



**CHARITY CARE POLICY
EASTERN PLUMAS HEALTH CARE
BUSINESS OFFICE
EFFECTIVE: 10/2023**

I. POLICY STATEMENT

It is the policy of Eastern Plumas Health Care to identify charity care that is provided to patients according to the guidelines of this policy. Charity care is defined as health care services provided at no charge or at a reduced charge to patients who do not have or cannot obtain adequate financial resources or other means to pay for their care. This is in contrast to a bad debt which is defined as a patient and/or guarantor who, having the requisite financial resources to pay for health care services, has demonstrated by their actions an unwillingness to resolve the bill. Partial and full charity care will be based solely on ability to pay and will not be abridged on the basis of age, sex, race, creed, disability, or national origin. Classification of healthcare services as charity care will only be made in those cases when a reasonable effort has been made to seek other financial resources, but classification can occur at any time. Classification of healthcare services as charity care will not be made for non-medically necessary services (i.e., cosmetic surgery, patient convenience hospital days and services, etc.)

II. PURPOSE

The purpose of this policy is to define the eligibility criteria for charity care assistance and provide administrative guidelines for the identification and classification of patient accounts as charity care.

III. ELIGIBILITY

The following categories of patient accounts will be classified for charity care:

Category A – As defined in Assembly Bill 1020 “Uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level...shall be eligible to apply for participation under a hospital’s charity care policy or discount payment policy.” This includes (not limited to):

- a. Emergency room patients without a payment source. Individuals in this category have no job, no mailing address/or residence, *and* no insurance. These patients may meet the qualification guidelines for medical assistance such as Medicare, Medi-Cal or Covered California but do not have the inclination to follow through on the necessary eligibility processes. Collection efforts would be fruitless. Approval for write-off usually takes place after the service has been rendered.

- b. Patients who do not qualify for Medicare, Medi-Cal, Covered California or other assistance programs and are financially unable to pay all or part of the hospital bill. Typically, individuals and families in this category may be partially covered by health insurance and seek charity care assistance after insurance has paid. Patients must complete the attached application form and their adjusted family income must fall within the financial criteria to receive charity care, see income criteria table below. Families whose income exceeds the income criteria may still qualify for charity care with a cost share. Charity care approval can take place at any time including prior to service.
- c. Indigent/uncollectible situations that normally occur after service has been rendered.
- d. Current Medicare, Medi-Cal or Covered California recipients who are requesting Charity Care for a prior hospitalization which was not covered by the program. This situation normally occurs in cases where a patient does not meet the financial eligibility criteria for either program for the month of hospital service, but subsequently after discharge (weeks, months) the patient's financial condition deteriorates and therefore becomes eligible for assistance for future hospitalizations. Medicare, Medi-Cal or Covered California will not retroactively qualify applicants for prior periods.
- e. Confirmed "Other County" Medi-Cal/Medicaid patients whose county is not contracted with Eastern Plumas Health Care.

Category B- A deceased patient having no estate.

IV. PROCEDURAL GUIDELINES

- a. The patient financial advocate who receives a request for charity care or determines a patient's account(s) should be considered for charity care should thoroughly research and document on the financial file folder all relevant facts. Care should be taken that reasonable efforts have been made to seek alternative financial resources. Efforts should be made to secure approval or denial prior to admission.
- b. For purposes of this determination, monetary assets shall not include retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility as defined in AB 1020.
- c. The charity care request (Charity Care Application and/or documentation on the financial file jacket) should be forwarded through the levels of management to the lowest level able to authorize the charity care write-off amount (see write-off matrix below).
- d. Authorized employees must sign their approval or denial and reason for

determination on the file. Authorized employees must assure that reasonable efforts have been made to assure that alternative resources are not available to cover the cost of the hospitalization.

- e. The file should then be returned to the Patient Financial Advocate to process the write-off and send the Eligibility Determination Notice to the patient.
- f. The Patient Financial Advocate files (approvals only) and eligibility determination (approvals and denials) are to be archived for no less than five years. These records are to be archived in such a manner as to assure easy accessibility.

V. DISPUTES

In the event of a dispute a patient may seek further review from the CEO and/or CFO.

WRITE-OFF MATRIX

	Estimated of Actual Amount
Hospital Administrator/ Chief Executive Officer Chief Financial Officer	Above \$10,000
Patient Financial Services Manager	To \$10,000
Amounts shown are maximum per account(s) if combined	

**Income Criteria for All States except Alaska and Hawaii
Effective 01/15/2024**

<u>Size of Family Unit</u>	<u>2023 Federal Poverty Guideline</u>	<u>EPHC Poverty Guideline</u> <i>(400% OF FED POVERTY GUIDELINE)</i>
1	\$15,060	\$58,320
2	\$20,440	\$78,880
3	\$25,820	\$99,440
4	\$31,200	\$120,000
5	\$36,580	\$140,560
6	\$41,960	\$161,120
7	\$47,340	\$181,680
8	\$52,720	\$202,240

For family units over 8 members, add \$5,380.00 (EPHC Poverty Guidelines) for each additional member.