

**HEALDSBURG DISTRICT HOSPITAL  
POLICY**

<b>DEPT.: Patient Accounting</b>	
<b>TITLE: FINANCIAL ASSISTANCE</b>	<b>REVISED: 2/07, 11/16, 01/18 LAST REVIEWED: 2/07, 4/09, 9/11, 4/13, 07/17 EFFECTIVE DATE: April 1, 2004</b>

**POLICY:**

It is part of the Mission of Healdsburg District Hospital to provide financial assistance to the patients of the communities we serve. This policy authorizes the Chief Financial Officer (CFO) to implement and oversee the process to provide charitable services at a discounted rate.

**Definition:** Financial assistance is for patients who do not have the financial ability to pay for necessary services.

Partial and or full financial assistance will be provided to patients based on the individual's financial status and ability to pay. The hospital will use the Federal Poverty Income Guidelines as a reference point for determining eligibility, but will also take individual circumstances into consideration in making the determination of the amount of financial assistance discount. See **Attachment 1** for current Federal Poverty Guidelines and the financial assistance sliding scale to be used in determining eligibility.

Confidentiality of information and individual dignity will be maintained for all that seek financial assistance. The handling of personal health information will meet all Health Insurance Portability and Accountability Act (HIPAA) requirements.

The Healdsburg District Hospital Patient Accounting Office will be primarily responsible for the implementation of this policy and development of processes and procedures needed to qualify patients for financial assistance discounts. The Hospital's Chief Executive Officer (CEO) must approve in writing the criteria for evaluation of eligibility. At least annually, the CFO will review with the Board of Directors the current criteria, and the amount of Financial Assistance being provided.

Determination for financial assistance shall be made after the hospital staff has had the patient apply for assistance through the Social Services Department either under the State Medi-Cal Program for Aid to Families with Dependent Children or the County Medical Services Program (CMSP), California Children's Services (CCS) or Healthy Families, Breast Cancer Early Detection Program (BCEDP) or any other government sponsored program.

After the hospital has obtained the information necessary to complete the application for financial assistance form, determination for financial assistance shall be decided, as soon as possible on a first come / first serve basis with final approval by the Chief Financial Officer and members of the hospital's executive team.

## **FINANCIAL ASSISTANCE GUIDELINES/PROCEDURE:**

### **A. Financial Assistance Application (See Attachment 2)**

- Anyone can make application for financial assistance.
- The Healdsburg District Hospital standardized application form will be used to document each patient's overall financial situation. This application should be available in the primary language of the patient, either by written or verbal translation.
- Once a determination has been made, a notification will be sent to each applicant advising him or her of the hospital's decision.
- Credit reports may be used when appropriate to verify an individual's financial status.
- A patient's employment status may be taken into consideration when evaluating financial assistance status as well as potential payments from pending litigation, and third party liens related to the incident of care.
- The amount and frequency of hospital bills may also be considered.
- The data used in making a determination concerning eligibility for financial assistance should be verified to the extent practical in relation to the amount involved.
- A patient must provide any and all insurance coverage available to them at the time of application.
- Information obtained from a financial assistance application will not be used for collection efforts. However, information obtained from collection efforts may be considered when determining eligibility for financial assistance.

### **B. Full Financial Assistance:**

The basic criteria for full financial assistance write-off will be based on a patient's family income (See Attachment 1). When the income falls below 200% of the most recent Federal Poverty Guidelines, the patient is eligible for a 100% reduction of billed charges.

### **C. Partial Financial Assistance:**

Partial financial assistance will be granted to patients, on a sliding scale, based on family income between 200% and 399% of the most recent Federal Poverty Guidelines (See Attachment 1).

### **D. Medi-Cal:**

Medi-Cal patients are eligible for financial assistance write-offs related to denied stays, denied days of care, and non-covered services. Treatment Authorization

Request (TAR) denials and any lack of payment from non-covered services provided to Medi-Cal patients can be classified as financial assistance.

#### **E. Catastrophic Financial Assistance:**

In order to qualify for Catastrophic Financial Assistance the low-income, underinsured hospital patient must meet the expense qualification as described below:

##### **Expense Qualification:**

The patient's Allowable Medical Expenses must exceed 10% of his or her family income determined as follows:

- Multiply the family income as determined in Section K of this procedure by 10%.
- Determine the patient's allowable medical expenses.
- Compare 10% of the family income as determined in Section K to the total amount of the patient's allowable medical expenses. If the total of the allowable medical expenses is greater than 10% of the family income, then the patient meets the Catastrophic Financial Assistance qualification.

#### **F. Homeless Patient:**

Emergency Department patients without a payment source may be classified as financial assistance if they do not have a job, mailing address, residence or insurance. Consideration must also be given to classifying Emergency Department patients who do not provide adequate information as to their financial status as financial assistance eligible. In many instances, these patients are homeless and do not have resources to cover the cost of their care.

