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Owner	Renee Frey: Patient Financial Services Director
Policy Area	Patient Accounting

## Financial Assistance/Charity Care

### POLICY

It is the policy of St. Rose Hospital to provide Financial Assistance, consistent with this policy, in the form of free or discounted care to eligible:

1. **Low-income Uninsured Patients**  
(Full Charity Care, Partial Charity Care, Special Circumstances Charity Care)
2. **Patients with High Medical Costs**  
(High Medical Cost Charity Care)

For patients with no third-part coverage whose income exceeds 400% of FPL please refer to the Uninsured, Under-Insured and Self-Pay policy. Information regarding financial assistance can be found on the St. Rose Hospital website at <https://strosehospital.org>

Any modification of this policy must be approved in writing by St. Rose Hospital's Chief Financial Officer. St. Rose Hospital will also provide certain discounts for uninsured patients who do not otherwise qualify for Financial Assistance pursuant to a separate policy.

### PURPOSE

This policy is intended to:

1. Define the forms of available Financial Assistance and the associated eligibility criteria; and
2. Establish the processes that patients shall follow in applying for Financial Assistance and the process St. Rose Hospital will follow in reviewing applications for Financial Assistance; and
3. Provide a means of review in the event of a dispute over a Financial Assistance determination; and
4. Provide administrative and accounting guidelines to assist with identifying, classifying and reporting Financial Assistance; and

5. Establish guidelines and standards that St. Rose Hospital will follow with respect to the collection of patient debt including patients who are eligible for Financial Assistance.

This Financial Assistance Policy is intended to comply with Section 501(r) of the Internal Revenue Code (IRC) as enacted by the Affordable Care Act, and the implementing regulations, effective for tax years beginning after December 29, 2015 as well California Health & Safety Codes section 127400 et seq. (AB 774), Hospital Fair Pricing Policies, effective January 1, 2007, and Emergency Physician Fair Pricing Policies, effective January 1, 2011, and Office of Inspector General, Department of Health and Human Services (OIG) guidance regarding financial assistance to uninsured and under-insured patients.

## GENERAL INFORMATION

- A. **Scope of Policy.** This policy does not create an obligation for St. Rose Hospital to pay for charges of physicians or other medical providers including anesthesiologists, radiologists, emergency department physicians, pathologists, etc., not included in the hospital bill.
- B. **Emergency Department Physicians.** An emergency physician, as defined in California Health & Safety Code § 127450, who provides emergency medical services at St. Rose Hospital 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. This statement shall not be construed to impose any additional responsibilities upon St. Rose Hospital.

## DEFINITIONS AND ELIGIBILITY

**Financial Assistance is available to eligible patients who receive Covered Services and who follow applicable procedures (such as completing applications and providing required information).**

- A. **Financial Assistance.** The term Financial Assistance refers to Full and Partial Charity Care, Special Circumstances Charity Care, and High Medical Cost Charity Care.
  1. **Full Charity Care.** Full Charity Care is a complete (100%) write off of the gross billed/undiscounted charges for the Covered Services provided to the patient less any payments made by the patient. Full Charity Care is available to patients:
    1. Whose Family Incomes are at or below 200% of the most recent Federal Poverty Income Guidelines (**Exhibit A**); and
    2. Who have no source of payment for any portion of their medical expenses, including without limitation, commercial or other insurance, government sponsored healthcare benefit programs or third party liability.
  2. **Partial Charity Care.** Partial Charity Care is a partial write-off of St. Rose Hospital's undiscounted charges for Covered Services available to patients:
    1. Whose Family Incomes are between 200% and 400% of the federal poverty level according to the most recent Federal Poverty Income Guidelines (**Exhibit A**); and
    2. Who have no source of payment for any portion of their medical expenses, including without limitation, commercial or other insurance, government sponsored health care benefit programs or third-party liability.

