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Medical Foundation Charity Care and Low Income Uninsured Policy

PURPOSE

The purpose of this policy is to define the eligibility criteria for Charity Care services and to provide administrative and accounting guidelines for the identification, classification, and recording of patient accounts as Charity Care.

POLICY

It is policy to provide patients, regardless of ability to pay, with understandable written information regarding Charity Care and to provide financial assistance (Charity Care) to qualified patients based upon the patient's ability to pay as defined by annually published Federal Poverty Income Guidelines (FPIG). Confidentiality of information and individual dignity will be maintained for all who seek Charity Care.

SCOPE

This policy applies to Sutter Health and any legal entity for which Sutter Health or its affiliate is the sole member or directly or indirectly controls at least 50% of the voting power or equity interest and does not have a third-party manager and bills and collects for professional, technical, or facility services in ambulatory settings (herein referred to as Sutter). This policy does not apply to billing and collection for professional, technical, or facility services in hospital settings.

DEFINITIONS

Allowable Medical Expense includes out-of-pocket medical liabilities and/or debts, paid or unpaid, incurred in the last twelve (12) months for the patient and family and is limited to emergent and/or medically necessary health care services, as determined by the medical foundation, incurred at Sutter hospitals, medical foundations, and other external health care providers and suppliers.

Charity Care means full financial assistance (i.e., 100% discount) to qualifying patients that relieves the patient and his or her guarantor of their entire financial obligation to pay for eligible services. Charity Care does not reduce the amount, if any, that a third-party may be required to pay for eligible services provided to the patient.

Family Income includes annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support.

Federal Poverty Income Guidelines (FPIG) means the measure of income level published annually by the United States Department of Health and Human Services (HHS) and is used by Sutter medical foundations in determining eligibility for Charity Care. The published FPIG can be found at https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

NHSC Clinic means a Rural Health Clinic that has been approved by the Health Resources and Services Administration as a National Health Service Corps site.

Non-Emergent Services means medical services provided for a medical condition that does not meet the criteria of an emergency medical condition under 42 U.S.C. 1395dd of the Emergency Medical Treatment and Active Labor Act.

Uninsured means a patient who has no third-party source of payment for any of their medical expenses, including without limitation, commercial or other insurance, government sponsored health care benefit programs, or third-party liability, and includes a patient whose benefits under all potential sources of payment have been exhausted prior to receiving services.

PROCEDURE

Eligibility Criteria:

A. Charity Care Application (Non-NHSC Clinic):

1. A low income, Uninsured medical foundation patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance.
2. The Sutter standardized application form, Attachment A: Application for Financial Assistance, may be used to document the patient's overall financial situation. This application should be available in the primary language(s) of the medical foundation service area.
3. A sample worksheet, Attachment B: Medical Foundation Charity Care Calculation Worksheet, is provided to aid the medical foundations in determining the amount and type of Charity Care for which the patient may be eligible.
4. Once a determination has been made, Attachment C: Notification Form is completed and will be sent to the patient advising them of the medical foundation's decision.
5. Sutter may validate income by using external presumptive eligibility sources and/or credit reports to validate financial eligibility.
6. A patient's employment status may be taken into consideration when

evaluating Charity Care status as well as potential payments from pending litigation, and third-party liens related to the incident of care.

7. The amount and frequency of medical foundation bills may also be considered.
8. The data used in making a determination concerning eligibility for Charity Care should be verified to the extent practical in relation to the amount involved.
9. Proof of earnings may be determined by annualizing year-to-date Family Income, giving consideration for current earning rates. If a patient's financial status can be verified using external data sources, the patient may not be required to provide financial documentation.

B. Charity Care Application (NHSC Clinic):

1. Any NHSC Clinic patient who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance.
2. The Sutter standardized application form, Attachment D: NHSC Application for Financial Assistance, may be used to document the patient's overall financial situation. This application should be available in the primary language(s) of the medical foundation service area.
3. Once a determination has been made, Attachment C: Notification Form is completed and will be sent to the patient advising them of the medical foundation's decision.
4. Proof of earnings may be determined by annualizing year-to-date Family Income, giving consideration for current earning rates. If a patient's financial status can be verified using external data sources, the patient may not be required to provide financial documentation. Sutter may validate income by using external presumptive eligibility sources to validate financial eligibility.