#### **G. Collection Agency:**

If a collection agency identifies a patient who meets the hospital's financial assistance eligibility criteria, the patient account may be considered for financial assistance, even if it was originally classified as a bad debt. Collection agency patient accounts meeting financial assistance criteria should be returned to the hospital billing office and reviewed for financial assistance eligibility.

#### **H. Special Circumstances:**

In rare occasions, a patient's individual circumstances may be such that while they do not meet the regular financial assistance criteria (as defined in this policy) but they do not have the ability to pay their hospital bill. In these situations, with the approval of the executive team, part or all of their cost may be written off as financial assistance. There must be complete documentation of why the decision was made to do so and why the patient did not meet regular criteria.

## **I. Governmental Assistance:**

1. In determining whether each individual qualifies for financial assistance, other county or governmental assistance programs should also be considered. Many applicants are not aware that they may be eligible for assistance such as Medi-Cal, the Healthy Families Program, Victims of Crime, or CCS.
2. The Hospital's Financial Counselor will assist individuals to determine if they are eligible for any governmental or other assistance.
3. Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for the period during which the medical services were rendered, may be granted financial assistance for those services. However, the granting of financial assistance is contingent upon applying for governmental program assistance. This proactive requirement is prudent because it will support the patient if any further medical services are required.

## **J. Time Requirements for Determination:**

1. While it is desirable to determine the amount of financial assistance for which a patient is eligible as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent and a determination can be made before, on, or soon after the date of service. In other cases, it can take investigation to determine eligibility, particularly when the patient has limited ability or willingness to provide needed information.
2. Every effort should be made to determine a patient's eligibility for financial assistance. In some cases, a patient eligible for financial assistance may not have been identified prior to initiation of external collection action. Accordingly, each collection agency should be made aware of the Financial Assistance policy. This will allow the agency to return accounts that they determine to be uncollectible due to the patient's inability to pay and that meet the financial assistance eligibility guidelines.

## **K. Definition of Income:**

1. Annual family earnings and cash benefits from all sources before taxes, less payment made for alimony and child support.
2. Proof of earnings may be determined by annualizing year to date family income, giving consideration for current earnings rates. The patient must provide either pay stubs for at least one month or income tax returns. When an income tax return is provided, the "adjusted gross income" will be used as the amount in consideration.
3. The hospital will not include retirement, deferred compensation plans, or the first \$10,000 in savings or checking accounts. After the first \$10,000 we may, however, include 50% of monetary assets.

**L. Approval Matrix of Who Can Grant Financial Assistance Write Offs:**

The patient will fill out the Financial Assistance application with the Financial Counselor's assistance. Once that is complete the application will be evaluated and brought to the Revenue Cycle Director for determination of the % of financial assistance to be approved. The CFO will review with a committee comprised of the hospital's executive team and sign each application as final approval or denial.

**M. Accounting for Financial Assistance:**

The Patient Accounting Office will account for the financial assistance write-offs by using transaction codes assigned by the CFO when applying the discounts to the patient account. The transaction codes used for accounting for financial assistance and their mapping to the general ledger will be reviewed periodically to ensure accuracy.

**N. Roles and Responsibilities:**

The Patient Accounting Office is responsible for overseeing this process. Procedures must be adopted that clearly address the various responsibilities in the determination of financial assistance. This includes the provision of information, contact with the patient, assistance to the patient, making the determination of financial assistance eligibility and notifying the patient.

**O. Record keeping:**

Records of patients relating to potential financial assistance must be kept on file and be readily obtainable for a period of three years.

In addition, financial assistance application approval or denial should be noted on the patient's account.

**P. Application of Policy:**

This policy does not create an obligation to pay for any charges or services not included in the hospital bill at the time of service. This policy does not apply to services provided within the hospital by physicians or other medical providers including Anesthesiologists, Radiologists, Pathologist, etc.

### **Q. Appeal Process:**

If a patient disagrees with the determination for financial assistance or discount made by sliding scale, the patient may dispute the decision by written correspondence directly to the CFO. This correspondence should be sent to:

- Healdsburg District Hospital  
1375 University Ave  
Healdsburg, CA 95448  
ATTN: CFO

### **R. Public Notice and Posting:**

Public notice of the availability of assistance through this policy should be made through each of the following means;

1. Posting notices in a visible manner in locations where patients are admitted or registered or where patients pay for services (such as the Admitting office, Emergency Department, Billing office, and front desk).
2. Informing patients during collection efforts of the availability of financial assistance. The patient will be notified by letter after services are rendered.
3. The Financial Assistance Guidelines will be posted to the hospital website as well as made available to California's Office of Statewide Health Planning and Development (OSHPD) for publication.

## INSTRUCTIONS

1. Please complete all areas on the attached application. If any area does not apply to you, write "N/A" in the space provided. Attach an additional page if you need more space to answer any question.
2. You must provide most recent proof of income when you submit the application. *For California, documentation of income shall be limited to recent pay stubs or income tax returns.*

The following documents are accepted as proof of income:

If you filed a federal income tax return:

Federal income tax return (Form 1040) from the most recent year, including all schedules and attachments as submitted to the Internal Revenue Service.