3. For patients whose Family Incomes are above 200% and below 350% of the most recent Federal Poverty Income Guidelines (**Exhibit A**), St. Rose Hospital shall limit the expected payments for Covered Services to an amount equal to ten percent (10%) of the gross billed/undiscounted charges for the Covered Services provided to the patient less any payments made by the patient. St. Rose Hospital has determined that an amount equal to ten percent (10%) of the gross billed/undiscounted charges is no more than the amount St. Rose Hospital would expect to receive from Medicare or Medi-Cal, whichever is greater. St. Rose Hospital will regularly review its reimbursement from Medicare and Medi-Cal and make adjustments to the discount as necessary.
  4. For patients whose family incomes are above 350% and below 400% of the most recent Federal Poverty Income Guidelines (**Exhibit A**), St. Rose Hospital shall limit the expected payments for Covered Services to an amount equal to fifteen percent (15%) of the gross billed/undiscounted charges for the covered services provided to the patient less any payments made by the patient. St. Rose Hospital has determined that an amount equal to ten percent (10%) of the gross billed/undiscounted charges is no more than the amount St. Rose Hospital would expect to receive from Medicare or Medi-Cal, whichever is greater. St. Rose Hospital will regularly review its reimbursement from Medicare and Medi-Cal and make adjustments to the discount as necessary.
3. **Special Circumstances Charity Care:** Special Circumstances Charity Care allows Uninsured Patients who do not meet the Financial Assistance Criteria set forth in Section 1 or 2 above, or who are unable to follow specified hospital procedures, to receive a complete or partial write-off of St. Rose Hospital's undiscounted charges for Covered Services, with the approval of St. Rose Hospital's Chief Financial Officer or designee. St. Rose Hospital must document the decision, including the reasons why the patient did not meet the regular criteria. The following is a non-exhaustive list of some situations that may qualify for Special Circumstances Charity Care:
1. **Bankruptcy.** Patients who are in bankruptcy or recently completed bankruptcy.
  2. **Unhoused Patients.** Emergency room patients without a payment source if they do not have a job, mailing address, or residence.
  3. **Deceased.** Deceased patients without insurance, an estate, or third party coverage.
  4. **Medicare.** Income-eligible Medicare patients may apply for Financial Assistance when they have executed an ABN with respect to non-covered service and coverage has been denied for those services.
  5. **Medi-Cal.** Income eligible Medi-Cal patients may apply for Financial Assistance for the Medi-Cal share of cost. 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 apply for financial assistance.

4. **High Medical Cost Charity Care.** High Medical Cost Charity Care for Insured Patients ("High Medical Cost Charity Care") is a partial write-off of St. Rose Hospital's undiscounted charges for Covered Services. High Medical Cost Charity Care is not available for patients receiving services that are already discounted (e.g., package discounts). For Covered Services provided to patients who qualify for High Medical Cost Charity Care, St. Rose Hospital shall limit expected payments to an amount equal to twenty percent (20%) of the gross billed/ undiscounted charges for the Covered Services provided to the patient less any payments made by the patient. This discount is available to insured patients who meet the following criteria:
  1. The patient's Family Income is over 400% of the Federal Poverty Income Guidelines (**Exhibit A**);
  2. The patient's or the patient's family medical expenses for Covered Services (incurred at St. Rose Hospital or paid to other providers in the past 12 months provided that the patient provides written evidence of payment to St. Rose Hospital) exceed the lesser of 10% of the patient's current Family Income and 10% of the patient's Family Income for the prior 12 months; and
  3. The patient's non-contracted insurer has not provided a discount off the patient's bill (i.e., the patient is responsible to pay undiscounted charges).
5. **Covered Services:**
  1. Covered Services for Full Charity Care are all services that are required to be covered by a Knox-Keene licensed Health Care Services Plan, except that those services requiring administrative approval as defined below are not Covered Services.
  2. Covered Services for Partial Charity Care and High Medical Cost Charity Care are all services provided by St. Rose Hospital, except that those services requiring administrative approval as defined below are not Covered Services.
  3. Services Requiring Prior Administrative Approval. Due to their unique nature, certain non-emergency services require administrative approval prior to admission and the provision of services. Generally, patients who seek complex, specialized, or high-cost services (e.g., experimental procedures, transplants) must receive administrative approval prior to the provision of services. Patients seeking to receive such services are not eligible for Full Charity Care, Partial Charity Care or High Medical Cost Charity Care unless St. Rose Hospital's executive team makes an exception.
6. **Uninsured Patient.** An Uninsured Patient is a patient who has no source of payment for any portion of their medical expenses including, without limitation, commercial or other insurance, government sponsored healthcare benefit program or third party liability, or whose benefits under insurance have been exhausted prior to admission.
7. **Primary Language of St. Rose Hospital's Service Area.** A language is a primary language of St. Rose Hospital's service area if 5% or more of St. Rose Hospital's

local population speaks the language.

8. **Family Income.** Family Income is the lesser of 10% of the current family earnings for the annual family earnings from the prior 12 months or prior tax year as show by recent pay stubs or income tax returns, less payments made for alimony and child support. Proof of earnings may be determined by annualizing year-to-date family income, giving consideration for current earning rates. For patients over 18 years of age, the patient's family income includes their spouse or domestic partner as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not. For patients under 18 years of age, the patient's family includes their parents, caretaker relatives, and other children less than 21 years of age of the parents or caretaker relatives.
9. **Reasonable Payment Plan:** If an Uninsured Patient is unable to pay the remaining balance after discount applied. St. Rose Hospital will offer the patient an extended payment plan without interest or late fees. St. Rose Hospital will offer a reasonable payment plan with monthly payments that are not more than ten percent (10%) of the patient's family income for a month after deducting essential living expenses.
10. **Payment Plans.** If a patient has a discounted balance due after qualifying for Partial Charity Care, Special Circumstances Charity Care, or High Medical Cost Charity Care, St. Rose Hospital will offer the patient an extended payment plan to allow payment of the discounted balance over time. St. Rose Hospital and the patient will negotiate the terms of the payment plan taking into consideration the patient's family income and essential living expenses. If St. Rose Hospital and the patient cannot agree on the payment plan, St. Rose will offer a reasonable payment plan with monthly payments that are not more than ten percent (10%) of the patient's family income for a month after deducting essential living.