C. Full Charity Care

5. For Non-NHSC clinics, the standard eligibility threshold for full Charity Care write-off is a minimum of two hundred (200) percent of the most recent FPIG.
6. For NHSC Clinics, the standard eligibility threshold for full Charity Care write-off is a minimum of four hundred (400) percent of the most recent FPIG.

D. Catastrophic Charity Care: In order to qualify for catastrophic Charity Care circumstances, a medical foundation patient must be Uninsured and must meet the expense qualification as described below.

1. Expense Qualification: The patient's Allowable Medical Expenses must exceed thirty (30) percent of the patient's Family Income determined as follows:

    a. The medical foundation will multiply the Family Income by thirty (30) percent.

    b. The medical foundation will determine the patient's Allowable Medical Expenses.

    c. The medical foundation will compare thirty (30) percent of the Family Income to the total amount of the patient's Allowable Medical Expenses. If the total of the Allowable Medical Expenses is greater than thirty (30) percent of the Family Income, then the patient meets

the catastrophic Charity Care qualification. The medical foundation will subtract thirty (30) percent of the Family Income from the Allowable Medical Expenses to determine the amount by which the Allowable Medical Expenses exceed the available income; this amount is then eligible for a Charity Care write-off.

E. Eligibility Period: The eligibility period is one (1) year from the date of the initial eligibility determination, unless over the course of that year the patient's Family Income or insurance status changes to such an extent that the patient becomes ineligible.

F. Homeless Patients: Homeless patients without a payment source may be classified as Charity Care if they are unemployed, and have no known mailing address, residence, or insurance.

G. Collection Agency: If a collection agency identifies a patient meeting the medical foundation's Charity Care eligibility criteria, their patient account may be considered Charity Care, even if they were originally classified as a bad debt. Collection agency patient accounts meeting Charity Care criteria should be returned to the medical foundation billing office and reviewed for Charity Care eligibility.

H. Medi-Cal Denied Patient Days and Non-Covered Services: Medi-Cal patients are eligible for Charity Care write-offs related to denied charges and non-covered services. These treatment authorization request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal patients are to be classified as Charity Care. Patients eligible for restricted scope Medi-Cal (i.e., emergency, pregnancy related services) may be presumed eligible for Charity Care for out-of-scope services.

I. Special Circumstances:

1. Deceased patients without an estate or third-party coverage will be eligible for Charity Care.
2. While it is not the policy of Sutter to routinely waive co-pays and deductibles, a patient's individual circumstances may be such that while they do not meet the regular Charity Care criteria in this policy, they do not have the ability to pay their bill. In these situations, with the approval of an administrative or operational director or above, part, or all of their cost of care may be written off as Charity Care. There must be complete documentation of why the decision was made to do so and why the patient did not meet the regular criteria. The documentation may include an asset test and/or credit check.
3. Non-NHSC Clinic Charity Care and discounts provided by this policy are generally not available for Non-Emergent Services, however, in certain cases an exception may be made. These exceptions require approval by the medical foundation administration. Specialized, high-cost services (e.g., experimental procedures) requiring Charity Care are also subject to the review of medical foundation administration prior to the provision of service. Final determination regarding eligibility for Charity Care for patients traveling from outside of the medical foundation's immediate service area is left to the discretion of the individual medical foundation.

J. Government Assistance:

1. In determining whether a patient qualifies for Charity Care, 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 California Children Services.
2. 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 Charity Care for those services. For Non-NHSC patients, Sutter may make the granting of Charity Care contingent upon applying for governmental program assistance. This may be prudent, especially if the patient requires ongoing services.

K. Time Requirements for Determination:

1. While it is desirable to determine the amount of Charity Care 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 Charity Care. In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. Accordingly, each entity's collection agency should be made aware of the policy on Charity Care. This will allow the agency to report amounts that they have determined to be non-collectable due to the inability to pay in accordance with the facility's Charity Care eligibility guidelines.

