



<b>Subject: AD - Patient Financial Assistance Program (Discount &amp; Charity Care)</b>				
<b>Applies To:</b>	<input checked="" type="checkbox"/>	<b>John Muir Medical Center – Concord</b>	<input checked="" type="checkbox"/>	<b>John Muir Medical Center – Walnut Creek</b>
	<input type="checkbox"/>	<b>John Muir Physician Network</b>	<input checked="" type="checkbox"/>	<b>John Muir Behavioral Health Center</b>
	<input type="checkbox"/>	<b>John Muir Health and all entities</b>		

I. Purpose:

The purpose of this Policy is to set forth clear criteria and a fair process for providing financial assistance to patients who (i) require medically-necessary hospital services and (ii) have limited or no means to pay for such care. This Policy is designed to comply with the California Hospital Fair Pricing Law (Health & Safety Code § 127400 et seq.), United States Internal Revenue Code Section 501(r), and guidance from the United States Department of Health and Human Services Office of Inspector General (“OIG”) regarding financial assistance to uninsured and underinsured patients.

Definitions:

**Designated Languages:** The Designated Languages are English, Spanish, and any other language that is spoken by more than 1,000 patients (including inpatients and outpatients) receiving care at a JMH hospital in a twelve-month period as measured in the most recent language survey conducted by the JMH Community Health Improvement Department. Such assessment shall be conducted and documented at least every three years upon request from JMH Finance.

**Family:** For patients 18 years of age or older, a patient’s family is defined as his or her (i) spouse or domestic partner (as defined in Section 297 of the Family Code) and (ii) dependent children under 21 years of age (whether or not living at home). For persons under 18 years of age, a patient’s family is defined to include (i) a parent or caretaker relative and (ii) other children under 21 years of age of the parent or caretaker relative.

**Hospital Service:** A Hospital Service is a service that (i) is furnished by a JMH hospital in an inpatient or hospital-based outpatient setting and (ii) billed by a JMH hospital. The term does not include (i) separately-billable professional services of physicians or allied health professionals or (ii) services furnished by any person or facility outside of a licensed hospital.

*Medically-Necessary Hospital Service:* A Medically-Necessary Hospital Service is a Hospital Service that (i) is absolutely necessary to treat or diagnose a patient, (ii) could adversely affect the patient's condition if withheld, and (iii) is not considered an elective or cosmetic intervention or treatment.

*Reasonable Payment Plan:* A Reasonable Payment Plan is one that 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.

*Self-Pay Patient:* A financially-eligible Self-Pay patient is one who (i) has a Family income at or below 400% FPL and (ii) lacks third-party coverage for the specific services billed. A patient who has third-party coverage for certain hospital services will qualify as self-pay for those services hospital services falling outside the scope of the patient's coverage (including, without limitation, non-covered services, denied days, denied stays, services furnished before a deductible level is reached). By contrast, a patient lacking general health insurance coverage will fail to qualify as Self-Pay if he or she has a specific source of payment for the condition giving rise to hospital care (e.g., worker's compensation, automobile insurance, third-party liability).

*Underinsured Patient:* A financially-eligible Underinsured Patient is one who meets all of the following requirements: he or she

- Has third-party coverage (i.e., is not a Self-Pay Patient);
- Has a Family income at or below 400% of the Federal Poverty Level (FPL); and
- Has out-of-pocket medical expenses in the prior twelve (12) months (whether incurred or paid in or out of any hospital) exceeding 10% of Family income.

## II. Policy:

A. General Scope. This policy is designed to provide assistance to patients who (i) require Medically-Necessary Hospital Services, (ii) have a Family income of 400% or less of the FPL and (iii) are either Self-Pay Patients or Underinsured Patients. This policy and the financial screening criteria must be applied consistently to all cases throughout JMH. Any decisions made under this Policy, including the decision to grant or deny financial assistance, shall be based on an individualized determination of financial need, and shall not take into account race, color, national origin, citizenship, religion, creed, gender, sexual preference, age, or disability.

B. Exclusions. This policy addresses financial assistance only for Medically-Necessary Hospital Services. It explicitly excludes services that are not Medically-Necessary. It also explicitly excludes the following services even when they are medically necessary: (i) separately-billable professional services whether or not furnished in the Hospital or

(ii) services of any person or facility outside of a licensed hospital. Finally, this Policy will not apply if the patient/responsible party provides false information about financial eligibility or if the patient/responsible party fails to make every reasonable effort to apply for and receive government-sponsored insurance benefits for which they may be eligible.

