



# CHINESE HOSPITAL

845 JACKSON STREET, SAN FRANCISCO, CA 94133

## FINANCIAL ASSISTANCE PROGRAM POLICY

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**POLICY & PROCEDURE#:** PFS.01.01

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### 1. Policy

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To manage its resources responsibly and to allow Chinese Hospital to provide assistance to persons in need, Chinese Hospital establishes this policy regarding the billing of patients for services provided by Chinese Hospital. It is also the policy of Chinese Hospital to provide emergency and other medically necessary care to all patients regardless of ability to pay. Chinese Hospital is not required to provide non-emergency health care; however, if Chinese Hospital chooses to accept patients for non-emergency care, those patients may be eligible for financial assistance.

It is the responsibility of Chinese Hospital's Director of Patient Financial Services, with approval from Chinese Hospital's Chief Financial Officer, to develop procedures to implement this Policy.

### 2. Purpose

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The purpose of this policy is to establish Chinese Hospital's guidelines regarding Discount Payment and Charity Care, as defined herein.

### 3. Definitions

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#### 3.1 Charity Care

Charity Care is defined as free care. It is a 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 (as defined below). 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.

#### 3.2 Discount Payment

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



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### 3.3 Confidential Financial Statement

The Application for Financial Assistance (High Medical Cost) or Charity Care Discount shall be the application for Financial Assistance or Charity Care, allowing Chinese Hospital for the collection of information to determine the eligibility for Financial Assistance or Charity Care.

### 3.4 Eligible Patients

Patients who are eligible for financial assistance are:

- a. Self-Pay Patient/Uninsured Patient (as defined below)
- b. A patient with high medical costs (as defined below) who are at or below 400 percent of the federal poverty level
- c. An insured patient with non-covered charges.

### 3.5 Eligible Services

Financial assistance pursuant to this policy is only available for services provided under Chinese Hospital's general acute care hospital license.

This includes:

- Emergency medical services provided in an emergency room setting
- Non-elective services provided in response to life-threatening or health-threatening circumstances

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

- Purchases from Chinese Hospital's retail operations, such as retail pharmacy, gift shops & cafeteria;
- Physician Services that are not billed by Chinese Hospital.

### 3.6 Emergency Medical Services

Emergency Medical Services means medical screening, examination, and evaluation by a physician and surgeon, or, to the extent permitted by applicable law, by other appropriate licensed persons under the supervision of a physician and surgeon, to determine if an emergency medical condition 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.

### 3.7 Emergency Medical Condition

An Emergency Medical Condition is a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;
- Serious impairment to bodily functions, or
- Serious dysfunction of any bodily organ or part;



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An Emergency Medical Condition is also when a pregnant woman is having contractions, and

- There is inadequate time to effect a safe transfer to another hospital before delivery, or
- That transfer may pose a threat to the health or safety of the woman or the unborn child.

An emergency medical condition includes an emergency psychiatric condition.

### 3.8 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>. Chinese Hospital will always use the most currently published FPL information available but are NOT required to go back and change a charity determination when a new FPL is issued. FPLs are effective when received by Chinese Hospital and are not service date driven. Patient Financial Services will provide new FPL data to each facility as soon as it is received.

### 3.9 Financial Assistance Policy

The Financial Assistance Policy (“Policy”) is the policy that Chinese Hospital has established for the provision of Charity Care and Discount Payment for Eligible Patients (defined above), which are referred to collectively in this and other policies as “Financial Assistance.”

### 3.10 Income

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

### 3.11 Patient’s Family

A Patient’s Family includes:

- a. For patients 18 years of and older, patient’s family is defined as their spouse, domestic partner, as defined in Section 297 of the Family Code, disabled children of any age, and dependent children of any age, whether living at home or not; and parents when the patient is a dependent child who is not a minor.
- b. For persons under 18 years of age or for a dependent child 18 to 20 years of age, inclusive, parent, caretaker relatives, and parent’s or caretaker relatives’ other dependent children under 21 years of age, or any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act.

