In rare occasions, a patient's individual circumstances may be such that while they do not meet the regular charity care criteria in this policy they do not have the ability to pay their hospital bill. In these situations, with the approval of Administration, and per the Bad Debt Write-Off Authorization policy, part or all of their cost of care may be written off as charity care. There must be complete documentation of why the decision was made to do so and why the patient did not meet the regular criteria.

- a) Medi-Cal Denied Patient Days and Non-Covered Services: Medi-Cal patients are eligible for charity care write-offs related to denied stays, denied days of care, and non-covered services. These Treatment Authorization Requests (TARs) denials and any lack of payment for non-covered services provided to Medi-Cal patients are to be classified as charity.

h. Governmental Assistance.

- (1) Financial Assistance is a resource of the last resort. Fairchild Medical Center reserves the right to approve or deny financial assistance based on the patient's or guarantor's ability to pay as determined in the financial review process. Furthermore the hospital reserves the right to deny applications for financial assistance if the patient fails to take reasonable steps to apply for Medi-Cal, Partnership, Healthy Families, Every Women Counts, Victims of Crime or California Children Services, or other governmental assistance programs.
- (2) The hospital will assist patients in determining if they are eligible for any governmental or other assistance program, including applying for Presumptive Eligibility (PE) through California's Medi-Cal program. PE ends on the last day of the following month in which an individual was determined eligible for PE. Patient must follow up with the local Division of Health and Social Services office and submit a completed application for benefits to be continued beyond this date.
- (3) Persons eligible for programs such as Medi-Cal or SB612, but whose eligibility status is not established for the period during which the medical services were rendered, may be granted charity care for those services. The hospital may make the granting of charity contingent upon applying for governmental program assistance. This may be prudent, especially if the particular patient requires ongoing services.

i. Application Process

- (1) The application period begins on the date services were rendered to the patient and ends on the later of the 240th day after the first post-discharge billing statement is mailed to the patient or not less than 30 days after the date Fairchild provided the patient the required final notice to commence collection actions. Once an application is sent, the patient has 30 days to return complete information or the application is considered stale. 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 may take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information.
- (2) Patients may obtain a copy of the Financial Assistance Policy, the plain language summary, and the financial assistance application on our website www.fairchildmed.org/financial-assistance or by calling (530)841-8537 and speaking with one of our Financial Counselors.

- (3) The application process may take place prior to service, at the time of service (during admission or discharge), or after the billing process. In all cases the patient must make their desire to apply for financial assistance known to the Financial Counselors.
- (4) The application process includes completing the Financial Assistance Application and providing all supporting documentation required in the application.
- (5) The completed application should be received by Fairchild Medical Center in the application period.
- (6) If the application is returned incomplete, the patient will be contacted by phone and/or letter requiring the missing information. Application will not be processed until all information has been received. If the patient fails to complete the application process the application for financial assistance may be denied.
- (7) Submitting false information on the Financial Assistance Application may also result in a denial for financial assistance, in which case any and all collection efforts may be resumed.
- (8) 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, each collection agency under contract with the hospital should be made aware of the policy on charity care. This will allow the agency to report amounts that they have determined to be uncollectible due to the inability to pay in accordance with the facilities charity care eligibility guidelines.

3. Notice of Determination

A written notice by the Financial Counselor of the charity or partial charity determination will be mailed to the address on file for the patient.

4. Appeal of Determination

If the patient is denied charity or disputes the level of partial charity discount given, the patient has 30 days to provide a written appeal from the date of notice of determination. This written appeal shall be addressed to the Business Office Manager who has 10 business days to respond to the patient's written appeal. The appeal process involves review by Chief Financial Officer and/or Chief Executive Officer. The hospital's decision of this appeal is final, and will be communicated in writing to the patient. (HSC 127405.a.1; **IRC§501(r)**)

5. Recordkeeping

Records relating to potential charity care patients must be readily obtained. Business Office records relating to charity care will be kept for ten years. In addition, notes relating to charity applications and approval or denial should be entered on the patient's account.