### C. Professional Services.

1. General. As noted above, this Policy does not provide financial assistance for separately-billable services of physicians and allied health professionals who furnish care in the Hospital. Rather, such professionals independently choose whether they wish to offer financial assistance (and, if so, the terms under which such assistance will be offered). JMH will maintain a list of each physician and allied health professional practice that furnishes care in the Hospital (“**Practice List**”) and separately indicate for each identified practice whether it has agreed to be bound by the terms of this Policy. The Practice List shall be updated quarterly, indicate the date on which it was last updated, and be made available (i) on line in any location where this Policy is posted and (ii) in hard copy without charge upon request submitted to The Director Patient Financial Services, SBO and the Executive Director Revenue Cycle, 5003 Commercial Circle, Concord CA 94520.
2. It should be noted, however, that an emergency physician who provides emergency medical services in a JMH (or non-JMH) hospital is required to provide discounts to uninsured patients or patients with high medical costs who have a Family income at or below 350% of the Federal Poverty Level. This is true regardless of whether the emergency physician or his or her practice has agreed to specifically be bound by this Policy.

### III. Procedure

#### A. Communication of Financial Assistance Policy Responsibility: Admitting, Emergency Department, Outpatient Settings, Patient Financial Services.

1. Patients will be provided a brochure describing JMH’s Financial Assistance Policy, including information about eligibility, as well as contact information as to where the patient may obtain further information. The brochure will be given to patients at the time of service when such patients (i) are in the Admitting Department, Emergency Department, or other outpatient hospital settings and (ii) do not appear to have third-party coverage. The brochure will also be provided with the initial billing statement. The brochure will be available in each of the Designated Languages.
2. Notice of JMH’s Financial Assistance Policy will be posted in conspicuous places throughout the hospital, including the emergency department, admitting, registration, patient financial services and other outpatient departments where patients may be billed for services, even though not admitted. Posted notices will be provided in each of the Designated Languages.
3. Patients shall receive notice in any of the Designated Languages regarding the availability of financial assistance in their billing statements and collection action

letters (with such notice including contact information to include the telephone number and web site address at which to secure more information as well as this Policy, a financial assistance application form and patient brochure summarizing the policy).

4. Information about the availability of financial assistance -- including a copy of this Policy, a financial assistance application form and patient brochure that contains written notice of JMH's Financial Assistance Policy -- shall be available online in each of the Designated Languages at [www.johnmuirhealth.com/patients-and-visitors/payment-and-insurance/patient-financial-assistance-program](http://www.johnmuirhealth.com/patients-and-visitors/payment-and-insurance/patient-financial-assistance-program). Paper copies of these materials shall be available upon request (without charge) in the Designated Languages by mail and in the Emergency Department and Admissions Department.
5. Other venues may be used to educate and inform the patient and/or physician population of the availability of the Patient Financial Assistance Program as deemed appropriate.
6. Any applicant must provide the following in order to be considered for financial assistance under this policy: (i) the most recent income tax return filed by each member of the Family (or certification that no return has been filed for the family member), (ii) wage statements covering the most recent 3 months for each Family member (or certification that such Family member has not received wages during that period), (iii) three most recent statements for each bank account or investment account maintained by a Family member, (iv) evidence of out-of-pocket medical expenditures relevant to determining if a patient is an Under Insured Patient, (v) proof of rent or mortgage payments for the last three months, and (vi) a release permitting JMH or its agents or representatives to contact third parties to validate the accuracy and completeness of documents submitted. Documentation of income and assets submitted to JMH as part of the Patient Financial Assistance Program Such information will not be used for collection activities.

## B. Eligibility Procedures

Responsibility: Admitting/Registration, Emergency Department, Outpatient Settings, Patient Financial Services

1. Patients Without Third-Party Coverage.
  - a. If the patient does not indicate coverage by a third-party payer, or requests financial assistance, the patient should be provided with an application for the Medi-Cal program, the Healthy Families program, coverage offered through the California Health Benefits Exchange, California Children's Services CCS, or other state or county-funded health coverage program before the patient leaves the hospital, emergency department or other outpatient setting. The patient also shall be provided with a referral to Health Consumer Center, Bay Area Legal Aid, 1735 Telegraph Avenue, Oakland, CA 94612; (855) 693-7285, <http://healthconsumer.org/index.php?id=446>, or other agency as applicable.
  - b. All uninsured patients will be offered an opportunity to complete a Patient Financial Assistance Application. The form is available in each of the Designated

Languages. The Patient Financial Assistance Application will be used to determine a patient's eligibility for local, state and federal governmental programs as well as assistance under this Policy. Applications may not be submitted more than six (6) months following the first patient statement date. The eligibility screening will be performed by JMH or its designee. It is the patient's responsibility to cooperate with the information gathering process. Patient-specific information will be provided to the County and State in accordance with County and State guidelines for eligibility determinations.

