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PURPOSE:

This Policy and Procedure defines the eligibility criteria for El Centro Regional Medical Center (“ECRMC”), to provide the operational guidelines for the ECRMC Financial Assistance Program, and to outline the billing and collection process from uninsured patients or certain underinsured patients, including those who qualify for financial assistance under this Policy. This written Policy:

- Includes eligibility criteria for financial assistance, free and discounted (partial charity) care.
- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy.
- Describes the method by which patients may apply for financial assistance.
- Describes how the hospital will publicize the policy within the community served by ECRMC.
- Limits the amounts that ECRMC will charge for healthcare provided to individuals eligible for financial assistance to amounts generally billed (and received) by ECRMC for Medicare patients.
- Describes billing and collection procedures.

In order to manage its resources responsibly, to allow ECRMC to provide the appropriate level of assistance to the greatest number of persons in need, and to comply with the provisions enacted in the Patient Protection and Affordable Care Act (PPACA), El Centro Regional Medical Center and ECRMC Board of Trustees establishes the following guidelines for the provision of patient charity care.

POLICY

ECRMC is committed to providing financial assistance to patients who have medically necessary healthcare needs and are low-income, uninsured, underinsured, incur high medical costs, are ineligible for a government program and are otherwise unable to pay for care based on their individual family financial situations. Consistent with our mission, ECRMC strives to ensure that the financial capacity of families who need healthcare services does not prevent them from

37 seeking or receiving care. In the case of emergencies, there will be no delay in providing re-
38 quired screening or stabilization services in order to inquire about an individual's payment
39 method or insurance.

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41 All patients, including low income, uninsured, and underinsured patients, will be treated fairly
42 and with respect before, during and after the delivery of healthcare, regardless of their ability to
43 pay. All patients and patient families/representatives shall be treated with dignity and patient
44 information shall be maintained as confidential in accordance with ECRMC policies and State
45 and Federal laws. The granting of financial assistance shall be based on an individualized de-
46 termination of financial need, and shall not take into account age, gender, race, ethnicity, socio-
47 economic status, sexual orientation or religious affiliation.

48 Information on the availability of financial assistance will be readily available and accessible to
49 patient families or representatives, and ECRMC will be responsive to the patient's/guarantor's
50 needs. Upon patient/guarantor request, ECRMC will provide a copy of this Policy and Proce-
51 dure.

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53 It is recognized that the need for financial assistance is a sensitive and deeply personal issue.
54 Confidentiality of requests, information and funding will be maintained for all that seek or re-
55 ceive financial assistance. The orientation of staff and selection of personnel who will implement
56 this policy should be guided by these values.

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58 The Financial Assistance Program at ECRMC is available to provide discounted or free care to
59 eligible patients for medically necessary services based upon the guarantor's income as defined
60 by the Federal Poverty Level Guidelines (FPG). Medically necessary care is determined by a
61 member of the ECRMC Medical Staff or through utilization of Emergency Care Center services.

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63 ECRMC personnel will work with patients/guarantors to determine eligibility for governmental
64 program assistance. State or County eligibility workers knowledgeable in the California
65 Health Benefit Exchange, as well as government-sponsored health programs, such as Medi-
66 care, Medi-Cal, California Children Services (CCS), or other state or county-funded health
67 programs will be made available to assist in determining eligibility and in completing the ap-
68 plication process.

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70 The Financial Assistance Program described by this Policy does not apply to elective proce-
71 dures.

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73 Information about ECRMC's Financial Assistance Program shall be made available through
74 posted notices in the Emergency Care Center, registration areas, clinics, other outpatient settings,
75 and on the ECRMC website. In addition, written notice shall be provided to potentially eligible
76 patients during the registration process or as soon as possible thereafter and during the billing
77 process. This information shall be provided in English and Spanish, and will be translated for
78 patients/guarantors who speak other languages.

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80 Any member of ECRMC staff or Medical Staff may refer patients/guarantors to the ECRMC Fi-
81 nancial Assistance Program. Any family member or representative of a patient may request fi-
82 nancial assistance. ECRMC will determine or review eligibility for financial assistance any time
83 information on the patient's/guarantor's eligibility becomes available.

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85 Financial assistance is not considered to be a substitute for personal responsibility, and patient
86 families or representatives are expected to cooperate by providing complete and accurate infor-
87 mation in order to determine eligibility for the ECRMC Financial Assistance Program. Individu-
88 als who are eligible to apply for government programs as well as individuals with the capacity to
89 purchase health insurance will be encouraged to do so as a means of assuring access to healthcare
90 services. If a patient/guarantor applies, or has a pending application, for another health coverage
91 program at the same time an application is submitted for financial assistance, neither application
92 shall preclude eligibility for the other program.

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94 A patient/guarantor who requests a discounted payment, charity care, or other assistance in meet-
95 ing their financial obligation to ECRMC shall make every reasonable effort to provide ECRMC
96 with documentation of income and health benefits coverage. If the person requests charity care
97 or a discounted payment and fails to provide information that is reasonable and necessary for
98 ECRMC to make a determination, ECRMC may consider that failure in making its determina-
99 tion.

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101 In its billing and collection activity, ECRMC shall treat patients and patient families or represent-
102 atives with fairness, dignity and respect. ECRMC shall not utilize wage garnishments, liens on a
103 patient’s primary residence, or body attachments in its collection activities. ECRMC shall utilize
104 only those outside or third party collection agencies that agree to comply with applicable state
105 and federal laws and with ECRMC policies, and ECRMC debt collection standards and practices,
106 including ECRMC’s definition and application of a reasonable payment plan.

