

OAK VALLEY HOSPITAL DISTRICT

Patient Financial Services

PURPOSE

Oak Valley Hospital District (OVHD) is committed to providing financial assistance to patients of the hospital district, which have health care needs and are uninsured, under insured, and ineligible for a government program and is otherwise unable to pay for medically necessary care based on their individual financial situations. Consistent with its mission to deliver quality healthcare in a safe, respectful, and efficient manner, OVHD strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with OVHDs procedures for obtaining financial assistance and to contribute to the cost of their care based on individual ability to pay. Individuals with financial capacity to purchase health insurance are encouraged to do so as a means of assuring access to health care services.

This policy confirms OVHDs commitment to provide financial assistance to patients who cannot pay for part or all of the care they may receive as well as comply in all respects with California Senate Bill No. SB-1276, Chapter 758.

DEFINITIONS

Applicant

The Applicant is the individual patient or the patient's guarantor, as applicable, who applies for Financial Assistance. A household member, close friend or associate of the patient may also request that the patient be considered for Financial Assistance. A referral may also be initiated by any member of the medical or facility staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, religious sponsors, vendors, or others who may be aware of the potential need for Financial Assistance.

Application Period

The later of: (i) 60 days from the patient's discharge from the hospital or the date of the Patient's Eligible Service or (ii) 30 days from the date of the initial post-discharge bill for the Eligible Service.

Charity Care

Charity Care is full Financial Assistance to qualifying patients that relieves the patient and his or her guarantor of their entire financial obligation to pay for Eligible Services. Charity Care does not reduce the amount, if any, that a third party may be required to pay for Eligible Services provided to the patient.

Discounted Care

Discounted Care is partial Financial Assistance to qualifying patients to relieve the patient and his or her guarantor of a portion of their financial obligation to pay for Eligible Services (as defined below). Discounted Care does not reduce the amount, if any, that a third party may be required to pay for Eligible Services provided to the patient

Eligible Services

Eligible Services include all Emergency Medical Care or non-emergency, Medically Necessary Care delivered by Oak Valley Hospital. Eligible Services excludes physician services, treatments or procedures unless the Financial Assistance Policy's provider list includes the relevant physician or physician group and, if applicable, a description of the services, treatments, or procedures provided by such physician or physician group specifically covered by this policy.

Emergency Physician

An Emergency Physician is a licensed physician or surgeon credentialed by an Oak Valley hospital and either employed or contracted (including through a contracted medical group) by the hospital to provide emergency medical care in the emergency department of the hospital. The term "Emergency Physician" does not include a physician specialist who is called into the emergency department or who is on staff or has privileges at the hospital outside of the emergency department. An Emergency Physician is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400% of the federal poverty level.

Essential Living Expenses

Essential Living Expenses are expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

Federal Poverty Level (FPL)

The FPL is defined by the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current FPL guidelines can be referenced at <http://aspe.hhs.gov/poverty-guidelines>.

Financial Assistance

Charity Care or Discounted Care, as described in this policy.

Gross Charges

Gross Charges (also referred to as "full charges") means the amount listed on each Oak Valley hospital facility's chargemaster for each Eligible Service.

Income

Modified Adjusted Gross Income (MAGI), as defined by the IRS.

Patient's Family

A Patient's Family includes the patient and:

- (a) For persons 18 years of age and older, a spouse, domestic partner, as defined in Section 297 of the California Family Code, and dependent children under 21 years of age, whether living at home or not.
- (b) For persons under 18 years of age, a parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

Patient Family Income

The annual Income earned by the Patient's Family in the 12 months prior to the date on which the Oak Valley service was provided.

Patient with High Medical Costs

A patient who has health coverage and who also meets one of the following two criteria:

- (a) Annual out-of-pocket costs incurred by the individual at the hospital exceed 10% of the Patient's Family Income (defined below) in the prior 12 months; or
- (b) Annual out-of-pocket medical expenses exceed 10% of the Patient's Family Income, if the patient provides documentation of the patient's medical expenses paid by the patient or the Patient's Family in the prior 12 months.

Reasonable Payment Plan

A Reasonable Payment Plan is an extended payment plan in which the monthly payments are not more than 10% of a Patient's Family income for a month, after excluding deductions for Essential Living Expenses (as defined above).

Uninsured Patient

An Uninsured Patient is a patient who does not have health coverage from a health insurer, health care service plan or government-sponsored health care program (e.g., Medicare or Medicaid), and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.

FINANCIAL ASSISTANCE PROGRAM

A patient or patient's guarantor may apply for Financial Assistance at any time during the Application Period. If the application is filed after the Application Period is over, Oak Valley may deny the application. However, Oak Valley will consider the reasons that the application was not filed during the Application Period and may process the application if it determines that the Applicant acted reasonably even though the application was not timely filed.