- c. All potentially-eligible patients must apply for assistance through State, County and other programs before JMH financial assistance will be considered under this Policy. Financial assistance will be provided under this policy only upon receipt by JMH of a copy of the denial. If denied, JMH must receive a copy of denial. Failure to comply with the application process or provide required documents can be considered in the determination. Willful failure by the patient to cooperate may result in JMH's inability to provide financial assistance.
  - d. JMH will review Patient Financial Assistance applications monthly for approval. Balances approved will be submitted for write-off to a transaction code assigned to Patient Financial Assistance, and will follow the signature authority pursuant to the JMH Write-Off Guidelines.
  - e. Any recoveries to an account will be identified and steps taken to ensure the diminished assistance is reflected appropriately in the general ledger.
2. Patients With Third-Party Coverage.
- a. Patients with third-party coverage who nonetheless have significant out-of-pocket medical costs will be screened to determine whether they qualify as an Underinsured Patient. Upon patient request for financial assistance, the patient will be informed of the criteria to qualify as an Underinsured Patient and the need to provide evidence of payment for any services rendered at other providers in the past twelve months. It is the patient's decision as to whether he or she believes that he or she may be eligible for charity or discounted care and wishes to apply. However, the hospital must insure that all information pertaining to the Charity and Discounted Care Policy was provided to the patient.
  - b. Applications may not be submitted more than six (6) months following the first patient statement date. The eligibility screening under this policy will be performed by JMH or its designee. It is the patient's responsibility to cooperate with the information gathering process.
  - c. JMH will review Patient Financial Assistance applications monthly for approval. Balances approved will be submitted for write-off to a transaction code assigned to Patient Financial Assistance, and will follow the signature authority pursuant to the JMH Write-Off Guidelines.
  - d. Any recoveries to an account which has qualified and was absorbed under the terms of this Policy will have the amount of the recovery reversed from the Patient Financial Assistance adjustment code to ensure the diminished assistance is reflected appropriately in the general ledger.

### C. Eligibility For Free Care

1. A Patient without third-party coverage (and ineligible for coverage under State, County, and other programs) will be entitled to free Medically-Necessary Hospital Care under this Policy if the sum of the following is at or below 400% of the Federal Poverty Level:
  - a. Patient's Family income (as validated by its most recent filed Federal tax return and most recent three months of paycheck stubs from each Family member).
  - b. Patient's monetary assets (assets that are readily convertible to cash, such as bank accounts and publicly traded stock) after excluding (i) the first \$10,000 of monetary assets (liquid assets) and (ii) 50% of a patient's monetary assets (liquid assets) above the first \$10,000. Retirement accounts and IRS-defined deferred-compensation plans (both qualified and non-qualified) are not considered monetary assets and are excluded from consideration.
2. JMH will waive any out-of-pocket fees for Medically-Necessary Hospital Services furnished to an Underinsured Patient if the sum of the following is at or below 400% of the Federal Poverty Level:
  - a. Patient's Family income (as validated by its most recent filed Federal tax return and most recent three months of paycheck stubs from each Family member).
  - b. Patient's monetary assets (assets that are readily convertible to cash, such as bank accounts and publicly traded stock) after excluding (i) the first \$10,000 of monetary assets (liquid assets) and (ii) 50% of a patient's monetary assets (liquid assets) above the first \$10,000. Retirement accounts and IRS-defined deferred-compensation plans (both qualified and non-qualified) are not considered monetary assets and are excluded from consideration.
3. The JMH Business Office Management may, under unusual circumstances, extend free care to individuals who would not otherwise qualify for free care under this policy. When such an award is made, the unusual circumstances justifying the award of free care will be documented and stored by Patient Financial Services.

### D. Eligibility For Partial Discount For Patients With No Third-Party Coverage

1. Patients without third-party coverage (and ineligible for coverage under State, County, and other programs) but who are nonetheless ineligible for free care under this Policy, are eligible for a partial discount if they provide sufficient documentation of a Family income at or below 400% of the FPL.
2. The Patient Financial Assistance Application should be completed for all patients requesting a need-based discount.
3. Family income will be verified with the most recent filed Federal tax return and or recent paycheck stubs.