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108 In the implementation of this Policy and Procedure, ECRMC shall comply with all applicable
109 federal, state and local laws, rules and regulations that may apply to activities conducted pursuant
110 to this Policy and Procedure.

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113 **FINANCIAL ASSISTANCE PROGRAM PROCEDURE**

114 **Identification**

115 The identification of patients eligible for Financial Assistance is achieved through determination
116 of financial status of an individual patient/guarantor by the ECRMC Financial Counseling de-
117 partment. Such determination should be made at or before the time of admission to ECRMC, or
118 as soon as possible thereafter. In some cases, such as emergency admissions, it may not be pos-
119 sible to establish eligibility for Financial Assistance until after the patient is discharged. ECRMC
120 recognizes that determinations cannot always be made at the time of service and therefore pro-
121 vide the patient/guarantor with an adequate amount of time to apply for Financial assistance. All
122 applications for Financial Assistance must be submitted no later than 240 days from the date of
123 initial patient billing. If the guarantor has extraordinary circumstances preventing them from ap-
124 plying for Financial Assistance or has made reasonable effort to communicate with ECRMC, the
125 time restraint may be waived.

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127 **Third-party coverage**

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129 A. ECRMC shall make all reasonable efforts to obtain from the patient/guarantor infor-
130 mation about whether private or public health insurance or sponsorship may fully or par-
131 tially cover the charges for care rendered by ECRMC, including, but not limited to, any of
132 the following:

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1. Private health insurance, including coverage offered through the California Health Benefit Exchange.
2. Medi-Cal, California Childrens' Services or other state-funded benefit programs designed to provide health coverage.
3. Medicare.
4. Other coverage, including workers' compensation, automobile insurance or other insurance.

B. If a patient/guarantor does not indicate coverage by a third-party payor, or requests Financial Assistance that may include a discounted price or charity care, then ECRMC shall provide an application for Medi-Cal or other governmental program to the patient/guarantor (to the extent available to ECRMC). This government sponsored benefit program application shall be provided prior to discharge if the patient has been admitted or to patients receiving emergency or outpatient care.

Responsibility for determining eligibility

The responsibility for determining a patient's/guarantor's eligibility for Financial Assistance at, or before, the time of the admission, or during the inpatient stay, or after discharge to the hospital shall be with the Financial Counseling department. This will require that the patient/guarantor complete the Financial Assistance Application, along with the necessary copies of documentation, to determine the annual family income of the patient/guarantor.

Method by which patients may apply for charity care – Application

ECRMC will request that each patient/guarantor applying for Financial Assistance complete a Financial Assistance Application, including a Statement of Financial Condition. The Assistance Application allows for the collection of needed information to determine eligibility for Financial Assistance. Financial assistance may be granted at any time eligibility is determined. The ECRMC Financial Counseling department may assist with completing the Financial Assistance Application.

A. Calculation of Immediate Family Members - ECRMC will request that patients/guarantors verify the number of people in the patient's household.

1. Adults – ECRMC will count the total number of adults residing in the home.
2. Minors – For persons under the age of 18. In calculating the number of people in a minor patient's household, ECRMC will include the patient, and other dependents of the patient's parents or caregivers (or calculate as other dependents of the patient's mother and other dependents of the patient's father; similarly for other dependents of stepparents residing in the home), and any other dependent family members residing in the home.

B. Calculation of Income

1. Annual family income before taxes, less payments made for alimony and child support.
2. Proof of income may be determined by annualizing the year-to-date family income, giving consideration for current earning rates.

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C. Patient's/Guarantor's Responsibility

1. All hospital patients/guarantors bear certain responsibilities including:
 - a. Providing accurate and complete information in a timely manner so that ECRMC can process the request for Financial Assistance;
 - b. Responsiveness – provide timely follow-up for additional documents or information ECRMC requires for the Financial Assistance application process;
 - c. Full disclosure of the required information; and
 - d. Satisfaction of any patient/guarantor payment obligation.

Income Verification

ECRMC shall request that the patient/guarantor verify the Income and provide the documentation requested as set forth in the Financial Assistance Application. NOTE: Tax Returns and W-2's should be collected for year prior to date of admission.

A. Documentation Verifying Income – Income may be verified through any of the following mechanisms:

1. Tax returns (preferred income verification document)
2. Recent pay stubs/paycheck remittance
3. IRS form W-2
4. Wage and Earnings Statement
5. Social Security income
6. Workers' Compensation or unemployment compensation determination letters
7. Qualification within the preceding six months for governmental assistance program (including food stamps, Medi-Cal, and AFDC)

In the event that the patient/guarantor is unable to provide recent pay stubs, ECRMC shall, with the patient's/guarantor's authorization, obtain telephone verification by the patient's/guarantor's employer of the patient's/guarantor's income or accept other documentation of the patient's/guarantor's income.

ECRMC shall not include retirement or deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans.

Personal bankruptcies may affect a patient's/guarantor's ability to pay all or part of the bill for healthcare services. To help avoid going into bankruptcy, ECRMC will work with the patient/guarantor on flexible payment plans.

The requested documents to verify income should be made available to ECRMC within 14 calendar days. Patient/guarantor may submit copies of the required documents with the Financial Assistance Application.

Documentation Unavailable –

When a patient/guarantor is unable to provide the requested documentation to verify income, ECRMC will require that a satisfactory explanation of the reason the patient/guarantor is unable

229 to provide the requested documentation be noted on the Financial Assistance Assessment Form.
230 In cases where the patient/guarantor is unable to provide documentation verifying income, EC-
231 RMC may at its sole discretion verify the patient/guarantor income in either one of the following
232 two ways:

- 233
- 234 1. By having the patient/guarantor sign the Assistance Application attesting to the
235 veracity of the income information provided and a written explanation as to
236 why they are unable to obtain and/or provide documents; or
 - 237 2. Through the written attestation of ECRMC personnel completing the Assis-
238 tance Application that the patient/guarantor verbally verified ECRMC's calcu-
239 lation of income.

