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Document Types Policy

## Financial Assistance (Discounted Charity Care, Eligibility Procedures, Review Process)

### COVERAGE:

Individuals eligible to receive financial assistance, charity care or discounts.

### PURPOSE:

Consistent with its Mission, El Camino Hospital (ECH) strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

### POLICY STATEMENT:

ECH is committed to providing financial assistance to patients who are unable to pay for medically necessary care based on their individual financial situation. ECH offers this assistance to two classes of financially eligible patients based on income: uninsured patients and those patients with high medical cost. This policy encompasses ECH's charity and discount payment policies required pursuant to Health and Safety Code §§127400-127446.

ECH's financial assistance programs are not substitutes for personal responsibility. Patients are expected to cooperate with ECH's procedures for obtaining financial assistance and to contribute to the cost of their care based on their ability to pay. In order to manage its resources responsibly and to allow ECH to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors approves these guidelines for the provision of charity care.

This policy will be posted and distributed consistent with the ECH internal procedure document entitled "Distribution of Financial Assistance Procedure".

## REFERENCE:

- Patient Protection and Affordable Care Act of 2010 and Hospital Fair Pricing Policies (Health and Safety Code §§127400-127446, 1339.585; California Code of Regulations, Title 22, sections 70959, 96040-96050)

## DEFINITIONS:

- **Eligible Services:** Financial assistance pursuant to this policy is only available for hospital services provided under the authority of ECH's general acute care license. This includes:
  - Emergency medical services provided in an emergency room setting
  - Services for a condition which, in the opinion of the treating physician or other health care professional, would lead to an adverse change in the health status of an individual if not treated promptly
  - Non-elective services provided in response to life-threatening or health-threatening circumstancesThe following services are excluded as ineligible for the application of Financial Assistance under this policy, except as required by law:
  - Purchases from ECH retail operations, such as gift shops & cafeteria;
  - Physician Services that are not billed by Hospital.
  - Services that are not licensed hospital services are not covered by this policy.
- **High Medical Costs:** A patient whose family income does not exceed 400 percent of the Federal Poverty Level, and includes any of the following:
  - Annual out-of-pocket costs incurred by the patient at the hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months. Out-of-pocket costs means any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
  - Annual out-of-pocket expenses that exceed 10 percent of the patient's 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. Out of pocket-expenses means any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.
- **Patient's Family:**
  - For Persons 18 years of age and older: Patient's spouse, domestic partner, as defined in Section 297 of the Family Code, and 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, whether living at home or not.
  - For Persons under 18 years of age or for a dependent child 18-20 years of age: Patient's 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.

- **Family Income:** Family Income is determined using recent pay stubs or income tax returns. Other forms of documentation of income are acceptable, but not required. The following sources of income of a patient and the Patient's Family are considered when computing in accordance with federal poverty guidelines:
  - Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Disability Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
  - Non-cash benefits (such as food stamps and housing subsidies), Supplemental, Security Income, veteran disability payments, alimony, workers' compensation, and child support do not count;
  - Determined on a before-tax basis;
  - Excludes capital gains or losses; and
  - Includes the income of Patient's Family members as defined above.
  - Excludes monetary assets.
- **Federal poverty level ("FPL"):** The federal poverty level refers to 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.
- **Essential Living Expenses:** Expenses for any of the following: rent, house payment and maintenance, food, household supplies, utilities, telephone, clothing, medical and dental payment, 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

## PROCEDURE:

- A. **Eligibility for Financial Assistance (Discounted Charity Care)**

ECH offers full charity care to patients who are uninsured or who have High Medical Costs who are at or below 400% of the federal poverty level. Full charity care means the patient liability after the application of any insurance, other health coverage, or third party assistance will be zero. No account associated with a patient who is determined to be eligible for charity care will be sent to collections, nor will adverse information be reported to a consumer credit reporting agency. The granting of charity care shall be based on an individualized determination of Family Income, and shall not take into account age, gender, race, health status, social or immigrant status, sexual orientation or religious affiliation.
- B. **Medi-Cal (Medicaid) Denials.** Non-covered and denied Eligible Services provided to Medi-Cal eligible beneficiaries are considered a form of charity care. Medicaid beneficiaries are not responsible for any forms of patient financial liability, and all charges related to Eligible Services not covered, including all denials, are charity care. Examples may include, but are not limited to:

1. Services provided to Medi-Cal beneficiaries with restricted Medi-Cal (i.e., patients that may only have pregnancy or emergency benefits, but receive other hospital care)
2. Medi-Cal pending accounts
3. Medi-Cal or other indigent care program denials
4. Charges related to days exceeding a length-of-stay limit
5. Out-of-state Medicaid claims with "no payment"
6. Line item denials.

C. **Process to Determine Eligibility for Charity Care.** The cooperation of the patient and/or the Patient's Family is necessary in order for ECH to determine eligibility. A patient, or patient's legal representative, who requests charity care or other assistance in meeting their financial obligation to ECH shall make every reasonable effort to provide ECH with documentation of income and health benefits coverage.