4. Discounted Payments will be limited to the highest of Medicare, Medi-Cal, Healthy Families, or any other government-sponsored health program in which Hospital participates.
5. Patients qualifying for a Partial Discount will be offered an extended payment plan. The terms of the payment plan shall be negotiated by JMH and the patient, and take into consideration the patient's Family income and essential living expenses. If JMH and the patient cannot agree on the payment plan, the JMH shall use the formula described in the Definition Section above under "Reasonable Payment Plan". Extended payment plans will be interest-free. Standard payment plan length will be twelve (12) months. Longer payment plans can be provided on an exception basis.
6. If a patient is deemed presumptively eligible for only a Partial Discount, the patient shall be notified and given the opportunity to submit any additional information to qualify for Free Care.

#### E. Eligibility For Partial Discount For Underinsured Patients With Third-Party Coverage

1. The Patient Financial Assistance Application should be completed for all patients requesting discounted care. Underinsured Patients need to be evaluated monthly to accurately account for medical cost for the last twelve (12) months. Patient is required to provide proof of payment of medical expenses.
2. Underinsured Patients with third-party coverage who do not qualify under Section III.B.2.A of this Policy but whose Family incomes are at or below 400% of the FPL are eligible for a discount.
3. Discounted Payments will be limited to the highest of Medicare, Medi-Cal, Healthy Families, or any other government-sponsored health program in which Hospital participates.
4. If a non-contracted third-party payer (who has not otherwise negotiated a discount off JMH's standard rates) has paid an amount equal to or more than the maximum governmental program payment, JMH would consider the difference as a partial charity care discount, and write off the difference. If payment received is less than the maximum governmental program payment, JMH can collect from the patient the difference between the third-party payment and the acceptable governmental program payment. However, this policy does not waive or alter any contractual provisions or rates negotiated by and between JMH and a third party payer, and will not provide discounts to a non-contracted third party payer or other entities that are legally responsible to make payment on behalf of a beneficiary, covered person or insured.
5. Patients qualifying as Underinsured Patients will be offered an extended payment plan. The terms of the payment plan shall be negotiated by JMH and the patient, and take into consideration the patient's Family income and essential living expenses. If JMH and the patient cannot agree on the payment plan, then JMH shall use the formula described in

the Definition Section above under “Reasonable Payment Plan”. Extended payment plans will be interest-free. Standard payment plan length will be twelve (12) months. Longer payment plans can be provided on an exception basis.

## F. Review Process

Responsibility: Admitting/Registration and Patient Financial Services

1. Requirements above will be reviewed and consistently applied throughout JMH in making a determination on each patient case.
2. Information collected in the Patient Financial Assistance Application may be verified by JMH. A waiver or release may be required authorizing the hospital to obtain account information from a financial or commercial institution or other entity that holds or maintains the monetary assets to verify their value. The patient's signature on the Patient Financial Assistance Application will certify that the information contained in the form is accurate and complete.
3. Any patient, or patient's legal representative, who requests charity or discounted care under this policy shall make every reasonable effort to provide JMH with documentation of income and all health benefits coverage. Failure to provide information would result in denial of charity or discounted care.
4. Eligibility will be determined based on patient's Family income including monetary assets as outlined in AB 774 (Health & Safety Code Section 127400 et seq.).
5. In the case of inpatient services, the Patient Financial Assistance Application will be required each time the patient is admitted and is valid for the current admission plus retroactive application for any services up to 6 months prior to the current admission. In the case of outpatient services, the Patient Financial Assistance Application must be submitted every six months.
6. Patients will be notified in writing of approval or reason for denial of charity or discounted care eligibility in languages as determined by JMH pursuant to Federal and state laws and regulations.
7. Specific payment liability for discounts will require the episode of care or treatment plan to be determined and priced to enable accuracy of Federal healthcare program reimbursement reporting. For Underinsured Patients, it may be necessary to wait until a payer has adjudicated the claim to determine patient financial liability.
8. See Section III.H. for Appeals/Reporting Procedures.