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241 The application should then be submitted to the Patient Financial Services Director
242 for review to determine eligibility.

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244 Eligibility Cannot be Determined

245 If and when ECRMC personnel cannot clearly determine eligibility, ECRMC personnel will
246 use best judgment and submit a memorandum listing reasons for judgment along with any
247 available documentation to the Patient Financial Services Director. The Patient Financial Ser-
248 vices Director will then review the memorandum and documentation, and make a determina-
249 tion.

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- 251 1. If the PFS Director agrees to approve eligibility, he or she will sign the Eligi-
252 bility Determination Worksheet and continue with the normal approval pro-
253 cess.
 - 254 2. If the PFS Director recommends denying financial assistance based on the in-
255 formation provided and the difficulty in determining eligibility, he or she will
256 notate the application with the decision and return all documentation to the
257 Financial Counselor for denial processing.

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259 Classification Pending Income Verification – During the income verification process, while EC-
260 RMC is collecting the information necessary to determine a family's income, the patient may be
261 treated as a self-pay patient in accordance with ECRMC policies.

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263 Information Falsification

264 Falsification of information may result in denial of the Financial Assistance Application. If, af-
265 ter a patient is granted Financial Assistance and ECRMC finds material provision(s) of the As-
266 sistance Application to be untrue, the Financial Assistance may be withdrawn.

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268 Request for additional information

269 If adequate documents are not provided, ECRMC will contact the patient's family to request ad-
270 ditional information/documentation. If the patient's family does not comply with the request
271 within 14 calendar days from the date of the request, such non-compliance will be considered an
272 automatic denial for Financial Assistance. A note will be input into the hospital computer system
273 and any and all paperwork that was completed will be filed according to the date of the denial.
274 No further actions will be taken by ECRMC personnel. If requested documentation is later ob-
275 tained, all filed documentation will be reviewed and the patient/guarantor will be reconsidered

276 for Financial Assistance.

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278 Non-emergent Financial Assistance

279 This policy does not cover non-emergent elective or specialized procedures or ser-
280 vices/procedures that are not medically necessary.

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282 International Patients

283 The ECRMC Financial Assistance program does not apply to international patients. Interna-
284 tional patients seeking non-emergent care or elective services will continue to follow standard
285 operating procedures for providing payment up-front according to ECRMC policy.

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287 Automatic Classification as eligible for Financial Assistance

288 The following is a list of types of accounts where Financial Assistance is considered to be auto-
289 matic and documentation of income or Financial Assistance application is not
290 needed:

291 Medi-Cal accounts – Exhausted Days/Benefits

292 Medi-Cal spend down accounts

293 Medi-Cal Dental denials

294 Medicare Replacement accounts with Medi-Cal as secondary, where Medicare Replacement plan
295 left patient's family with responsibility

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297 Homeless:

298 If the patient is determined to be homeless he/she will be deemed eligible for the Financial Assis-
299 tance Program.

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301 Elopement or Inaccurate/Invalid Information:

302 Patients seen in the emergency department, for whom the hospital is unable to issue a billing
303 statement, due to the patient leaving prior to conclusion of treatment in the emergency room or
304 providing inaccurate or invalid information, may have the account charges written off as Charity
305 Care. All such circumstances shall be identified on the patient's account notes as an essential part
306 of the documentation process.

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308 Denials, Non-Covered Charges & Medicare Bad Debts:

309 ECRMC deems those patients that are eligible for government sponsored low-income assistance
310 program (e.g. Medi-Cal/Medicaid, California Children's Services and any other applicable state
311 or local low-income program) to be indigent. Therefore such patients are eligible under the Fi-
312 nancial Assistance Policy when payment is not made by the governmental program. For exam-
313 ple, patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of
314 low-income patients (e.g. CHDP and CCS) where the program does not make payment for all
315 services or days during a hospital stay, are eligible for Financial Assistance Program coverage.
316 Under the hospital's Financial Assistance Policy, these types of non-reimbursed patient account
317 balances are eligible for full write-off as Charity Care. Specifically included as Charity Care are
318 charges related to denied stays, denied days of care, and non-covered services. All Treatment
319 Authorization Request (TAR) denials and any lack of payment for non-covered services provid-
320 ed to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and
321 other denials (e.g. restricted coverage) are to be classified as Charity Care.

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323 Medicare:

324 Any evaluation for financial assistance relating to patients covered by the Medicare Program
325 must include a reasonable analysis of all patient assets, liabilities, income and expenses, prior to
326 eligibility qualification for the Financial Assistance Program. Such financial assistance evalua-
327 tions must be made prior to service completion by ECRMC.

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329 The portion of Medicare patient accounts (a) for which the patient is financially responsible (co-
330 insurance and deductible amounts), (b) which is not covered by insurance or any other payer in-
331 cluding Medi-Cal/Medicaid, and (c) which is not reimbursed by Medicare as a bad debt, may be
332 classified as charity care if:

- 333
334 1. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the
335 health care needs of low-income patients; or
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337 2. The patient otherwise qualifies for financial assistance under this policy and then only to
338 the extent of the write-off provided for under this policy.

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340 Criteria for Re-Assignment from Bad Debt to Charity Care

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342 Non-Payment of Balance Due:

343 Any account returned to the hospital from a collection agency that has determined the patient or
344 family representative does not have the resources to pay his or her bill, may be deemed eligible
345 for Charity Care. Documentation of the patient or family representative's inability to pay for ser-
346 vices will be maintained in the Charity Care documentation file.