6. Public Notice and Posting

A notification addressing the availability of financial assistance will be posted in all registration areas. (HSC 127410.b; **IRC§501(r)**)

7. Collection Efforts of Eligible Patients

- a. Patients who qualify for charity receive 100% discount for the qualifying period, but patients who qualify for partial charity will receive a percentage discount. The remaining balance needs to satisfy the patient's financial obligations.
- b. No-interest extended payment plans will be negotiated in good faith with patients receiving partial charity to meet their financial obligations. If the patient does not negotiate a payment plan, any remaining balance may be subject to placement with a collection agency if necessary.
 - (1) Once a payment plan is established, if no payments are made on the no-interest extended payment plan for 90-days, reasonable efforts to contact the patient in writing and by phone must be made and documented. The written notice must contain contact information of whom to contact and an opportunity to re-negotiate another no-interest extended payment plan.
 - (2) Reporting to the consumer credit reporting agency and/or civil action may only begin after reasonable efforts have been made to re-establish the extended payment plan to meet the patient's financial obligations.

FORMS:

- Charity Discount Matrix (Exhibit A)
- Financial Assistance Application (Exhibit B)
- Providers Covered (Exhibit C)
- Amounts Generally Billed (Exhibit D)

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is on the Fairchild Medical Center Intranet.

Fairchild Medical Center Charity Matrix (Exhibit A)

Charity Care as Percentage of Poverty Level

Charity Discount Matrix			
		Discount	Under-Insured
0%	100%	100%	25%
101%	200%	50%	20%
201%	350%	15%	15%

Catastrophic Charity Care

Castastrophic Charity Care Matrix	
Family Income Multiplier	Discount
25%	75%
50%	50%
75%	25%



Financial Assistance Application

In order for this application to be considered for financial assistance, please include the following information or an explanation as to why this information is not available, with your completed application. Missing documentation may result in a delay in your application and could result in a denial for financial assistance.

Type of Income	Documentation
Employment Income	Copy of Individual tax return (1040) for current tax year Copy of two months most recent pay stubs
Self-Employment Income	Copy of Individual tax return (1040) for current tax year, along with all accompanying schedules
Social Security/Retirement	Copy of Individual tax return (1040) for current tax year Copy of Award Letter from Social Security stating monthly payment Copy of monthly payment notification from Social Security Administration
Disability	Copy of Individual tax return (1040) for current tax year Copy of Award Letter stating disability payments Copy of monthly notification from disability
Unemployment	Copy of Individual tax return (1040) for current tax year Copy of letter stating monthly award amount

Other Documentation that may be required:

Copy of state CMSP/Medi-Cal denial notice (if applicable). You may obtain this by contacting the Department of Social Services in the area in which you live. All potentially eligible patients must provide a valid "Notice of Action" from Department of Social Services stating that completions of the application and reason for acceptance or denial. *(NOTE: Any "Notice of Action" stating a failure to provide information or failure to participate in the interview will not be accepted in consideration of this application for financial assistance.)*

Please return your completed application with all documentation in the enclosed self-addressed envelope within 14 days. If you have any questions please contact one of our Financial Counselors at (530) 841-8537.



FAIRCHILD MEDICAL CENTER

FINANCIAL ASSISTANCE APPLICATION

Family Information: Please provide the names of all family members to be considered for financial assistance.

Last Name:	First Name:	Medical Record Number:
Last Name:	First Name:	Medical Record Number:
Last Name:	First Name:	Medical Record Number:
Last Name:	First Name:	Medical Record Number:
Last Name:	First Name:	Medical Record Number:

Applicant (Guarantor) Information: (Circle one)			
<u>Relationship to Patient</u>		<u>Marital Status</u>	
<input type="checkbox"/> Self <input type="checkbox"/> Spouse/Domestic Partner <input type="checkbox"/> Parent <input type="checkbox"/> Other		<input type="checkbox"/> Single <input type="checkbox"/> Married/Domestic Partner <input type="checkbox"/> Widow/Divorced	
Last Name:		First Name:	
Date of Birth:	No. of Dependents:	Ages of Dependents:	Phone:
Street Address, city, state, zip code:			
Employer:	Employers address, city state, zip code:		
If not currently working, how long have you been unemployed:			
Co-Applicant (Guarantor) Information: (Circle one)			
<u>Relationship to Patient</u>		<u>Marital Status</u>	
<input type="checkbox"/> Self <input type="checkbox"/> Spouse/Domestic Partner <input type="checkbox"/> Parent <input type="checkbox"/> Other		<input type="checkbox"/> Single <input type="checkbox"/> Married/Domestic Partner <input type="checkbox"/> Widow/Divorced	
Last Name:		First Name:	
Date of Birth:	No. of Dependents:	Ages of Dependents:	Phone:
Street Address, city, state, zip code:			
Employer:	Employers address, city state, zip code:		
If not currently working, how long have you been unemployed:			

Income Information:

Monthly Income Sources	Applicant	Co-Applicant	Combined Monthly Income
Employment Wages			
Self-Employment			
Unemployment			
Pensions/Retirement			
Workers Comp			
Social Security			
Disability			
Child Support			
Alimony			
Other Income			
Total Monthly Combined Income: \$			
Total Number of People in Household:			
If you do not have monthly income, please explain how you take care of your monthly expenses. Use additional page if necessary.			

FINANCIAL/BANKING INFORMATION

Bank Name:	Account Type (Checking or Savings):	Account Balance:
Bank Name:	Account Type (Checking or Savings):	Account Balance:
Bank Name:	Account Type (Checking or Savings):	Account Balance:

CERTIFICATION:

I certify that the information listed on this application is true and correct to the best of my knowledge. I understand that the information provided is to be used to determine my ability to pay for services at Fairchild Medical Center. I understand that all the information provided is subject to verification. I hereby give permission for Fairchild Medical Center to receive, release, or act upon financial information contained herein. I also release Fairchild Medical Center and any party from liability from any acts, communications, or disclosures which are made pursuant to such an investigation. I understand that if the information which I submit is determined to be false, such a determination will result in a denial of this application and I will be liable for all charges.

Signature (Patient/Applicant)

Date

Signature (Co-Applicant)

Date

For Office Use Only:

Process Date: _____

Approved Denied

Expiration Date: _____

Processed by: _____

Approved % Rate _____

Fairchild Medical Center
Providers Covered
Exhibit C

Services for the listed providers and practitioners are covered under the Fairchild Medical Center Financial Policy.

- Physicians
 - Emergency Room
 - Dr. Mohammed Akran
 - Dr. Christopher Cruz
 - Dr. Fredric dePicciotto
 - Dr. Jeffrey Evans
 - Dr. Richard Hoffner
 - Dr. Paul Marchand
 - Dr. Thomas Merry
 - Dr. Mathilde Moazazi
 - Dr. Emily Sander
 - Dr. Sandra Saunders

- Family Practice
 - Dr. Louis DeRouchey
 - Dr. Samuel Rabinowitz

- General Surgery
 - Dr. Brant Kirk

- Internal Medicine
 - Dr. Andrew Ralston
 - Dr. Youssef Moudy

- Nurse Midwives
 - Joann Smith

- OB-GYN
 - Dr. Erin Conroy
 - Dr. Christal Duncan

- Orthopedics
 - Dr. Daniel Bullock
 - Dr. Wilfred Eastman
 - Dr. Keith Ure

- Pediatrics
 - Dr. William Broeckel
 - Dr. Ezequiel Melquist

- Podiatry
 - Dr. Jon Hopkins

- Primary Care
 - Dr. Judy Broeckel

- Psychology
 - Paul Wertzberger, PSYD

- Physician Assistants
 - Amber Bernelis
 - Revaz Boukia
 - Dennis Hentrich
 - Shantel Joling
 - Orrin Rice
 - Michael Thibert

- Nurse Practitioners
 - Charity Bradley
 - Christa Fournier
 - Savannah Kenny
 - Monica Mais
 - Kasia Mannix
 - Catherine Olivolo
 - Chad Palmer
 - Teresa Schuyler
 - Mark Schneider

- Dentists
 - Dr. Seamus Mannix
 - Dr. Allen Vernon

