

# Oak Valley Hospital District

## Patient Financial Services

<b>Policy/Procedure: Financial Assistance Programs:</b>				
Charity Care and Discounted Care				
Effective Date: 07/24/2024			Page 1 of 8	
Areas Affected: Admitting and Patient Financial Services				
		Title		
Composed by:	Patient Financial Services	Manager		
Reviewed by:	Finance	CFO		

**1) Purpose**

This policy describes Oak Valley Hospital District’s Financial Assistance (Charity Care and Discounted Care) policy. Oak Valley Hospital District (OVHD) provides Financial Assistance to patients and families when they are unable to pay all or part of their medical bill, based on the standards below. This policy describes how OVHD reviews a patient's financial resources to determine if Financial Assistance can be provided. The intent of this policy is to comply with applicable federal, state and local laws and regulations. OVHD does not discriminate and is fair in reviewing and assessing eligibility for Financial Assistance for community members who may be in need of financial help.

**2) Overview**

OVHD is committed to providing Financial Assistance to patients of the hospital district who seek needed healthcare services but have limited, or no means, to pay for that care. Financial Assistance is comprised of Charity Care (free care) and Discounted Care. OVHD determines eligibility for Financial Assistance based on: (1) income, (2) type of service requested, and (3) the availability of other health coverage/insurance. This policy describes the eligibility criteria and the level of Financial Assistance that will be offered to patients meeting specified criteria.

Charity Care and Discounted Care are not substitutes for personal responsibility. Patients are expected to cooperate with the OVHD procedures for obtaining Financial Assistance. Persons must help pay for the cost of their care based on their ability to pay.

All patients will be notified of the Financial Assistance Policy and how to access the Financial Assistance Application. Patients may request Financial Assistance by submitting an application with supporting documentation, as applicable. OVHD will apply the standards in this policy to make a determination on each application for Financial Assistance and shall notify each applicant of its determination. Applicants dissatisfied with the determination can appeal the determination to OVHD. The collection of any remaining patient financial responsibility shall be subject to the OVHD Billing and Collections Policy.

OVHD provides, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for assistance under this policy, as detailed in Subchapter G of Chapter IV of Title 42 of the Code of Federal Regulations (or any successor regulations).

### **3) What's covered under this Financial Assistance Policy**

Financial Assistance pursuant to this Policy includes health care services provided at OVHD.

Emergency room physicians, who provide emergency medical services at OVHD are excluded from this policy. These emergency physicians are also required by California law to provide discounts to uninsured Patients or patients with high medical costs who are at or below 400 percent of the Federal Poverty Level. Patients who receive a bill from an Emergency Room physician, and are uninsured, underinsured, or have high medical costs, should contact that physician's office and ask about their financial assistance policy.

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

- Not Medically Necessary Care;
- Purchases from a hospital's retail operations, such as gift shops and cafeteria;
- Non-hospital services, such as physician services, that are not billed by the hospital; and
- Services that are not licensed hospital services or hospital-affiliated clinic services.

Some Medicaid patients are required to pay a "Share of Cost" before Medicaid will pay for services. These "Share of Cost" payments are not eligible for Financial Assistance.

### **4) Applying for Financial Assistance**

#### **a) Access to Financial Assistance Policy and Application**

OVHD makes information about its Financial Assistance Policy and Application available through numerous means in compliance with applicable state and federal laws and

regulations. Information about this policy is available on the hospital's website home page and on any website where the patient pays a bill or accesses information about the patient's account, posted in hospital areas that are accessible to the public, such as the emergency department, on each billing statement, and by plain language summaries provided to all patients. Hospital personnel shall direct patients, guardians, or family members who request Financial Assistance or information about Financial Assistance, or who the hospital personnel believe may be eligible for Financial Assistance to Patient Financial Services Department to receive a paper copy of this Policy and an application form.

An explanation of OVHD's Financial Assistance Policy and the related application form are available at [www.oakvalleyhospital.com/patient-information/help-paying-your-bill](http://www.oakvalleyhospital.com/patient-information/help-paying-your-bill).

#### **b) Other Forms of Health Coverage**

OVHD shall make all reasonable efforts to obtain from the patient or the patient's representative information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by the hospital to a patient. These efforts will include helping the patient find insurance options, including, but not limited to, any of the following:

- Private health insurance, including coverage offered through the California Health Benefit Exchange.
- Medicare
- The Medicaid program, the California Children's Services program, or other state-funded programs designed to provide health coverage.