347
348 All outside collection agencies contracted with ECRMC to perform account follow-up and/or
349 bad debt collection will utilize the following criteria to identify a status change from bad debt to
350 charity care:

- 351
352 • Patient accounts must have no applicable insurance (including governmental coverage
353 programs or other third party payers); and
354
355 • The patient or family representative must have a credit score rating within the lowest 25th
356 percentile of credit scores for any credit evaluation method used; and
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358 • The patient or family representative has not made a payment within 150 days of assign-
359 ment to the collection agency;
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361 • The collection agency has determined that the patient/family representative is unable to
362 pay; and/or
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364 • The patient or family representative does not have a valid Social Security Number and/or
365 an accurately stated residence address in order to determine a credit score
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367 All accounts returned from a collection agency for re-assignment from Bad Debt to Charity Care
368 will be evaluated by hospital personnel prior to any re-classification within the hospital account-
369 ing system and records.

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Determination of Financial Eligibility and Level of Financial Assistance

Criteria to receive Financial Assistance for medically necessary care is based on the income threshold criteria dictated by the Federal Poverty Guidelines set at the time the patient completes the application process. For the purpose of this policy, Self Pay means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, Medi-Cal, and whose injury is not a compensable injury for purposes of worker’s compensation, automobile insurance, or other insurance as determined and documented by ECRMC. Self pay patients may include charity patients.

A. There are three categories of financial eligibility – Financially Qualified Self-Pay; High Medical Cost; or Private Self-Pay.

1. Financially Qualified Self-Pay: Defined as **no third-party insurance or other coverage** and family income **does not exceed** 450 percent of the Federal Poverty Level. The level of assistance (which could include free care or discounted payment) will depend upon family income.
2. Patients with “High Medical Costs”: Patients/guarantors **with third-party insurance or other coverage** and whose family income does not exceed 350 percent of the Federal Poverty Level. “High medical costs” means any of the following:
 - i. Patient/guarantor has out-of-pocket medical expenses within the prior 12 months that exceed 10 percent of family income (medical expenses include both incurred at ECRMC and outside of ECRMC. If outside of ECRMC, patient/guarantor must provide documentation of medical expenses); or
 - ii. Patient/guarantor has annual out-of-pocket costs incurred at ECRMC that exceed 10 percent of the patient’s/guarantor’s family income in the prior 12 months.

Eligible high medical cost patients/guarantors may receive a discount to their bill.

3. Private Self Paypatients: Defined as patients/guarantors who **do not have third-party insurance or other coverage** and whose family income **exceeds** 450 percent of the Federal Poverty Level. Eligible private self-pay patients shall be provided a prompt pay discount. Patients/guarantors must either make payment, or make payment arrangements, or be in process with eligibility applications for government-sponsored insurance programs or with the ECRMC Financial Assistance program within thirty days, or the patient/guarantor will be responsible for all charges. For self-pay patients not eligible for the ECRMC Financial Assistance Program, all patients must leave a deposit of 30 percent of the total amount of charges prior to service.

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B. Eligibility for free care

1. Uninsured patients/guarantors whose household income, as determined in accordance with the Assistance Application, is less than or equal to 100 percent of the poverty guidelines, will receive care free of charge, except uninsured patients/guarantors at or below 100 percent of the FPL must pay a co-payment according to the co-payment schedule:

Hospital Service	Co-Payment
Emergency Care	\$50.00/visit
Inpatient Admission	\$100.00/per day, not to exceed \$1,000
Emergency Care Center resulting in an Inpatient Admission	ER Co-Pay waived and Inpatient Co-Pay applies

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Other than the instant co-payment, (which may be waived for deceased patients), ECRMC’s collection policy is not to bill these patients/guarantors for any amount.

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C. Eligibility for discounted payment

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1. An uninsured patient/guarantor who does not qualify for free care under this policy because the patient’s/guarantor’s household income exceeds 100 percent of the Federal Poverty Guidelines may be eligible to receive discounts in accordance with financial need as determined by the FPG as follows:

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- a. For patients/guarantors with household income between 101 percent and 350 percent of the Federal Poverty Level, provide a discount, whereby the expected reimbursement would be equivalent to Medicare reimbursement rates.
- b. For patients/guarantors with household income between 351 percent and 450 percent of the FPL, provide a discount of 50 percent off of charges.
- c. For patients/guarantors with household income greater than 450 percent of the FPL, patients will be provided a 35 percent discount off of charges.

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2. ECRMC Maximum Payment

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- a. For patients who are determined to be financially qualified self-pay or financially qualified with high medical costs, payment for services rendered shall not exceed the amount ECRMC receives from Medicare.

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Interest Free, Extended payment plans

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When a determination of discount partial charity has been made by the hospital, the patient shall have the option to pay any or all outstanding amount due in one lump sum payment, or through a reasonable scheduled term payment plan. At the option of the patient/guarantor, the pa-

456 patient/guarantor may choose an interest free extended payment plan to allow payment of the dis-
457 counted price over time. ECRMC and the patient/guarantor will negotiate the terms of such a
458 payment plan. In negotiating the payment terms, ECRMC will consider relevant factors, such as
459 size of payment obligation, patient resources and essential living expenses, and any other relevant
460 factors brought to ECRMC's attention. Individual payment plans will be arranged based upon the
461 patient's ability to effectively meet the payment terms. As a general guideline, payment plans
462 will be structured to last no longer than 12 months. The hospital shall negotiate in good faith
463 with the patient; however there is no obligation to accept the payment terms offered by the pa-
464 tient. If the hospital and the patient/guarantor cannot agree on the payment plan, the hospital
465 shall use the following formula to create a "reasonable payment plan":

466 "Reasonable payment plan" means monthly payments that are not more than 10 percent
467 of a patient's family income for a month, excluding deductions for essential living ex-
468 penses.

