

<b>Subject: Providence Facey Medical Foundation Financial Assistance (Charity Care) Policy</b>	<b>Policy Number: Facey BO11</b>	
<b>Department:</b> Revenue Cycle Management	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised <input type="checkbox"/> Reviewed	<b>Date:</b> 02/16/2023
<b>Executive Sponsor:</b> Chief Operating Officer, Providence Facey Medical Foundation	<b>Policy Owner:</b> Chief Operating Officer, Providence Facey Medical Foundation	
<b>Approved by:</b> Providence Board of Directors	<b>Implementation Date:</b> 4/1/2023	

Providence Facey Medical Foundation is a Catholic not-for-profit healthcare organization guided by a commitment to its Mission of serving all, especially those who are poor and vulnerable, by its Core Values of compassion, dignity, justice, excellence, and integrity, and by the belief that healthcare is a human right. It is the philosophy and practice of each Providence entity that emergent and medically necessary healthcare services are readily available to those in the communities we serve, regardless of their ability to pay.

**SCOPE:**

This policy applies to all Providence Facey Medical Foundation locations in Los Angeles and Ventura Counties in the state of California and to all emergency, urgent and other medically necessary services provided by Providence Facey Medical Foundation (with exception of experimental or investigative care).

This policy shall be interpreted in a manner consistent with Section 501(r) of the Internal Revenue Code of 1986, as amended. In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

**PURPOSE:**

The purpose of this policy is to ensure a fair, non-discriminatory, effective, and uniform method for the provision of Financial Assistance (charity care) to eligible individuals who are unable to pay in full or part for medically necessary services provided by Providence Facey Medical Foundation.

It is the intent of this policy to comply with all federal, state, and local laws. This policy and the financial assistance programs herein constitute the official Financial Assistance Policy ('FAP') for each Providence Facey Medical Foundation locations in Los Angeles and Ventura Counties in the state of California.

**Responsible Persons:**

Revenue Cycle departments. In addition, all appropriate staff who perform functions relating to registration, admissions, financial counseling, and customer support will receive regular training on this Policy.

**POLICY:**

Providence Facey Medical Foundation will provide free or discounted professional services to qualified low income, uninsured and underinsured, and patient with high medical costs who are at or below 400% of the FPL when the ability to pay for services is a barrier to accessing medically necessary services and no alternative source of coverage has been identified. Patients must meet the eligibility requirements described in this policy to qualify.

Providence Facey Medical Foundation will not discriminate on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability,



veteran or military status, or any other basis prohibited by federal, state, or local law when making financial assistance determinations.

Providence Facey Medical Foundation prohibits any actions, admission practices, or policies that would discourage individuals from seeking medical care, such as permitting debt collection activities that interfere with the provision of medical care.

**Financial Assistance Eligibility Requirements:** Financial assistance is available to both uninsured and insured patients and guarantors where such assistance is consistent with this policy and federal and state laws governing permissible benefits to patients. Providence Facey Medical Foundation will make a reasonable effort to determine the existence or nonexistence of third-party coverage which may be available, in whole or part, for the care provided by Providence Facey Medical Foundation, prior to directing any collection efforts at the patient. Uninsured patients may receive an uninsured discount. Eligible financial assistance balances include but are not limited to the following: Self pay, charges for patients with coverage from an entity without a contractual relationship, coinsurance, deductible, and copayment amounts related to insured patients. Deductible and coinsurance amounts claimed as a Medicare bad debt will be excluded from the reporting of charity care.

Patients seeking financial assistance must complete the standard Providence Facey Medical Foundation Financial Assistance Application and eligibility will be based upon financial need at that time or at any time Providence Facey Medical Foundation is in receipt of information regarding a patient's or their guarantor's income that may indicate financial need. Reasonable efforts will be made to notify and inform patients of the availability of financial assistance by providing information during admission and discharge, on the patient's billing statement, in patient accessible billing areas, on Providence Facey Medical Foundation's website, by oral notification during payment discussions, as well as signage in each Providence Facey Medical Foundation clinic. Providence Facey Medical Foundation will retain information used to determine eligibility in accordance with its recordkeeping policies.

**Applying for Financial Assistance:** Patients or guarantors may request and submit a Financial Assistance Application, which is free of charge and available by contacting Business Office Customer Service at 844-888-3593, by mail, or by visiting <https://www.providence.org/obp/ca> downloading and submitting the completed application with documentation. A person applying for financial assistance will be given a preliminary screening, which will include a review of whether the patient has exhausted or is not eligible for any third-party payment sources and if they may meet the criteria for charity care.