### 3.12 Patient Family Income

The income earned by the Patient’s Family.

### 3.13 Patient with High Medical Costs

High medical costs is defined as any out of pocket costs and expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.



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A patient whose current Patient Family Income (defined above) does not exceed 400 percent of the Federal Poverty Level, and who also meets one of the following two criteria:

- a. Annual out-of-pocket costs incurred by the patient at Chinese Hospital exceed the lesser of 10% of current Patient Family Income (defined above) or the Patient Family Income in the prior 12 months prior to the date on which the service was provided at Chinese Hospital; or
- b. Annual out-of-pocket medical expenses exceed 10% of the Patient 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.

### 3.14 Pending Appeals

A Pending Appeal is any of the following:

- a. A grievance against a contracting health care service plan or against an insurer consistent with state law and regulations.
- b. An independent medical review consistent with state law and regulations.
- c. A fair hearing for a review of a Medi-Cal claim consistent with state law and regulations.
- d. An appeal regarding Medicare coverage consistent with federal law and regulations.

### 3.15 Payment Plan

A Payment Plan is one that is reasonable which incorporates monthly payments to the Hospital that are not more than 10 percent of a patient's Family income for a month (after Essential Living Expenses have been deducted from such income) and precludes any interest charge on the unpaid balance. "Essential Living Expenses" means, for purposes of this definition, 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.

A health savings account held by the patient or the patient's family may be considered when negotiating payment plans.

### 3.16 Self-Pay Patient/Uninsured Patient

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

## 4. Principally Affected Departments

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This Policy is only applicable for departments serving Chinese Hospital functions on Chinese Hospital's general acute care hospital license.



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## **5. Financial Assistance Policy for Discount Payment and Charity Care**

This Policy is only applicable for departments serving Chinese Hospital functions on Chinese Hospital's general acute care hospital license.

### **5.1 Patient Eligibility and Application Process for Financial Assistance**

#### **5.1.1 Eligibility**

Eligibility for both programs shall be based on income consistent with the application of the Federal Poverty Level.

To be eligible for Financial Assistance for Eligible Services:

- a. A patient must be a Self-Pay/Uninsured Patient
- b. A patient with high medical costs who are at or below 400 percent of the federal poverty level;
- c. An insured patient with non-covered charges.

Professional fees that are not billed by Chinese Hospital will not be covered on under this Financial Assistance Policy, except as may be provided for under other policies or contracts.

An Eligible Patient is eligible for Charity Care if he/she/they is a Self-Pay Patient and have a Patient Family Income that is 200% or less of the Federal Poverty Level. Any other Eligible Patient shall be eligible for Discount Payment, as described herein.

#### **5.1.2 Emergency Physician Fair Pricing Policy**

Any contracted emergency department physician or surgeon who provides emergency medical services at Chinese Hospital is also required by 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 a contracted emergency department physician or surgeon should contact that physician's office and request financial assistance. This statement shall not be construed to impose any additional responsibilities upon Chinese Hospital. The list of providers can found at [www.chinesehospital-sf.org/fap-providers-list](http://www.chinesehospital-sf.org/fap-providers-list). Patients may also receive a paper copy of the provider list upon request.

However, Chinese Hospital shall provide, without discrimination, care for emergency medical conditions to patients regardless of their eligibility under this Policy.

#### **5.1.3 Application Process**

Except in those instances where Chinese Hospital exercises its discretion to utilize a Presumptive Eligibility Determination (as described below), in order to qualify for Financial Assistance, a patient must complete a Confidential Financial Statement. Pending the completion of Confidential Financial Statement, the patient must be treated as a pending Eligible Patient in accordance with Chinese Hospital's policies. The appropriate financial class shall be recorded to reflect this status.