469 "Essential living expenses" means expenses for any of the following: rent or house pay-
470 ment and maintenance, food and household supplies, utilities and telephone, clothing,
471 medical and dental payments, insurance, school or child care, child or spousal support,
472 transportation and auto expenses, including insurance, gas, and repairs, installment pay-
473 ments, laundry and cleaning, and other extraordinary expenses.

474 No interest will be charged to the patient for the duration of any extended payment plan arranged
475 under the provisions of the Financial Assistance Policy. Any patient who fails to pay their por-
476 tion will be referred to an outside collection agency for further collection process. ECRMC may
477 declare an extended payment plan no longer operative after the patient's failure to make all con-
478 secutive payments due during a 90-day period. Before declaring the extended payment plan no
479 longer operative, ECRMC, it's collection agency, or assignee shall make a reasonable attempt to
480 contact the patient by telephone and, to give notice in writing, that the extended payment plan
481 may become inoperative, and notify the patient/guarantor of the opportunity to renegotiate the
482 extended payment plan. Prior to the extended payment plan being declared inoperative, ECRMC,
483 it's collection agency, or assignee shall attempt to renegotiate the terms of the defaulted extended
484 payment plan, if requested by the patient. ECRMC, it's collection agency, or assignee shall not
485 report adverse information to a consumer credit reporting agency or commence a civil action
486 against the patient/guarantor for nonpayment prior to the time the extended payment plan is de-
487 clared to be no longer operative. The notice and telephone call to the patient may be made to the
488 last known telephone and address of the patient/guarantor.

489 For financially qualified patients with high medical costs, discounts shall be determined
490 via the catastrophic eligibility under the provisions of this Policy.
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493 Catastrophic Eligibility

494 ECRMC will provide catastrophic eligibility Financial Assistance when patient/guarantor liabil-
495 ity exceeds a substantial portion of the patient's/guarantor's income, including high medical
496 cost patients as defined previously in A.2. To qualify for Catastrophic Eligibility, the pa-
497 tient/guarantor must meet the expense qualification as follows:

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499 Expense qualification:

500 A. Upper limit liability ceiling: For patient's/guarantor's with household income
501 between 101 percent and 350 percent of the FPL, the patient's/guarantor's liabil-
502 ity must exceed 10 percent of their household income, which will be determined
503 by completing the Upper Limit Patient Liability Worksheet.

- 504 B. Upper limit liability ceiling: For patient's/guarantor's with household income great-
505 er than 350 percent of the FPL, the patient's/guarantor's liability must exceed 20
506 percent of their household income, which will be determined by completing the Up-
507 per Limit Patient Liability Worksheet.
- 508 C. To determine expense qualification for catastrophic eligibility using the Upper Limit
509 Patient Liability Worksheet:
- 510
- 511 1. ECRMC will multiply the household income, as determined by following the
512 Financial Assistance Eligibility Determination Worksheet, by either 10 per-
513 cent for incomes between 101 percent to 350 percent of the FPL or by 20 per-
514 cent for incomes greater than 350 percent of the FPL.
 - 515 2. ECRMC will determine the patient's/guarantor's medical expense liability.
 - 516 3. ECRMC will compare the appropriate Upper Limit Liability ceiling of the pa-
517 tient's/guarantor's household income to the total amount of the pa-
518 tient's/guarantor's medical expense liability. If the total of the medical expense
519 liability is greater than the upper limit liability ceiling of the pa-
520 tient's/guarantor's household income, then the patient/guarantor meets the Cata-
521 strophic Eligibility qualification. ECRMC will subtract the upper limit liability
522 ceiling of the patient's/guarantor's income from the medical expense liability to
523 determine the amount by which the medical expenses exceed the available
524 household income; this amount is then eligible for a charity care write-off.

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526 Time Requirements for Determination

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- 528 A. While it is desirable to determine the amount of Financial Assistance for which a pa-
529 tient/guarantor is eligible as close to the time of service as possible, ECRMC recog-
530 nizes that determinations cannot always be made at the time of service. In some cas-
531 es, eligibility is readily apparent and a determination can be made before, on or soon
532 after the date of service. In other cases, it can take investigation to determine eligibil-
533 ity, particularly when the patient/guarantor has limited ability or willingness to pro-
534 vide needed information. Therefore, ECRMC provides the patient/guarantor with an
535 adequate amount of time to apply for Financial Assistance. All applications for Fi-
536 nancial Assistance must be submitted no later than 240 days from the date of initial
537 patient billing, unless extraordinary circumstances have occurred preventing the pa-
538 tient/guarantor from applying.
- 539
- 540 B. Every effort should be made to determine a patient's/guarantor's eligibility for Fi-
541 nancial Assistance. In some cases, a patient/guarantor eligible for Financial Assis-
542 tance may not have been identified prior to initiating external collection action. Ac-
543 cordingly, collection agencies contracted to work with ECRMC shall be made
544 aware of the policy on "Financial Assistance, Discount Payment, and Billing and
545 Collection". This will allow the agency to report amounts that they have deter-
546 mined to be uncollectable due to the inability to pay in accordance with ECRMC's
547 Financial Assistance eligibility guidelines.
- 548

549 Approval Procedures

550 ECRMC personnel will complete a Financial Assistance Eligibility Determination Worksheet

551 and attach to the patient/guarantor Financial Assistance Application, along with the copies of re-
552 quired documents, and then forward to the Patient Financial Services Director for review and ap-
553 proval.