L. Presumptive Eligibility: Patients may be identified as eligible for Charity Care without applying for assistance if their financial status can be validated using external data sources.

M. Record Keeping: Records relating to potential Charity Care patients must be readily accessible. In addition, notes relating to charity application and approval, or denial should be entered on the patient's account.

N. Public Notice and Posting: Public notice of the availability of assistance through this policy should be made through the following means:

1. Posting notices in a visible manner in locations where there is a high volume of patient admitting/registration, billing offices, admitting offices, clinics and other point-of-service settings.
2. Including language on bills sent to Uninsured patients statements indicating:
    a. If the patient meets certain income requirements, the patient may be eligible for a government-sponsored program or for financial assistance from the medical foundation.
    b. A medical foundation phone number patients may call for further information.

3. Posting notice of the availability of assistance and a contact phone number on the medical foundation's website at www.sutterhealth.com. Detailed information regarding financial assistance is available.
4. Posted notices (as listed above) shall be in the primary language(s) of the medical foundations service area and in a manner consistent with all applicable federal and state laws and regulations. Posted notices shall contain the following information:
    a. A statement indicating that the medical foundation has a financial assistance policy for low-income Uninsured patients who may not be able to pay their bill and that this policy provides for full or partial Charity Care write-off.
    b. Identification of a medical foundation contact phone number that the patient can call to obtain more information about the policy and about how to apply for assistance.

REFERENCES

42 U.S.C. 1395dd € of the Emergency Medical Treatment and Active Labor Act

Federal Poverty Level

Sutter Health Financial Assistance

ATTACHMENTS

Attachment A: Application for Financial Assistance (Non-NHSC Clinic)

Attachment B: Medical Foundation Charity Care Calculation Worksheet

Attachment C: Notification Form

Attachment D: Application for Financial Assistance (NHSC Clinic)

Attachment A
APPLICATION FOR FINANCIAL ASSISTANCE (Non-NHSC Clinics)

PATIENT NAME _____ SPOUSE _____
ADDRESS _____ PHONE _____
ACCOUNT# _____ SNN _____
(PATIENT) (SPOUSE)

FAMILY STATUS: List any spouse, domestic partner, or children under the age of 21. If patient is a minor, list all parents, caretaker relatives, and siblings under 21

Name	Age	Relationship

EMPLOYMENT AND OCCUPATION

Employer: _____ Position: _____
Contact Person & Telephone: _____
If Self-Employed, Name of Business: _____
Spouse's Employer: _____ Position: _____
Contact Person & Telephone: _____
If Self-Employed, Name of Business: _____

CURRENT MONTHLY INCOME		Patient	Other Family
	Gross Pay (before deductions)		
Add:	Income from Operating Business (if Self-Employed)		
Add:	Other Income:		
	Interest and Dividends		
	From Real Estate or Personal Property		
	Social Security		
	Other (specify):		
	Alimony or Support Payments Received		
Subtract:	Alimony, Support Payments Paid		
Equals:	Current Monthly Income		
	Total Current Monthly Income (add Patient + Spouse)		
	Income from above		

FAMILY SIZE

Total Family Members _____
(Add patient, parents (for minor patients), spouse and children from above)

	Yes	No
Do you have health insurance?	□	□
Do you have other Insurance that may apply (such as an auto policy)?	□	□
Were your injuries caused by a third party (such as during a car accident or slip and fall)?	□	□

By signing this form, I agree to allow Sutter Health to check employment for the purpose of determining my eligibility for a financing discount, I understand that I may be required to provide proof of the information I am providing.

_____ _____
(Signature of Patient or Guarantor) (Date)

_____ _____
(Signature of Spouse) (Date)

Attachment B
FINANCIAL ASSSISTANCE CALCULATION WORKSHEET

Patient Name: _____ Patient Account #:_____
Sutter Health Affiliate: _____

Special Considerations/Circumstances: _____
_____

	Yes	No
Does Patient have Health Insurance?	□	□
Is Patient Eligible for Medicare?	□	□
Is Patient Eligible for Medi-Cal/Medicaid?	□	□
Is Patient Eligible for Other Government Programs (i.e. Crime Victims, etc.)?	□	□

If the patient applies, or has a pending application, for another health coverage program at the same time that he or she applies for a charity care or discount payment program, neither application shall preclude eligibility for the other program.