## PROCEDURES

### A. Applying for Financial Assistance:

1. An Uninsured Patient who indicates the financial inability to pay a bill for Covered Services shall be evaluated for Financial Assistance. In order to qualify as an Uninsured Patient, the patient or the patient's guarantor must verify that he or she is not aware of any right to insurance or government program benefits that would cover or discount the bill..
2. The "Statement of Financial Condition/Financial Assistance Application Form," (**Exhibit B**), shall be used to document each patient's overall financial condition. This application shall be available in the Primary Language(s) for St. Rose Hospital's service area.
3. A sample of the "Charity Care Calculation Worksheet," (**Exhibit C**), is provided to aid in the determination of the amount and type of charity care for which the patient may be eligible.

### B. Financial Assistance Determination and Notice

1. **Determination:**
  - a. St. Rose Hospital will consider each applicant's Financial Assistance

application and grant Financial Assistance where the patient meets eligibility requirements and has received (or will receive) Covered Services.

- b. St. Rose Hospital may make Financial Assistance approval contingent upon a patient applying for governmental program assistance, which may be prudent if the particular patient requires ongoing services.
- c. 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, Victims of Crime, or California Children Services.
- d. St. Rose Hospital should assist the individual in determining if they are eligible for any governmental or other assistance and provide applications as requested.
- e. Where administrative approval is required, St. Rose Hospital will consider the request for service in a timely fashion and provide a response to the request in writing.

## 2. **Notice**

- a. 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 while in other cases further investigation is required to determine eligibility. In some cases, a patient eligible for Financial Assistance may not have been identified prior to initiating external collection action. St. Rose Hospital's collection agencies shall be made aware of this policy so that the agencies know to refer back to St. Rose Hospital patient accounts that may be eligible for Financial Assistance.
  - b. Once a Full or Partial Charity Care or High Medical Cost Charity Care determination has been made a "Notification Form" (**Exhibit D**) will be sent to each applicant advising them of the hospital's decision.
- C. **Dispute Resolution.** In the event of a dispute over the application of this policy, a patient may seek review by notifying St. Rose Hospital's Chief Financial Officer of the basis of any dispute and the desired relief. Written communication should be submitted within thirty (30) days of the patient's knowledge of the circumstances giving rise to the dispute. The Chief Financial Officer or designee shall review the concerns and inform the patient of any decision on writing.
- D. **Recordkeeping.** Records related to Financial Assistance must be readily accessible.
- E. **Third Party Liens.** St. Rose Hospital may lien the tort recoveries of Uninsured Patients in a manner consistent with applicable law.
- F. **Submission to HCAI.** Beginning January 1, 2008 and every two years thereafter, St. Rose Hospital's will provide this policy and any amendments or modifications thereto to the Office of Statewide Health Planning & Development ("OSHPD") in a manner prescribed by HCAI.
- G. **Submission to CDPH:** St. Rose Hospital will provide this policy and any amendments or

modifications thereto to the California Department of Public Health in a manner described by the California Department of Public Health.

H. **Presumptive Eligibility:** St. Rose Hospital understands that certain patients may be unable to complete a Financial Assistance application, comply with requests for documentation, or are otherwise non-responsive to the application process. As a result there may be circumstances under which a patient's qualification for Financial Assistance may be established without completing the formal assistance application. Under these circumstances, St. Rose Hospital may utilize other sources of information to make an individual assessment of financial need to determine whether the individual is eligible for Financial Assistance. This information will enable St. Rose Hospital to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. In particular, presumptive eligibility for Financial Assistance may be determined on the basis of individual life circumstances that may include:

- Unhoused or receipt of care from a homeless clinic/shelter;
- Participation in Women, Infants and Children (WIC)
- Eligibility for food stamp
- Eligibility for school lunch programs;
- Living in low-income or subsidized housing: and/or
- Patient is deceased with no estate
- If a patient does not qualify for Financial Assistance under the presumptive eligibility procedures described above, the patient may still provide the required information and be considered under the Financial Assistance eligibility and application process set forth.

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## Attachments

[A: 2023 Federal Poverty Guidelines](#)

[B: Statement of Financial Condition/Financial Assistance Application - English](#)

[B: Statement of Financial Condition/Financial Assistance Application - Spanish](#)

[C: Charity Care Calculation Worksheet](#)

[D: Notification Form Eligibility for Charity Care](#)

[E: Help Paying my Bill Notice](#)

## Approval Signatures

**Step Description**

**Approver**

**Date**

Legal/Compliance	Michael Sarrao: General Council [PM]	12/2023
Executive Committee	Matt Williams: Chief Financial Officer [PM]	12/2023
Leadership	Renee Frey: Patient Financial Services Director	12/2023
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