Providence Facey Medical Foundation shall make designated personnel available to assist patients in completing the Financial Assistance Application and determining eligibility for Providence Facey Medical Foundation financial assistance or financial assistance from government-funded insurance programs, if applicable. Interpretation services are available to address any questions or concerns and to assist in the completion of the Financial Assistance Application.

A patient or guarantor who may be eligible to apply for financial assistance may provide sufficient documentation to Providence Facey Medical Foundation to support eligibility determination at any time upon learning that a party's income falls below minimum FPL per the relevant Federal and State regulations. Providence Facey Medical Foundation will suspend any collection activities pending an initial determination of eligibility for financial assistance, provided that the patient or their guarantor is cooperative with Providence Facey Medical Foundation's reasonable efforts to reach an initial determination.

Providence Facey Medical Foundation acknowledges that a determination of eligibility of financial assistance or discount can be made at any time upon learning that a party's income is below 400% of the federal poverty standard, adjusted for family size. In addition, Providence Facey Medical Foundation may choose to grant financial assistance solely based on an initial determination of a patient's status as an indigent person. In these cases, documentation may not be required.

**Individual Financial Situation:** Income, certain assets, and expenses of the patient will be used in assessing the patient's individual financial situation. Providence Facey Medical Foundation will consider and collect information related to assets as required by the Centers for Medicare and Medicaid Services (CMS) for Medicare cost reporting. Assets considered when making a determination of eligibility for financial assistance shall not include: (A) for a single individual, the first \$100,000 of a patient's monetary assets, and 50% of a patient's monetary assets over the first \$100,000; (B) for a family of two or more, the first \$100,000 of the family's monetary assets, and 50% of the family's monetary assets over the first \$100,000; (C) any equity in a primary residence; (D) retirement or deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans; (E) one motor vehicle and a second motor vehicle if it is necessary for employment or medical purposes; (F) any prepaid burial contract or burial plot; and (G) any life insurance policy with a face value of \$10,000 or less. The value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid. Information requests from Providence Facey Medical Foundation to the responsible party to verify assets will be limited to that which is reasonably necessary and readily available to determine the existence, availability, and value of a person's assets and will not be used to discourage application for free or discounted care. Duplicate forms of verification will not be requested. Only one current account statement will be required to verify monetary assets. If no documentation is available, Providence Facey Medical Foundation will rely on a written and signed statement from the responsible party. Any asset information obtained by the hospital in evaluating a patient for charity care will not be used for collection activities.

**Income Qualifications:** Income criteria, based on Federal Poverty Level (FPL), may be used to determine eligibility for free care. Please see Exhibit B for details.

**Determinations and Approvals:** Patients will receive notification of FAP eligibility determination within 30 days of submission of the completed Financial Assistance application and necessary documentation. Any determination of ineligibility will include an explanation of the basis for denial. Once an application is received, extraordinary collections efforts will be pended until a written determination of eligibility is sent to the patient. Providence Facey Medical Foundation will not make a determination of eligibility for assistance based upon information which Providence Facey Medical Foundation believes is incorrect or unreliable.

**Dispute Resolution:** The patient may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to Providence Facey Medical Foundation within 30 days of receipt of the notice of denial. The patient may need to provide relevant additional documentation in support of their appeal. Providence Facey Medical Foundation will suspend any collection activities pending review of the appeal. All appeals will be reviewed and if the review affirms the denial, written notification will be sent to the guarantor and State Department of Health, where required, and in accordance with the law. The final appeal process will conclude within 10 days of receipt of the denial by Providence Facey Medical Foundation. An appeal may be sent to Providence Facey Medical Foundation c/o Providence Regional Business Office, P.O. Box 3268, Portland, OR 97208-3395.

**Other Special Circumstances:** Patients who are eligible for FPL-qualified programs such as Medicaid, MediCal, and other government-sponsored low-income assistance programs, may also be eligible for financial assistance. Patient account balances resulting from charges that are non-reimbursable by Medicaid, Medi-Cal or other government-sponsored low-income assistance programs may be eligible for full or partial charity

write-off, including but not limited to non-reimbursable charges for medically necessary services related to the following:

- Non-covered services
- Treatment Authorization Request (TAR) denials
- Denials due to restricted coverage

**Catastrophic Medical Expenses:** Providence Facey Medical Foundation, at its' discretion, may grant charity in the event of a catastrophic medical expense. These patients will be handled on an individual basis.