554

555 A. The Financial Assistance Eligibility Determination Worksheet with the application
556 for Financial Assistance allows for the documentation of the administrative review
557 and approval process utilized by ECRMC to grant financial assistance. The Patient
558 Financial Services Director must approve any revision to the Financial Assistance
559 Eligibility Determination Worksheet.

560

561 1. For patient/guarantor accounts meeting the Financial Assistance eligibility cri-
562 teria, the Application for Financial Assistance may be approved for medically
563 necessary healthcare services.

564

565 2. If the application is approved and the patient needs to return for care, the ap-
566 proval is extended for six months for all medically necessary healthcare services
567 on balances that can be considered for Financial Assistance.

568

569

570 A financial assistance determination will be made only by approved hospital personnel according
571 to the following levels of authority:

572

573 Manager of Patient Accounting: Accounts less than \$2,500

574 Chief Financial Officer: Accounts less than \$10,000

575 Chief Executive Officer: Accounts greater than \$10,000

576 Each level requires the review, approval and signature of the person authorized to ap-
577 prove at that level prior to an application for a larger medical expense liability moving
578 forward for approval by the additional designated authorized signers.

579

580 The accounts will be filed according to the date the Financial Assistance adjustment was en-
581 tered onto the account.

582

583 Governmental Assistance

584

585 In determining whether each individual qualifies for Financial Assistance, other county or gov-
586 ernmental assistance programs should also be considered. Many applicants are not aware that
587 they may be eligible for assistance such as Medi-Cal, Victims of Crime, or California Childrens'
588 Services.

589

590 ECRMC Financial Counselors shall assist families in determining if they are eligible for any
591 governmental or other assistance and are available to assist with the application process.

592

593 Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for
594 the period during which the medical services were rendered, may be granted Financial Assis-
595 tance for those services. ECRMC may make the granting of Financial Assistance contingent
596 upon applying for governmental program assistance.

597

598 Ineligibility for Financial Assistance

599 If ECRMC determines that the patient/guarantor is not eligible for Financial Assistance under
600 this policy, it shall notify the patient/guarantor of the denial in writing. The Financial Counselor
601 shall coordinate the processing and mailing of these communications.

602

603 Medi-Cal Share of Cost-NO WAIVER

604 Patient obligations for Medi-Cal/Medicaid share of cost payments will NOT be waived under
605 any circumstance. However, after collection of the patient share of cost portion, any other unpaid
606 balance relating to a Medi-Cal/Medicaid patient may be considered for Charity Care.

607

608 Contracts/Discounts

609 Any Non-Obstetrical patients, including Physicians, who have been offered Financial Assistance
610 but have declined, will be provided a 30% discount for services paid in full within 30 days of the
611 date services were rendered. This discount offer cannot be combined with any of the aforemen-
612 tioned Financial Assistance discounts. This is only for those uninsured or underinsured patients
613 not interested in applying for Financial Assistance.

614

615 For Obstetric patients, a special contract is used to determine the Cash Price due prior to dis-
616 charge. This contract is available to all uninsured or underinsured obstetric patients at the time
617 of pre-admission or admission for walk-in patients. The Cash Price includes the baby, providing
618 there are no complications with the birth. The rates are equivalent to the average Medi-Cal re-
619 imbursement for 2-day Vaginal deliveries and 3-day Cesarean Section deliveries. Additional
620 fees apply to those with Extended Stay, NICU babies, Twins and Tubal Ligations and any other
621 accounts outside the delivery of the baby.

622

623 Notices

624 ECRMC shall provide written information about the availability of the ECRMC Financial
625 Assistance Program, which shall include information about eligibility, to uninsured, underin-
626 sured or self-pay patients. These notices will be published in English and Spanish, and trans-
627 lated for patients/guarantors who speak other languages. Written notice shall include, at a
628 minimum, the following:

629

- 630 1. If a patient meets certain income requirements, the patient may be eligible for
631 a government-sponsored program or the ECRMC Financial Assistance Pro-
632 gram.
- 633 2. Identification of a hospital phone number with hours of availability shall be
634 delineated so that patients may call to obtain further information about finan-
635 cial assistance.
- 636 3. ECRMC website that provides such notice.

637 Locations

638 Written notice shall be handed to potentially eligible patients/guarantors in the inpatient, outpa-
639 tient and Emergency Care Center areas and shall be explained, so that the patient/guarantor is
640 informed about the availability of government sponsored programs and the ECRMC Financial
641 Assistance Program.

642

643 Posted notice shall be conspicuously and clearly posted in locations that are visible to the
644 public, including, but not limited to:

- 645
646 i. Emergency Care Center;
647 ii. Billing office;
648 iii. Registration areas;
649 iv. Other outpatient settings.

650
651 Written correspondence to the patient/guarantor shall be in English or Spanish.

652
653 Full Charity Care and Discount Partial Charity Care Reporting

654 ECRMC will report actual Charity Care provided in accordance with regulatory requirements of
655 the Office of Statewide Health Planning and Development (OSHPD) as contained in the Ac-
656 counting and Reporting Manual for Hospitals, Second Edition. To comply with regulation, the
657 hospital will maintain written documentation regarding its Charity Care criteria, and for individ-
658 ual patients, the hospital will maintain written documentation regarding all Charity Care deter-
659 minations. As required by OSHPD, Charity Care provided to patients will be recorded on the ba-
660 sis of actual charges for services rendered.