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A patient, or patient's legal representative, who requests Discount Payment, charity care, or other assistance in meeting their financial obligation to Chinese Hospital shall make every reasonable effort to provide Chinese Hospital with documentation of income.

The screening process will optimally occur at the time of service but may occur anytime during the collection process including post assignment to an outside collection agency.

A patient or patient's guarantor may apply for Financial Assistance at any time. No time limits shall be imposed for applying for charity care or discount payment, nor deny eligibility based on the timing of a patient's application.

## 5.1.4 Proof of Income (POI)

To determine eligibility for Financial Assistance, patients will be required to verify the Patient Family Income set forth in the Confidential Financial Statement. Missing documentation may delay the processing of the application and could result in a denial for assistance.

- a. For purposes of determining eligibility for Charity Care and/or Discount Payment, documentation of income shall be limited to recent paystubs or recent income tax return.
- b. Alternatively, although not required, Chinese Hospital may accept other forms of documentation of income such as, current year W-2 or 1099 earnings statements and/or current Social Security Allotment letter. Bank statements will not be accepted as proof of income. Monetary assets may no longer be considered in determining eligibility for charity care or discount payment.

## 5.1.5 Documentation of Health Benefits Coverage

Chinese Hospital must determine if any party other than the patient would be legally responsible for the patient's medical bill. Therefore, Chinese Hospital 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, including, but not limited to, any of the following:

- a. Private health insurance, including coverage offered through the California Health Benefit Exchange;
- b. Medicare; and/or
- c. The Medi-Cal program, the California Children's Services program, or other state-funded programs designed to provide health coverage.

If a hospital bills a patient **who has not provided proof of coverage** by a third party at the time the care is provided or upon discharge, as a part of that billing, the hospital shall provide the patient with **a clear and conspicuous notice** as described in the Notice Policy for Financial Assistance.

Chinese Hospital shall require a patient or guarantor to pay the hospital any amounts sent directly to the patient by third-party payors, including from legal settlements, judgements or awards.



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### 5.1.6 Presumptive Eligibility Determination

Chinese Hospital shall utilize a Presumptive Eligibility Determination process to provide Charity Care or Discount Payment for patients who do not submit an application or documentation of income. Presumptive determination is based on information other than provided by the patient or based on a prior eligibility determination.

In making a Presumptive Eligibility Determination, Chinese Hospital shall take into account any extenuating circumstances that would affect the good faith determination of the patient's eligibility for Financial Assistance in the following ways:

- Chinese Hospital may use reasonable methods for determining financial need, including, for example, documented patient interviews or questionnaires.
- Chinese Hospital may also determine a patient's eligibility for Financial Assistance based upon information other than that provided by the patient, such as qualification in other welfare-based programs (including eligibility for Out of State Medicaid), homeless status, or based upon a prior Financial Assistance eligibility determination.
- Chinese Hospital may also rely on information included in publicly available databases and information provided by third-party vendors who utilize publicly available databases to make a good faith determination of whether a patient is entitled to Financial Assistance.

Chinese Hospital shall not require a patient to apply for Medicare, Medi-Cal, or other coverage before the patient is screened for, or provided, discount payment, but may require patients to participate in screening for Medi-Cal eligibility.

This screening process is designed to emulate Chinese Hospital's Confidential Financial Statement, and the information returned through the screening process will constitute adequate documentation when additional information is not available from the patient. The process shall provide an estimate of the Patient Family Income and household size and analyzes other factors related to the patient's financial need. Chinese Hospital shall include, in the patient's file, documentation of the method by which Presumptive Eligibility Determination was determined in addition to all backup information to substantiate the determination. In all cases, attempts to obtain the appropriate income verification must be made and documented.

For these patients, the financial counselor may process the account for a Financial Assistance, and the account will remain in the pending financial class until Chinese Hospital processes a Financial Assistance write-off adjustment.