## G. Patient Billing And Collection Practices

Responsibility: Patient Financial Services



1. Patients who have not provided proof of coverage by a third party at or before care is provided will receive a statement of charges for services rendered at the hospital. Included in that statement will be a request to provide the hospital with health insurance or third-party coverage information. An additional statement will be provided on the bill that informs the patient that if they do not have health insurance coverage, the patient may be eligible for Medi-Cal, Healthy Families Program, coverage offered through the California Health Benefit Exchange, California Children's Services, other state- or county-funded health coverage, or charity or discounted care under this policy. At the time of initial billing, the brochure summarizing the Patient Financial Assistance Policy will be provided to the patient.
2. Hospital or its contracted collection agencies must send a notice specifying the following at least thirty (30) days before commencing a collection action: (i) collection activities the Hospital or contracted collection agency may take and (ii) the likely timeline within which they would be undertaken. Reasonable efforts must be made (and documented) to orally notify patients of the FAP.
3. Patient's request for information regarding the Patient Financial Assistance Program can be communicated verbally or in writing and a Patient Financial Assistance Application will be given/mailed to patient/guarantor address. Written correspondence to the patient shall also be in the languages as determined by JMH pursuant to Federal and state laws and regulations.
4. If a patient is attempting to qualify for eligibility under the hospital's charity or discounted care policy, and is attempting in good faith to settle the outstanding bill, the hospital shall not send the unpaid bill to any collection agency or other assignee unless that entity has agreed to comply with this policy.
5. Patients are required to report to JMH any change in their financial information promptly.
6. Prior to deferring or denying medically-necessary care due to non-payment of prior bills, JMH must provide written notice that Financial Assistance is available for those who qualify and wait at least 240 days from the date of the post-discharge notice
7. Prior to commencing collection activities against a patient who is eligible for financial assistance under this Policy, the hospital and our contracted collection agencies will provide a notice (i) containing a statement that non-profit credit counseling may be available, and containing a summary of the patient's rights and (ii) a further statement as follows: "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except in under unusual circumstances, debt collectors may not contact you before 8:00 AM or after 9:00 PM, In general a debt collector may not give information about your debt to another person or than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP or online at

www.ftc.gov.” The foregoing notices shall also be included in any communication with the patient indicating the commencement of collection activities may occur.

8. Neither JMH nor its contracted collection agencies will impose wage garnishments or liens on primary residences except as provided below. This requirement does not preclude JMH from pursuing reimbursement from third party liability settlements or other legally responsible parties.
9. Agencies that assist the hospital and may send a statement to the patient must sign a written agreement that it will adhere to the hospital’s standards and scope of practices.

The agency must also agree to:

- a) Not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after initial billing.
  - b) Suspend any extraordinary collection efforts if patient has submitted a pending Financial Assistance application.
  - c) Not place liens on primary residences.
  - d) Adhere to all requirements as identified in Health & Safety Code Section 127400 et seq. and T. Reg. 1.501(r)-6.
  - e) Comply with the definition and application of a Reasonable Payment Plan, as defined in the Definition Section above.
10. In the event that a patient is overcharged an amount that is greater than \$5.00, the hospital shall reimburse the patient the overcharged amount with 7 % interest (Article XV, Section 1 of the California Constitution) calculated from the date the overpayment is identified.

#### H. Appeals/Reporting Procedures

Responsibility: Patient Financial Services

1. In the event of a dispute or denial, a patient may seek review from the Director of Patient Financial Services. The Executive Director Revenue Cycle will review a second level appeal.
2. This Patient Financial Assistance Program and the plain language summary and the Patient Financial Assistance Application shall be provided to the Office of Statewide Health Planning and Development (OSHPD) at least biennially on January 1, or with significant revision.
3. If no significant revision has been made by JMH since the policies and financial

information form was previously provided, OSPHD will be notified that there has been no significant revision.

4. In reporting data relating to charity and discounted care, only those write offs and discounts provided under this Policy shall count towards calculation of “community benefit” on the Form 990 filed by JMH.

IV. Patient/Family Education

Provided through publication of this policy on the JMH website, direct education from JMH designees, and posted information as outlined in this Policy.

V. Documentation: N/A

VI. Relevant Hyperlinks: N/A

<b>Reference/Regulations:</b>			
California Hospital Fair Pricing Law (Health & Safety Code § 127400 et seq.), United States Internal Revenue Code Section 501(r)			
<b>Sponsor(s) Name &amp; Title:</b>			<b>Origination Date:</b>
Chris Pass Interim Chief Financial Officer			December 2006
<b>Supersedes: (with last approval date)</b>			
Previous title: AD - Patient Assistance / Charity Care Program / Uninsured Patient Discount Program (SA-11.04)			
<b>Record of Review Dates</b>			
<b>Review Only Dates:</b>		<b>Revision Dates:</b>	
		10/09; 12/11, 10/15	
<b>List Committee, Medical Staff, etc. Reviews: (with approval date)</b>			
<b>Record of Approval Dates</b>			
<b>PPRC:</b>	11/5/15	<b>Admin:</b>	11/13/15
		<b>MEC-WC:</b>	N/A
<b>MEC-CC:</b>	N/A		
<b>Operations Council:</b>	12/4/15	<b>Board:</b> 12/06, 11/09, 2/12, 1/16	

<b>Record of Approval Dates (Behavioral Health Center)</b>		
<b>Committee (Name):</b>	<b>MEC-BH:</b>	<b>Board:</b>