If a patient applied or has a pending application for another health coverage program at the same time that the patient applies for Financial Assistance, neither application will stop eligibility for the other program. However, neither Medicare, Medicaid or CHIP application or proof of denial is required to be eligible for Financial Assistance for rural health clinic services under this policy.

Financial Assistance does not relieve the patient or guarantor's responsibility to ensure payment for health care services. OVHD expects patients to cooperate with OVHD to find other sources of payment, or coverage, from public and/or private payment programs. The patient or guarantor is responsible for meeting the conditions of coverage of their insurance or health plan if they have third-party insurance or health plan.

#### **c) Application Process**

To be considered for Financial Assistance under this policy, a patient or guarantor must Submit a true, accurate, and complete confidential Financial Assistance Application by mail or in person.

The Financial Assistance Application may be completed in writing or orally (or a combination of both), either of which may be completed by or with the assistance of a staff or management member of the Patient Financial Services Department. The Financial Assistance Application must be accompanied with the following documentation:

- For purposes of determining eligibility for Discounted Care, documentation of income shall be limited to:
  - Federal Income Tax Return (Form 1040) for patient and spouse or domestic partner from the year the patient was first billed or 12 months prior to when the patient was first billed
  - Recent pay stubs from within the 6 months before or after the patient is first billed (or in preservice when the Application is submitted)
- For Charity Care, along with a Federal Income Tax Return and pay stubs, OVHD may request:
  - Documentation of patient's monetary assets, such as bank statements (excluding statements on retirement or deferred compensation plan)
  - Waivers from the patient or the patient's family authorizing OVHD to obtain account information from financial or commercial institutions

A patient, or patient's legal representative, who requests Discounted Care or Charity Care, shall make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. These documents provided for the Application will only be used in reaching a determination of Financial Assistance and will not be used for collection activities.

An individual is considered to have submitted a complete Financial Assistance Application if he or she provides information and documentation sufficient for the hospital facility to determine whether the individual is eligible for Financial Assistance. An Application is incomplete if he or she provides some, but insufficient, information and documentation to determine eligibility for Financial Assistance.

**d) Notification of Financial Assistance Determination**

Once OVHD has reviewed the Financial Assistance Application and has made a determination based on the eligibility requirements stated below, the facility shall notify the individual in writing by mail of this eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination.

**e) Effect of Financial Assistance Determination**

If found eligible for Financial Assistance, whether Charity Care or Discounted Care, OVHD shall provide the individual with a billing statement that states the amount the

individual now owes for the care, how that amount was determined, and how the individual can get information regarding the Financial Assistance offered for the care.

If found eligible for Discounted Care, the patient may enter into an extended payment plan to allow payment over time. The hospital 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 create a payment plan where monthly payments will not be more than 10 percent of a patient's Family Income for a month, excluding deductions for Essential Living Expenses.

If appropriate, OVHD shall refund the individual any amount over \$5.00 he or she has paid for the care (whether to OVHD or any other party to whom OVHD has referred the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying after Financial Assistance has been applied plus interest. The hospital shall make any refunds under this section within 30 days of the determination of eligibility for Financial Assistance. Any interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital.

The Financial Assistance approval and any adjustment to the amount owed will be applied to all eligible patient account balances, including those received before the application approval date. For bills received after the Financial Assistance is approved, a new Financial Assistance Application will need to be filled out if the patient is seeking Financial Assistance for those bills.

#### **f) Appeal of Financial Assistance Determination**

Patients may submit a written request for reconsideration to OVHD Patient Financial Services Department. Such an appeal should demonstrate that the individual either:

- i. Believes their Financial Assistance Application was not approved according to this policy; or
- ii. Disagrees with the way the policy was applied to their case

Appeal must be submitted within 30 days of the date of the decision letter. The Financial Officer or his or her designee will be the final level of appeal.

#### **g) How to Ask for Help**

A patient may request assistance with understanding the medical bill or in applying for Financial Assistance by visiting the Patient Financial Services Department in person or by calling 209-848-5366. Patient Financial Services Department is open Monday through Friday from 8:00 am to 4:30 pm, except holidays.