Does Patient have other insurance (i.e., auto medpay)?	□	□
Was Patient inured by a third party?	□	□
Is Patient Self-Pay?	□	□

Charity/Financial Assistance Calculation:

Total Combined Current Monthly Income (From Statement of Financial Condition) $_____
Family Size (From Statement of Financial Condition) _____

Qualification for Charity Care/Financial Assistance (circle one): Full /Catastrophic/ No Eligibility
(Identify using eligibility guide)

Catastrophic Charity Write-off Calculation
***(complete section only if patient qualifies for catastrophic charity w/o*)**:

A. Patient Liability (total charges unless another discount has been applied) $_____
B. Annual Income $_____
C. Patient Liability as Percent of Annual Income $_____
D. Is Line A divided by Line B greater than .30 (30%)? Yes □ No □
E. If no, patient is not eligible for this type of write-off $_____
F. If yes, multiply Line B by 30% to identify the patient liability amount $_____
G. If yes, subtract line F from Line A to identify the write-off amount $_____

Total Amount of Recommended Charity Write-offs(s): $_____

Worksheet Completed by: _____ Phone: _____

Approved by: _____ Date: _____

NOTIFICATION FORM
SUTTER HEALTH
ELIGIBILITY DETERMINATION FOR CHARITY CARE

Sutter Health has conducted an eligibility determination for charity care for:

PATIENT'S NAME	ACCOUNT NUMBER	DATE (S) OF SERVICE

The request for charity care was made by the patient or on behalf of the patient on ____.
This determination was completed on:_____.

Based on the information supplied by the patient or on behalf of the patient, the following determination has been made:

_____ Your request for charity care has been approved for services rendered on_
*After applying the charity care reduction, the amount owed is $*_____.

_____ Your request for charity care is pending approval. However, the following information is required before any adjustment can be applied to your account:

_____
_____
_____
_____
_____

_____ Your request for charity care has been denied because:

REASON:_____
_____
_____
_____

If you have any questions on this determination, please contact:

_____
Patient Services
Sutter Medical Foundation
(XXX) 555-5555

Attachment D
APPLICATION FOR FINANCIAL ASSISTANCE (NHSC Clinics)

PATIENT NAME _____ SPOUSE _____
ADDRESS _____ PHONE _____
ACCOUNT# _____ SNN _____ (PATIENT) (SPOUSE)

FAMILY STATUS: List any spouse, domestic partner, or children under the age of 21. If patient is a minor, list all parents, caretaker relatives, and siblings under 21

Name	Age	Relationship

EMPLOYMENT AND OCCUPATION

Employer: _____ Position: _____
Contact Person & Telephone: _____
If Self-Employed, Name of Business: _____
Spouse's Employer: _____ Position: _____
Contact Person & Telephone: _____
If Self-Employed, Name of Business: _____

CURRENT MONTHLY INCOME		Patient	Other Family
	Gross Pay (before deductions)		
Add:	Income from Operating Business (if Self-Employed)		
Add:	Other Income:		
	Interest and Dividends		
	From Real Estate or Personal Property		
	Social Security		
	Other (specify):		
	Alimony or Support Payments Received		
Subtract:	Alimony, Support Payments Paid		
Equals:	Current Monthly Income		
	Total Current Monthly Income (add Patient + Spouse)		
	Income from above		

FAMILY SIZE

Total Family Members _____
(Add patient, parents (for minor patients), spouse and children from above)

By signing this form, I agree to allow Sutter Health to check employment for the purpose of determining my eligibility for a financing discount, I understand that I may be required to provide proof of the information I am providing.

_____ _____
(Signature of Patient or Guarantor) (Date)

_____ _____
(Signature of Spouse) (Date)