661 ECRMC will provide OSHPD with a copy of this Financial Assistance Policy which includes the
662 full charity care and discount partial charity care policies within a single document. The Finan-
663 cial Assistance Policy also contains: 1) eligibility and patient qualification procedures; 2) the
664 unified application for full charity care and discount partial charity care; and 3) the review pro-
665 cess for both full charity care and discount partial charity care. These documents shall be sup-
666 plied to OSHPD every two years or whenever a significant change is made.

667
668 Document Retention Procedures

669 ECRMC will maintain documentation sufficient to identify each patient/guarantor who qual-
670 ifies for Financial Assistance, the patient family's income, the method used to verify the pa-
671 tient family's income, the amount owed by the patient/guarantor, and the person who ap-
672 proved or denied granting Financial Assistance. All documentation will be retained within
673 ECRMC's Business Office for one calendar year. After which, the documents will be boxed
674 and marked as "Charity Documents" with appropriate dates, and then forwarded to long-
675 term storage, where the records will be retained for an additional six years before shredding.

676
677 Reservation of Rights

678 It is the policy of ECRMC to reserve the right to approve, limit or deny Financial Assistance at
679 the sole discretion of ECRMC.

680
681 Application of Policy

682 The Financial Assistance policy does not apply to those services outside of ECRMC. This policy
683 does not create an obligation to pay for any charges or services not included in the ECRMC bill
684 at the time of service. This policy may not apply to professional services rendered by physicians
685 or other medical providers at ECRMC, including, but not limited to, anesthesiologists, radiolo-
686 gists, certain surgeons and medical specialists.

687 ECRMC's contracted Emergency Physicians and Radiology Groups will take into consideration
688 ECRMC's Financial Assistance Program and shall implement their own financial assistance and
689 discounted payment policies. Upon approval or denial of financial assistance, notification will
690 be made to the aforementioned groups by the ECRMC Financial Counselor and documented in
691 the patients account. See AB 1503, effective 01/01/2011. Contact information for ancillary

692 providers is provided to the patient in the Important Patient Information notice and the Ancillary
693 Services Provider handout. These notices are provided at the time of Registration to every pa-
694 tient who presents to El Centro Regional Medical Center for services.

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BILLING AND COLLECTION PROCEDURE FOR FINANCIALLY ELIGIBLE PATIENTS

700 Billing Notices

701

702 When sending a bill to patients/guarantors potentially eligible for a government program or
703 the ECRMC Financial Assistance Program, ECRMC will include the following:

704

- 705 1. Statement of charges for hospital services;
- 706 2. Request for information regarding health insurance coverage, Medicare, Healthy
707 Families Program, Medi-Cal or other coverage;
- 708 3. Statement that indicates that if the patient/guarantor lacks, or has inadequate in-
709 surance coverage, the patient/guarantor may be eligible for Medicare, Medi-Cal,
710 Healthy Families, California Children’s Services, coverage offered through the
711 California Health Benefit Exchange, other state- or county-funded health cov-
712 erage, or for the ECRMC Financial Assistance Program, if certain low to mod-
713 erate income requirements are met;
- 714 4. Statement indicating how to obtain applications for Medi-Cal and Healthy
715 Families programs, coverage offered through the California Health
716 Benefit Exchange, or other state- or county-funded health coverage
717 programs and how to obtain applications from ECRMC;
- 718 5. The telephone number of the appropriate department at ECRMC to obtain further
719 information on applying for health coverage or financial assistance and how to
720 apply for such assistance.
- 721 6. Statement providing patients with a referral to a local consumer assistance cen-
722 ter housed at legal services offices (ie Health Consumer Alliance)

723

724 Overpayments

725 In the event of an overpayment by a patient/guarantor, ECRMC shall abide by the reimburse-
726 ment terms and conditions set forth in Section 127440 of the California Health and Safety
727 Code. ECRMC shall utilize reasonable efforts in processing overpayments and repaying the
728 patient/guarantor as soon as possible.

729

730

731 Collection Activities by ECRMC

732

733 In determining the debt that ECRMC seeks to recover, ECRMC will consider only the income
734 and certain monetary assets of the patient/guarantor eligible for the ECRMC Financial Assis-
735 tance Program. In making this determination, ECRMC will not consider retirement or deferred
736 compensation plans (either qualified or non-qualified under the Internal Revenue Code), the first
737 \$10,000 or the remaining 50 percent of the patient/guarantor’s monetary assets.

738

739 ECRMC shall not use wage garnishments, body attachments or liens on primary residenc-

740 es of patients as a means of collecting unpaid patient bills.

741

742 Collection Actions by Outside Agencies

743

744 ECRMC shall not send patient/guarantor account(s) to an outside or third party collection agency
745 for the purposes of commencing a civil action for nonpayment or take any action that would re-
746 sult in an adverse consumer credit report prior to 150 days. That time may be extended if the pa-
747 tient/guarantor is appealing a coverage decision and patient/guarantor makes a reasonable effort
748 to communicate with ECRMC Patient Financial Services regarding the progress of the appeal.

749

750 The Patient Financial Services Director shall be authorized to review and approve any ac-
751 counts referred to collection and shall establish procedures to refer accounts to outside col-
752 lection agencies.

753

754 ECRMC shall not send an account to a collection agency if the patient has a pending applica-
755 tion for the ECRMC Financial Assistance Program or government program or is attempting in
756 good faith to settle an outstanding bill by negotiating a reasonable payment plan or by making
757 regular partial payments of a reasonable amount. A “pending application” is defined as an ap-
758 plication that has been fully completed and includes copies of the required documentation by
759 the patient/guarantor, submitted to the relevant public agency in the case of government pro-
760 grams and to ECRMC in the case of the ECRMC Financial Assistance Program.