Chinese Hospital shall additionally notify the patient regarding the basis for the Presumptive Eligibility Determination and the way he, she, or they may apply for more generous assistance (if any) available under the Policy.

### 5.1.7 Determination

The determination of Financial Assistance will be made at any time.



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Once a Financial Assistance determination has been made, the outcome must be communicated to the patient. That communication should be accomplished by sending the patient Exhibit A in the patient's language (e.g. English or Chinese). Chinese Hospital shall notify the patient in writing of the determination and the basis for the determination. If an Eligible Patient qualifies for Charity Care, Chinese Hospital provide them with a written notification that nothing more is owed. If an Eligible Patient qualifies for Discount Payment, Chinese Hospital shall provide them with a billing statement indicating the amount owed as an Eligible Patient, how that amount was determined, and how the patient can obtain information regarding the AGB for the care.

When a patient submits an incomplete application, Chinese Hospital shall notify the individual about how to complete the application and give the patient a reasonable opportunity to do so.

## 5.1.8 Changed Circumstances

If at any time information relevant to the eligibility of the patient changes, the patient may update the documentation related to income and provide to Chinese Hospital with the updated information. It is the patient's responsibility to notify Chinese Hospital of the updated information.

Chinese Hospital will consider the patient's changed circumstances in determining eligibility for Financial Assistance. Chinese Hospital may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate.

### a. Appeals

In the event of a dispute regarding eligibility for Financial Assistance, patients have the right to appeal the decision. Patients must provide written appeals outlining the reasons they believe the determination was incorrect. The Hospital Chief Financial Officer is responsible for reviewing all appeals and making a final determination. This authority may be delegated by the Hospital Chief Financial Officer. The final determination must be communicated to the patient in writing.

### b. Payment Plan

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 standard payment plan of 12 months, no interest, the hospital shall create a reasonable payment plan, where monthly payments are not more than 10% of the patient's monthly family income, excluding deductions for essential living expenses.

"Reasonable payment plan" means monthly payments that are not more than 10 percent of a patient's family income for a month, excluding deductions for essential living expenses. "Essential living expenses" means, for purposes of this subdivision,



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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.

## 5.2 Amount of Financial Assistance

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### 5.2.1 Amounts Generally Billed

Chinese Hospital shall limit amounts charged for emergency or other medically necessary care provided to Eligible Patients to not more than the amounts generally billed (“AGB”). The AGB (i.e. maximum charge) for a patient is determined by multiplying the AGB percentage by the hospital’s gross charges for the Eligible Services provided to the Eligible Patient.

### 5.2.2 Calculation of AGB Percentage

Chinese Hospital shall calculate its AGB percentages no less frequently than annually by dividing the sum of certain claims for emergency and other medically necessary care by the sum of the associated gross charges for those claims. For calculating AGB percentages, Chinese Hospital shall use actual past claims paid to Chinese Hospital by either Medicare fee-for-service alone or Medicare fee-for-service together with all private health insurers paying claims to Chinese Hospital (including, in each case, any associated portions of these claims paid by Medicare beneficiaries or insured individuals). Chinese Hospital determined a 30% AGB based on past claims allowed under Medicare and private insurance.

For the purpose of Medicare cost reporting, Financial Assistance shall be counted as charity allowances, and all charges related to services subject to Financial Assistance shall be recorded at the full amount charged to all patients.

### 5.2.3 Discount Payment

Chinese Hospital shall limit expected payment for services it provides to an Eligible Patient to the amount of payment Chinese Hospital would expect, in good faith, to receive for providing services from Medicare or Medi-Cal, whichever is greater.

If Chinese Hospital provides a service for which there is no established payment by Medicare or Medi-Cal, Chinese Hospital shall establish an appropriate discounted payment.

Discount Payment will be granted based upon the following income levels. Chinese Hospital MAY provide greater discounts (lower patient liabilities) to the patient than those established below if approved by the Hospital Chief Financial Officer and documented in Chinese Hospital’s procedure manual. Chinese Hospital will NOT provide lower discounts (higher liabilities) to qualified patients.