**Times of Emergency:** Financial assistance may be available at Providence Facey Medical Foundation's discretion in times of a national or state emergency, independent of assistance for catastrophic expenses.

**Reasonable Payment Plan:** Once a patient is approved for partial financial assistance, but still has a balance due, Providence Facey Medical Foundation will negotiate a payment plan arrangement. The reasonable payment plan shall consist of monthly payments (without interest or late fees) that are not more than 10 percent of a patient's or family's monthly income, excluding deductions for Essential Living Expenses that the patient listed on their financial assistance application. Payment plans will be interest free. Timelines of payment plans will be extended for patients with pending appeals of coverage.

**Billing and Collections:** Any unpaid balances owed by patients or guarantors after application of available discounts, if any, may be referred to collections. Providence Facey Medical Foundation will provide, or require any third party collection agencies to provide, the written notice required under HSC § 127430 about the patient's rights under the Fair Debt Collection Practices Act prior to collection activities. Collection efforts on unpaid balances will cease pending final determination of FAP eligibility. Providence Facey Medical Foundation does not perform, allow, or allow collection agencies to perform any extraordinary collection actions. For information on Providence Facey Medical Foundation billing and collections practices for amounts owed by patients, please see Providence Facey Medical Foundation's policy, which is available free of charge upon request by contacting Providence Facey Medical Foundation Business Office at 844- 888-3593.

**Patient Refunds:** In the event that a patient or guarantor has made a payment for services and subsequently is determined to be eligible for free or discounted care, any payments made related to those services during the FAP-eligible time-period which exceed the payment obligation may be refunded in accordance with state regulations.

**Annual Review:** This Providence Facey Medical Foundation Financial Assistance (Charity Care) Policy will be reviewed on an annual basis by designated Providence Facey Medical Foundation Revenue Cycle leadership.

#### **EXCEPTIONS:**

See Scope above.

#### **DEFINITIONS:**

For the purposes of this policy the following definitions and requirements apply:

1. Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

2. Extraordinary Collection Action (ECA): ECAs are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

**REFERENCES:**

<i>Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r)(1) – 1.501(r)(7)</i>
<i>California Health and Safety Codes section 127000 -127446</i>
<i>Emergency Medical Treatment and Labor Act (EMTALA), 42 U.S.C. 1395dd</i>
<i>42 C.F.R. 482.55 and 413.89</i>
<i>American Hospital Associations Charity Guidelines</i>
<i>California Hospital Association Charity Guidelines</i>
<i>California Alliance on Catholic Healthcare Charitable Services Guidelines</i>
<i>Providence Commitment to the Uninsured Guidelines</i>
<i>Provider Reimbursement Manual, Part I, Chapter 3, Section 312</i>

**Exhibit A – Covered Facilities List**

<b>Providence Facey Medical Groups in Southern California</b>	
Providence Facey Medical Group - Burbank	Providence Facey Medical Group – Canyon Country
Providence Facey Medical Group - Copper Hill	Providence Facey Medical Group – Mission Hills
Providence Facey Medical Group – Mission Hills Annex	Providence Facey Immediate Care – Mission Hills
Providence Facey Medical Group – Northridge	Providence Facey Medical Group – Porter Ranch
Providence Facey Medical Group – Simi Valley	Providence Facey Medical Group - Tarzana
Providence Facey Medical Group - Valencia	Providence Facey Medical Group – Valencia Specialty & Women’s Center
Providence Facey Immediate Care - Valencia	

**Exhibit B - Income Qualifications for Providence Facey Medical Foundation in Southern California**

If...	Then ...
Annual family income, adjusted for family size, is at or below 300% of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for financial assistance 100% write-off on patient responsibility amounts.
Annual family income, adjusted for family size, is between 301% and 400% of the current FP guidelines,	The patient is eligible for a discount of 88% from original charges on patient responsibility amounts.
If annual family income, adjusted for family size, is at or below 400% the FPL <u>AND</u> the patient has incurred total medical expenses at Providence hospitals in the prior 12 months in excess of 20% of their annual family income, adjusted for family size, for services subject to this policy,	The patient is eligible for 100% charity benefit on patient responsibility amounts.