*Note:* If you were declared as a dependent, please bring the tax return that cites you as a dependent.

If you did not file a federal income tax return:

- a. Two (2) most recent paycheck stubs showing earnings to date;
- b. If self-employed, provide documentation of earnings from the past three (3) months;
- c. Two (2) most recent check stubs or proof of direct deposit from any Social Security, child support, unemployment, disability, alimony or other payments;
- d. If you are paid only in cash, please have your employer provide a signed and dated written statement explaining the amount and frequency with which you are paid.

*Note:* If you have no income, please provide a letter explaining how you support yourself and/or your family.

3. Your application will not be processed until *all* required information is provided.
4. It is important that you complete, sign and submit the financial assistance application along with all required documentation within fourteen (14) days.
5. You *must* sign and date the application. If the patient/guarantor and spouse/domestic partner provide information, both *must* sign the application.
6. If you have questions or require assistance in completing this application, please call your account representative at (707) 431-6500.
7. Send your completed application to:

Healdsburg District Hospital  
Attn: Financial Assistance  
1375 University Avenue  
Healdsburg, CA 95448

*The qualification for or against financial assistance will not affect the patient's right to access medically necessary or emergency care.*

Personal Information	
Account Number	
Patient / Guarantor Name	
Has the patient previously received and/or applied for HDH financial assistance	___ Yes ___ No A prior financial assistance application or decision does not affect the decision on the current application.
Has the patient applied for other assistance? (Medicaid, Medicare, DHS, SSI or other federal programs)	___ Yes ___ No <u>If Yes</u> , please attach a copy of the signed application for those programs.
Spouse/Domestic Partner Name	
Address (street)	
Address (City, State, Zip)	
Home Phone	
Work Phone	
Cell Phone	
Patient/Guarantor SSN	
Spouse/Domestic Partner SSN	

Family Status		
List all dependents that you support (Use back if additional space is needed)		
Name	Date of Birth	Relationship to Patient

Employment Status		
	Patient/Guarantor	Spouse/Domestic Partner
Employer Name		
Position		
Contact Person		
Contact Phone		

Annual Income			
Description	Patient/ Guarantor	Spouse/Domestic Partner	Total



1. Gross Wages and Salary			
2. Self-employment Income			
3. Interest/Dividends			
4. Rentals/Leases			
5. Social Security			
6. Alimony			
7. Child Support			
8. Unemployment/Disability			
9. Public Assistance			
10. All other sources (attach list)			
<b>Total Annual Income</b>			

<b>Assets</b>				
Description	Patient/Guarantor	Spouse/Domestic Partner	Total Value	Amount Owed
1. Checking Account(s) Balance				
2. Savings Account(s) Balance				
3. Stocks, Bonds, CDs Value				
4. Primary Residence				
5. Other Real Estate (attach list)				
6. Motor Vehicles (attach list)				
7. Other Personal property				
8. Other _____				
<b>Total Assets</b>				

<b>Essential Living Expenses</b>
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Description	Amount Paid Per Month
Rent or House Payment	
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	
Other Extraordinary Expenses _____	
Other Extraordinary Expenses _____	

The undersigned declares that all information provided is true and correct to the best of his/her knowledge. The undersigned authorizes Healdsburg District Hospital to verify any information listed in this application. The undersigned expressly grants permission to contact his/her employer, banking and lending institutions, and to check his/her credit history.

\_\_\_\_\_

Signature of Patient/Guarantor

\_\_\_\_\_

Signature of Spouse/Domestic Partner

\_\_\_\_\_

Date

\_\_\_\_\_

Date

**Attachment 1**

<b>2018 Poverty Guidelines for the 48 Contiguous States and the District of Columbia</b>	
<b>Persons in Family/Household</b>	<b>Poverty Guideline</b>
For Families/Households with more than 8 persons, add \$4,320 for each additional person	
<b>1</b>	<b>\$12,140</b>
<b>2</b>	<b>\$16,460</b>
<b>3</b>	<b>\$20,780</b>
<b>4</b>	<b>\$25,100</b>
<b>5</b>	<b>\$29,420</b>
<b>6</b>	<b>\$33,740</b>
<b>7</b>	<b>\$38,060</b>
<b>8</b>	<b>\$42,380</b>

<b>Level of Assistance Guidelines</b>	
<b>&lt;200% of Federal Poverty Guidelines</b>	<b>100% Financial assistance Discount</b>
<b>201% to 300% of Federal Poverty Guidelines</b>	<b>75% Financial assistance Discount*</b>
<b>301% to 400% of Federal Poverty Guidelines</b>	<b>50% Financial assistance Discounts*</b>

\*Financial assistance discounts are applied to the balance after normal self-pay adjustments have been made.