1. **Application.** Eligibility will be determined in accordance with the following procedures to ensure an individual assessment of Family Income. The application process will require the following information from the patient submitted by e-mail, fax, or mail as specified in the application:
  - a. Completed signed application and
  - b. Proof of Income Tax return or most recent payroll stub. A patient who does not have an income tax return may submit SSA 1099 to qualify for charity care.  
Information obtained pursuant to this application shall not be used for collections activities.
2. **Eligibility.** In determining eligibility, ECH will:
  - a. Document reasonable efforts by ECH to explore appropriate alternative sources of payment and coverage from public and private health insurance or sponsorship, such as Covered California plans, Medicare, or Medi-Cal, and to assist patients to apply for such programs. However, if the patient applies, or has a pending application for another health coverage program at the same time that he or she applies for ECH's charity care, neither application shall preclude eligibility for the other program. The patient shall not be required to apply for Medicare, Medi-Cal, or other coverage before the patient is screened for, or provided, discount payment. However, when screening for eligibility for discount payment, ECH may require the patient to participate in a screening for Medi-Cal eligibility.
  - b. Review the patient's outstanding accounts for any open accounts that may also be eligible for charity care for the approval timeframe.
3. **Presumptive Eligibility.** ECH reserves the discretion to grant presumptive charity care for individuals who are unable to complete the application or provide financial information by making a good faith effort to determine income from the patient's address, based on Experian presumptive eligibility tool, or based on prior eligibility determination.

4. **Circumstantial Eligibility.** ECH reserves the discretion to grant circumstantial eligibility based on an objective, good faith determination of financial need, taking into account the individual patient's circumstances, the local cost of living, a patient's income, a patient's family size, and/or the scope and extent of a patient's medical bills, based on reasonable methods to determine financial need. The Chief Executive Officer, the Chief Financial Officer, or his/her/their designees shall be authorized to approve patients for circumstantial eligibility for charity or discounted care, and must ensure documentation of the basis upon which circumstantial eligibility was granted.
5. **Changed Circumstances.**
  - a. 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 ECH with the updated information. ECH will consider the patient's changed circumstances in determining eligibility for charity care.
  - b. Eligibility for financial assistance shall be reevaluated every 12 months or at any time additional information relevant to the eligibility of the patient becomes known. If such information does change, it is the patient's responsibility to notify ECH of the updated information.
  - c. ECH's values of respect and integrity shall be reflected in the application process, eligibility determination and granting of charity care write-off. Requests for Charity Care shall be processed promptly, and ECH shall notify the patient or applicant in writing of its decision on a completed application.
  - d. ECH may deny an application for Financial Assistance and/or may reverse previously applied discounts if it learns of information which it believes supports a conclusion that information previously provided was inaccurate. In addition, ECH may elect to pursue legal actions against persons who it believes knowingly misrepresented their financial condition, including those who accept financial assistance after an improvement in their financial circumstances which was not made known to ECH.

#### 6. **Timeline for Application for Financial Assistance**

- a. ECH shall accept and process a financial assistance application at any time, but will provide a minimum of 240 days after initial billing for a patient to submit the application before assuming any collections activities.
- b. When a patient submits an incomplete application, ECH shall notify the individual about how to complete the application and give the patient a reasonable opportunity to do so.
- c. When a patient submits a complete application during the 240-day application period, ECH shall determine whether the individual is eligible for financial assistance.
- d. Eligibility determination may be done at any point.

e. ECH shall notify the patient in writing of the determination and the basis for the determination.

7. **Review of Determination of Application.** In the event of a dispute, a patient may seek review from the Chief Financial Officer by submitting an appeal by e-mail, fax, or mail to the address/phone number specified in the application.

#### D. Other Provisions

1. Any contracted emergency department physician or surgeon who provides emergency medical services at ECH 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 ECH.
2. ECH shall provide, without discrimination, care for emergency medical conditions to patients regardless of their eligibility under this policy.
3. A patient shall not be denied financial assistance that would be available pursuant to the ECH policy published on the HCAI's internet website at the time of service.
4. ECH shall maintain all records (including, but not limited to, claims, invoices, bills, litigation, notices, contracts, contact information, debt collections) relating to money owed to the hospital by a patient or a guarantor of the patient for at least 5 years.
5. As required by law, Effective July 1, 2025, ECH contracts creating a medical debt will include the following term: "A holder of this medical debt contract is prohibited by Section 1785.27 of the Civil Code from furnishing any information related to this debt to a consumer credit reporting agency. In addition to any other penalties allowed by law, if a person knowingly violates that section by furnishing information regarding this debt to a consumer credit reporting agency, the debt shall be void and unenforceable."

E. **Exceptions and Limitations** This policy is intended to be a statement of general intent, setting forth the basic principles to be followed by the organization in administration of its programs to provide financial assistance and charity care to its patients. However, because the complexities of human existence can present myriad possible individual circumstances, and because of the challenges present in managing a health care organization, it is recognized that some degree of flexibility is appropriate in administering these programs. Accordingly, the Chief Executive Officer and Chief Financial Officer of ECH or his/her/their designees are granted the authority to provide exceptions to these policies and procedures as appropriate to grant financial assistance based on an individual patient's circumstances and as appropriate to the financial ability and needs of ECH. The Chief Executive Officer and Chief Financial Officer of ECH are also each granted the authority to amend this policy to adjust the parameters of the financial assistance program in order to ensure the total amount of financial assistance provided is consistent with the organization's financial ability and to ensure ECH is able to meet its financial obligations.

In implementing this policy, ECH shall comply with all federal, state, and local laws, rules, and

regulations that may apply to activities conducted pursuant to this Policy, including Health and Safety Code sections 127400-127446 and 1339.585.

*NOTE: Printed copies of this document are uncontrolled. In the case of a conflict between printed and electronic versions of this document, the electronic version prevails.*

## Approval Signatures

Step Description	Approver	Date
Publish	Patrick Santos: Policy and Procedure Coordinator	02/2025
Board	Tracy Fowler: Director Governance Services	02/2025
ePolicy Committee	Patrick Santos: Policy and Procedure Coordinator	01/2025
CFO	Carlos Bohorquez: CFO	01/2025
Senior Director, Revenue Cycle	Brian Fong: Executive Director Revenue Cycle	12/2024
	Johnna Mohun-Garvey: Director Patient Accounts	12/2024