Additionally, there are free consumer advocacy organizations that will help the patient understand the billing and payment process. The patient may call the Health Consumer Alliance at 888-804-3536 or go to [healthconsumer.org](http://healthconsumer.org) for more information.

**5) Eligibility**

The level of Financial Assistance, such as Charity Care (no charge to the patient) or Discounted Care (a discount to the patient) is based on several factors: Family Income, the patient’s insurance plan and the type of services the patient received. Different discount policies apply based on the Family Income level and insurance status of the patient. Additional sliding fee discounts may be available at OVHD rural health clinics.

OVHD authorizes Financial Assistance as set forth in this Policy. OVHD’s discounted amounts under this Policy are less than OVHD’s Amount Generally Billed. OVHD will limit charges to a patient eligible for Financial Assistance to the amount of payment the hospital would expect, in good faith, to receive for providing services from Medicare or Medi-Cal, whichever is greater.

Non-covered and denied services and related services provided to Medicaid-eligible beneficiaries are considered a form of Charity Care. Medicaid beneficiaries are not responsible for any form of patient financial liability besides “Share of Cost.” Examples of this include but are not limited to services provided to Medicaid beneficiaries with restricted Medicaid, Medicaid pending accounts, Medicaid of other indigent care program denials, charges related to days exceeding length-of-stay limits, Medicaid claims (including out-of-state Medicaid claims) with “no payments,” and any service provided to a Medicaid-eligible patient with no coverage and no payment.

**Table 1: Patient Financial Assistance Eligibility**

	<b>Emergency Medical Care and Medically Necessary Care</b>
<b>Household Income</b>	<b>Patient Responsibility</b>
200% or less of the Federal Poverty Level	Zero (Full Charity)
200% to 400% of the Federal Poverty Level	Medicare or Medi-Cal Rate (whichever is higher)
> 400% of the Federal Poverty Level	No Discount

## 6) Miscellaneous

Requests and all information collected related to an application for Financial Assistance are subject to applicable privacy law.

## 7) Definitions

Any terms used in this policy that are not defined below shall reference the definition in California Health and Safety Code section 127400 and Title 22 of the California Code of Regulations section 96051.

- a) **Amount Generally Billed (AGB)**- The amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care in accordance with the 22 CFR section 1.501(r)-5.
- b) **Application** – OVHD’s Financial Assistance Policy
- c) **Charity Care** - Free care provided when the patient is not expected to pay the patient's payment obligation for items and services provided by OVHD. Charity Care is based on financial need.
- d) **Discounted Care** – A deduction from the payment obligations for items and services that is given for cash, prompt, or advanced payment, or to certain categories of patients, e.g., uninsured patients.
- e) **Emergency Medical Care** - The medical screening, examination, and evaluation by a physician and surgeon, or other appropriately licensed persons under the supervision of a physician and surgeon, to determine if an emergency medical condition or active labor exists and, if it does, the care, treatment, and surgery, if within the scope of that person’s license, necessary to relieve or eliminate the emergency medical condition, within the capability of the facility.
- f) **Essential Living Expenses** – expenses like rent or house payment and maintenance, food, household supplies, laundry and cleaning, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, repairs and installment payments, and other extraordinary expenses.
- g) **Financial Assistance** - Charity Care or Discounted Care.
- h) **Federal Income Tax Return** - The Internal Revenue Service (IRS) form/s used to report taxable income. The IRS form must be a copy of the signed and dated forms sent to the IRS.
- i) **Federal Poverty Level (FPL)** - The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under its statutory authority. The existing guidelines can be found at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.
- j) **Family** – Family is defined as:

- i) For persons 18 years of age and older, spouse, domestic partner, dependent children under 21 years of age, whether living at home or not, and
  - ii) For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.
- k) Family Income** - The combined income of the patient seeking Financial Assistance and his/her/their Family as determined under this Policy. Income as used here shall include any sources used to calculate the adjusted gross income, as set forth on line 11 of Form 1040, U.S. Individual Income Tax Return.
- l) Medically Necessary Care** - A service is “medically necessary” or a “medical necessity” when it is performed in the hospital unless the hospital provides an attestation signed by the referring provider that the hospital services at issue were not medically necessary.
- m) Patient Financial Services (PFS) Department** - The OVHD department responsible for billing, collecting, and processing payments
- n) Policy** - OVHD Financial Assistance Policy