Charity Care (Up to 200% of the FPL)

Patients whose Patient Family Income is at or below 200% of the FPL are eligible to receive a 100% discount off of their account balance for Eligible Services received by the patient after payment, if any, by any third party(ies).

In determining eligibility for Charity Care, Oak Valley will consider the Patient's Family Income and may consider the monetary assets of the Patient's Family. However, for purposes of this determination, monetary assets will not include retirement or deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans. In addition, the first ten thousand dollars (\$10,000) of the monetary assets of the Patient's Family shall not be counted in determining eligibility, nor shall 50% of the monetary assets of the Patient's Family over the first \$10,000 be counted in determining eligibility.

Discount for Uninsured Patients and Patients with High Medical Costs (Less than or Equal to 400% of the FPL) and Extended Payment Plans

Uninsured Patients and Patients with High Medical Costs who do not qualify for Charity Care and who's Patient Family Incomes are at or below 400% of FPL are eligible to receive a discount for Eligible Services received by the patient and an extended payment plan. This discount will limit the expected payment for Eligible Services to an amount that is (i) no more than the amount of payment the hospital would in good faith expect to receive for providing services from Medicare, Medi-Cal, or another government-sponsored health care program in which the hospital participates, whichever is greatest, and (ii) in all events, no more than the amount generally billed for the Eligible Services provided to the patient.

Upon request, patients who receive this discount will be provided an extended payment Plan, which will allow payment of the discounted price over time. Oak Valley and the patient shall negotiate the terms of the payment plan, and take into consideration the Patient's Family Income and Essential Living Expenses. If the hospital and the patient cannot agree on the payment plan, the hospital shall implement a Reasonable Payment Plan to allow payment of the discounted price over time.

GUIDELINES

Notice to Patients Regarding Financial Assistance

(1) **Paper Copy of Plain Language Summary**

Oak Valley will notify and Inform patients about the Financial Assistance Policy by offering a paper copy of the plain language summary of the Financial Assistance Policy to patients as part of the intake or discharge process.

(2) **Notice of Financial Assistance Policy during Billing Process**

As part of the post-discharge billing statements, Oak Valley shall provide each patient with a conspicuous written notice that shall contain information about the availability of Oak Valley's Financial Assistance Policy.

(3) **Posted Notice of Financial Assistance Policy**

Notice of Oak Valley's Financial Assistance program also shall be clearly and conspicuously posted in locations visible to the public, including all of the following:

- (a) Emergency department;
- (b) Billing office;
- (c) Admissions office;
- (d) In other areas and settings reasonably calculated to reach those members who are most likely to require financial assistance from the hospital facility

(4) **Posting on Website and Providing Copies upon Request**

Oak Valley will make this Financial Assistance Policy, the Financial Assistance Application form, and plain language summary of the Financial Assistance Policy available on a website and will make paper copies of each available upon request and without charge, both by mail and in public locations in the hospital facility, including, at a minimum, in the emergency department and admissions areas.

Insurance and Government Program Eligibility Screening Process

Oak Valley shall make all reasonable efforts to obtain from the patient or his or her representative information about whether private insurance or government-sponsored health care program coverage may fully or partially cover the charges for care rendered by the hospital to a patient, including, but not limited to, any of the following:

Private health insurance, including insurance or health care service plan coverage offered through a State or Federal Health Benefit Exchange;

Medicare and Medi-cal (Medicaid, as applicable), the California Children's Services Program or other state-funded programs designed to provide health coverage.

Oak Valley expects all Uninsured Patients or Patients with High Medical Costs to fully comply with this eligibility screening process.

Financial Assistance Application Process

1. If a patient does not indicate coverage by private insurance or a government-sponsored health care program, a patient requests Financial Assistance or an Oak Valley representative determines that the patient may qualify for Financial Assistance, then Oak Valley shall also do the following:

(a) Make all reasonable efforts to explain the benefits of Medicaid (Medi-Cal, as applicable), and other public and private health Insurance or sponsorship programs, including coverage offered through the State or Federal Health Benefit Exchange, to all uninsured patients at the time of registration. Oak Valley will ask potentially eligible patients to apply for such programs, and will provide the applications and assist with their completion. The applications and assistance will be provided prior to discharge for inpatients and within a reasonable amount of time to patients receiving emergency or outpatient care.

(b) Make reasonable efforts to explain Oak Valley's Financial Assistance Policy and other discounts, including the eligibility requirements, to patients who may qualify for Financial Assistance, ask those potentially eligible to apply, provide a Financial Assistance Application to any interested person who may meet the criteria for Financial Assistance at the point of service or during the billing and collection process, and provide assistance with completion of the application.

2. If a patient is eligible to apply for coverage under a government-sponsored health care program for the Eligible Services received by the patient, the patient will not be granted Financial Assistance until the patient applies for and is denied coverage under a government-sponsored health care program. The patient's application for coverage under such a government-sponsored health care program will not preclude eligibility for Financial Assistance from Oak Valley.