761

762 Prior to commencing collection action by an outside agency, ECRMC, or its designee, shall
763 send the patient/guarantor a written notice summarizing his/her rights under State and Federal
764 debt collection law and a statement regarding the availability of nonprofit credit counseling ser-
765 vices.

766

767 Outside Collection Activities Follow ECRMC Collection Policies

768

769 ECRMC shall utilize only those outside collection agencies that have agreed in writing to comply
770 with those collection standards and practices outlined in this Policy and Procedure, including
771 ECRMC’s definition and application of a reasonable payment plan. In addition, ECRMC may
772 further define the standards and scope of practice to be used by such collection agencies, and shall
773 obtain written agreements from such agencies that they will adhere to such standards and scope of
774 practice. See also Interest Free, Extended Payment Plans

775

776 ECRMC shall utilize only those outside collection agencies that also have agreed as follows:

777

- 778 1. To comply with applicable state and federal debt collection practices law,
779 including but not limited to hospital collection practices set forth in Califor-
780 nia Health and Safety Code Section 127425(a-h);
- 781 2. To not use a wage garnishment, except by court order, following the procedure
782 set out under state law, including California Health and Safety Code Section
783 127425(f)(2)(A);
- 784 3. To not establish a lien on the patient’s primary residence except as permit-
785 ted under state law, including California Health and Safety Code Section
786 127425(f)(2)(B).

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RESERVATION OF RIGHTS AGAINST THIRD PARTIES

Nothing in this Policy shall preclude ECRMC from pursuing reimbursement from third party payers, third party liability settlements or tortfeasors or other legally responsible third parties.

Good Faith Requirements

ECRMC makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.

Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, or purposely inaccurate information has been provided by the patient or family representative. In addition, ECRMC reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order to qualify for the ECRMC Financial Assistance Program

DISPUTE RESOLUTION PROCESS

Any dispute regarding eligibility, determination of financial assistance, or billing or collection should be directed to the Patient Financial Services Department.

The PFS Department shall obtain all information regarding the dispute and forward to the PFS Manager. If the Manager determines that an application for Financial Assistance should be reviewed, she or he should forward the new information to the PFS Director, or designee, for re-processing.

The Patient Financial Services Director shall review and respond in writing to the patient family or representative regarding the results of his/her review.

Any appeal by the patient family or representative from the determination by the Patient Financial Services Director will be directed to the Chief Financial Officer whose determination will be final.

ACCESS TO POLICY AND RELATED DOCUMENTS


Copies of the written notices provided to patients, summary of the ECRMC Financial Assistance Program policy and procedure, and application forms in English and in Spanish are available on the ECRMC website.

Upon request to ECRMC Financial Counselors, patient families or representatives may obtain a complete copy of this Policy and Procedure.

REFERENCES

- State of California AB774 (Chapter 755, Statutes of 2006)
- State of California AB1503 (Chapter 445, Statutes of 2010)
- State of California SB1276 (Chapter 758, Statutes of 2014)
- California Health & Safety Code Sections 127400127446

Review History

		Category: Departmental	Department: Patient Accounting, Central Admitting-ER Registration.
		Policy Name: Financial Assistance, Discount Payment, and Billing and Collection	Approval Type: Department Specific
Date Reviewed /Approved	By:	Title:	Procedure Notes:
02/09/07	Clark & Koortbojian	Consultants Charity Care	Reviewed
02/09/07	Foley Lardner	Hospital Attorneys	Reviewed
02/12/07	Kathleen Farmer	Chief Financial Officer	New policy required due to changes in hospital charity regulations due to the adoption of AB774; Replaces "Charity Care, Assisting Low Income Uninsured-Underinsured Patients (California Hospital Association guidelines)".
02/23/07	Finance Committee		Recommend forward to Board
02/28/07	Board of Trustees		Approved
07/09/08	Tisha Benavidez/K. Farmer	Patient Acctg Mgr/CFO	Revision to reflect option for 30% discount.
08/21/08	Clark Koortbojian Consultants	Charity Care Consultants	Reviewed
09/17/08	Personnel Committee		Recommend forward to Board of Trustees
09/24/08	Board of Trustees		Approved
05/26/09	Sylvia Castaneda	Admitting Manager	Reviewed
06/09/09	Kathy Farmer	CFO	Reviewed
06/17/09	Personnel Committee		Recommend forward to Board
06/24/09	Board of Trustees		Approved
07/27/10	Admin Team	Committee	Approved; no changes recommended.
02/11/11	David Aaron McDaniel	Director Patient Financial Services	Revised
07/09/13	Tisha Benavidez	Patient Financial Services Director	Annual Review; verbiage changed-policy intent not changed
07/09/13	Lidia Diaz	Patient Accounting Manager	Reviewed
07/15/13	Alex Wells	Chief Financial Officer	Reviewed and approved
07/15/13	Personnel & Policy	Committee	Triennial approval of TOC
07/23/13	Board of Trustees		Triennial approval of TOC
04/16/14	Linda Lawrence	Consultant	Added reference
08/12/14	Tisha Benavidez	Patient Financial Services Director	Added language to include time limit on filing for assistance
10/09/14	Alex Wells	Chief Financial Officer	Reviewed and approved

12/31/14	Tisha Benavidez	Patient Financial Services Director	Language added to comply with SB1276, eff 01/01/2015
01/09/14	Alex Wells	Chief Financial Officer	Reviewed and approved
01/09/17	Board of Trustees		Reviewed and approved
03/31/17	Tisha Benavidez	Patient Financial Services Director	Triennial Review; minor changes-policy intent not changed
04/07/17	Tyler Salcido	CFO	Reviewed and approved

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