Hospitals are allowed to waive or reduce Medi-Cal and Medicare cost-sharing amounts as part of its discounted payment program.



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## For Emergency Services

(including emergency admissions and other medically necessary care)

Self-Pay Patients with Patient Family Income	Patient Liability
>200% to 300% of the Federal Poverty Level	50% of Medicare Allowed Amount
>300% to 400% of the Federal Poverty Level	75% of Medicare Allowed Amount

Patients with High Medical Costs and with Patient Family Income	Patient Liability
400% or Less of the Federal Poverty Level	The amount that would be allowed by Medicare for the same service LESS the amount paid by the patient's insurer. If the insurer paid the Medicare allowed amount or greater, patient liability is zero.

## All Remaining Services

Provided by Chinese Hospital (non-emergency related)

Self-Pay Patients with Patient Family Income	Patient Liability:
>200% to 300% of the Federal Poverty Level	50% of Medicare Allowed Amount

Patients with High Medical Costs and with Patient Family Income	Patient Liability
400% or Less of the Federal Poverty Level	The amount that would be allowed by Medicare for the same service LESS the amount paid by the patient's insurer. If the insurer paid the Medicare allowed amount or greater, patient liability is zero.

### 5.2.4 No Independent Dispute Resolution Requirement

Eligible Patients shall not be required to undergo an independent dispute resolution process to determine an appropriate discounted payment amount.

### 5.2.5 Charity Care

Chinese Hospital shall not seek any payment for any Eligible Services it provides to a Self-Pay Patient at or below 200 percent of the Federal Poverty Level or to a patient otherwise eligible for Charity Care.

Hospitals are allowed to waive or reduce Medi-Cal and Medicare cost-sharing amounts as part of its charity care program.



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### 5.2.6 Medi-Cal Denials and Restricted Medi-Cal Coverage

Medicaid beneficiaries are not responsible for any forms of patient financial liability, and all charges related to Eligible Services not covered, including all denials, by Medicaid (including Medi-Cal and other out-of-state Medicaid programs) are treated as charity care.

Some Medi-Cal plans offer coverage for a limited or restricted list of services. If a patient is a Medi-Cal patient, any charges for days or services not covered should be written off as charity care (e.g., patients that may only have pregnancy or emergency benefits, but receive other hospital care). This does not include any Share of Cost (SOC) amounts, as SOCs are determined by the state to be an amount that the patient must pay before the patient is eligible for Medi-Cal. In addition, any charges for days or services written off (excluding billing timeliness, medical records, missing invoices, or eligibility issues) as a result of a Medi-Cal denial (such as TAR denial) are charity care.

Examples of charity care to Medicaid and Medi-Cal beneficiaries may include, but are not limited to:

- Medi-Cal-pending accounts
- Medi-Cal or other indigent care program denials
- Charges related to days exceeding a length-of-stay limit
- Out-of-state Medicaid claims with "no payment"
- Line item denials

The total amount of the charges not covered must be written to Financial Assistance including the Medi-Cal contractual amount and the expected payment amount. There should be nothing remaining on the accounts to Medi-Cal for the non-covered charges.

## 6. Refunds

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Chinese Hospital is not required to reimburse a patient if: (1) it has been five years or more since the patient's last payment to hospital/debt buyer, or (2) the patient's debt was sold before January 1, 2022, in accordance with the law at that time.

## REFERENCES

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42 U.S.C § 1395dd(e)

Internal Revenue Code (IRC) Section 501(c)(3) and Section 501(c)(4)

Government Code §7290 et seq.

Health & Safety Code §§ 127400 et. seq.

Health & Safety Code §1339.585.

Hospital Fair Pricing Act

Hospital Fair Pricing Policies, Assembly Bill 2297 & Senate Bill 1061