3. Upon receiving a complete Financial Assistance Application from a patient who Oak Valley believes may be eligible for government-sponsored health care programs, Oak Valley may postpone determining whether the patient is eligible for Financial Assistance until the patient's government-sponsored health care program application has been completed and submitted, and a determination as to the patient's eligibility for such program has been made.

4. If a patient has not completed and submitted a Financial Assistance Application within the application period, then Oak Valley may engage in further collection activities after 180 days, including collection activities, subject to compliance with the provisions of Oak Valley's Billing & Collection Policy.

5. Subject to paragraphs 6 and 7, directly below, Oak Valley will ask each Applicant to provide the documentation necessary and reasonable to determine each Applicant's eligibility for Financial Assistance. In the event the Applicant is unable to provide any or all of these documents, Oak Valley will consider this failure in making an eligibility determination. Under appropriate circumstances, Oak Valley may also waive some or all of the documentation requirements. The rationale for this waiver must be documented in writing.

6. For purposes of determining whether a patient is eligible to receive Charity Care, documentation requested from the patient shall be limited to income tax returns or, if income tax returns are not available, pay stubs and reasonable documentation of assets, but not including assets in retirement or deferred compensation plans qualified under the Internal Revenue Code or in nonqualified deferred compensation plans. Oak Valley may require waivers or releases from the Applicant and the Patient's Family authorizing Oak Valley to obtain account information from financial or commercial institutions or other entities that hold or maintain the monetary assets to verify their value.

7. For purposes of determining whether a patient is eligible to receive a Financial Assistance discount, documentation of income shall be limited to income tax returns, or if income tax returns are not available, pay stubs. In addition, the Applicant will be required to provide documentation of Essential Living Expenses in the event the Applicant requests an extended payment plan.

8. For purposes of determining whether a patient is eligible for Financial Assistance, in addition to Patient Family Income, Oak Valley may also consider adverse financial circumstances following the patient's date of discharge or service, such as disability, loss of a job, or other circumstances impacting the patient's ability to pay for Eligible Services.

9. Eligibility for Financial Assistance may be determined at any time after Oak Valley is in receipt of the information described in this Policy. However, Oak Valley has the discretion to deny an application for Financial Assistance if it is not filed within the Application Period.

10. Information obtained from the patient, the Patient's Family, or the patient's legal representative in connection with determining whether a patient meets the eligibility requirements for Financial Assistance as described in this policy shall not be used for collection activities.

11. The FPL guidelines published in the Federal Register at the time a Financial Assistance application is processed by Oak Valley will be utilized when measuring Patient Family Income against the FPL. The existing guidelines can be found at <http://aspe.hhs.gov/poverty-guidelines>.

Patient Financial Assistance Application Review Process

1. If a patient submits a complete Financial Assistance application (either initially, or by amending an incomplete application within a reasonable period of time as described below), Oak Valley will suspend any collection activities (with the exception of collection activities due to nonpayment for past service) until Oak Valley has determined whether the patient is eligible for Financial Assistance for the care and provides written notice of this eligibility determination (including, if applicable, the assistance for which the patient is eligible) and the basis for this determination to the patient.

2. If Oak Valley determines the patient is eligible for Financial Assistance under the Financial Assistance Policy it will:

(a) Provide the patient with a billing statement indicating the net amount owed as a Financial Assistance-eligible patient.

(b) Refund any amount the patient has paid for the care that exceeds the net amount he/she is personally responsible for paying as a Financial Assistance-eligible patient (unless such amount is less than \$5 or other amount set by guidance published in the Internal Revenue Bulletin).

3. Information supplied on the completed Financial Assistance application along with any other information which Oak Valley has obtained during the application process will be used by authorized representatives of Oak Valley to evaluate whether a patient is eligible for Financial Assistance under Oak Valley's Policy.

4. A decision shall be made regarding eligibility for Financial Assistance based upon the information reasonably available to Oak Valley, including the Financial Assistance Application and supporting documentation as well as the eligibility criteria described in this Financial Assistance Policy. This decision may result in a Charity Care or a discount off of the hospital's Gross Charges.

5. The Applicant will be notified in writing of Oak Valley's approval or denial of the Financial Assistance request, as appropriate.

6. If an Applicant believes a denial of Financial Assistance was made in error, the Applicant may ask Oak Valley to reconsider its decision and may provide additional information to Oak Valley to support their request for such reconsideration.

7. In the event of a dispute, the Applicant also may seek review of Oak Valley's decision from the Patient Financial Services Manager servicing the hospital.

8. If a patient submits an incomplete Financial Assistance application during the application period, Oak Valley will take the following actions:

- (a) Provide the patient with written notice describing the information needed to complete the Financial Assistance application, including contact information for the hospital or billing office that can provide information about the Financial Assistance Policy.
- (b) Suspend any collection activities until the patient has failed to respond to requests for additional information / documentation within 14 days.