

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 1 of 7

PURPOSE

As declared in our mission statement, Community Hospital of the Monterey Peninsula is committed to caring for all who come through our doors, regardless of ability to pay, to the fullest extent allowed by law and available resources. This policy is intended to provide the framework of our Sponsored Care Program and Discount Payment Program.

POLICY

- A. Uninsured patients and patients with high medical costs whose income is at or below 350 percent of the federal poverty level are eligible to apply for financial assistance for medically necessary hospital and hospital-based physician services provided by Community Hospital of the Monterey Peninsula. Qualifying applicants will be granted the highest award for which they are eligible.
 1. Sponsored Care – This program may give patient a discount of up to 100 percent on the services she or he received. To qualify, the patient’s gross family income must not be higher than 250 percent of the federal poverty level. Patients must provide information and documentation about their family members’ income and the value of assets and about any health benefits coverage they have.
 2. Discount Payment Program – This program may give patient a discount to reduce the amount she or he owes. To qualify, the patient’s gross family income must not be higher than 350 percent of the federal poverty level. Patients must provide information and documentation about their family members’ income and the value of assets and about any health benefits coverage they have.
- B. Applications from patients whose income is above 350 percent of the federal poverty level will also be thoroughly reviewed, and awards will be granted on a case-by-case basis.
- C. Emergency department physicians who provide emergency medical services at Community Hospital are required to provide discounts to uninsured patients and patients with high medical costs whose income is at or below 350 percent of the federal poverty level.
- D. Current and prospective patients may apply for the Sponsored Care Program or the Discount Payment Program. Information about these programs is available at all patient intake and treatment locations within Community Hospital facilities and is provided to each patient presenting for services. An application for the Sponsored Care and Discount Payment programs will be provided to all patients who request one. Additionally, enrollment counselors are available to provide information and applications for Medi-Cal, Medicare, California Health Benefit Exchange, and other available government programs. A pre-screening interview may be done with patients to ensure that they meet the basic eligibility criteria.
- E. The criteria Community Hospital of the Monterey Peninsula will follow in verifying a patient’s eligibility for financial assistance programs are described in this policy.

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 2 of 7

Upon approval, financial assistance is provided through one of two programs: (1) the Sponsored Care Program; or (2) the Discount Payment Program. These programs may cover all or part of the cost of services provided, depending on the patient's eligibility, income, and resultant ability to pay for services. The Sponsored Care and Discount Payment programs are intended for patients whose personal or family financial ability to meet hospital expenses is absent or demonstrably restricted, and the benefits provided by the hospital under these programs inure to the patient. The minimum requirement for both programs is stated below and is based upon the patient's combined family income as a percentage of the applicable federal poverty level (FPL) as published annually in the Federal Register (<http://aspe.hhs.gov/poverty>). Given Community Hospital of the Monterey Peninsula's service area demographics, available resources, and mission to meet the healthcare needs of its community, financial assistance is available for patients with income levels up to 350 percent of the FPL for the patient's family size. Community Hospital's Sponsored Care and Discount Payment programs are intended to fully comply with the Hospital Fair Pricing Policies Act and Section 501(r) of the Internal Revenue Code. This policy is intended to be stated as clearly and simply as possible for the benefit of our patients.

Applying for Assistance

- A. Applications for Sponsored Care or Discount Payment program must be submitted to the Care Coordination Services department prior to service or to the Patient Business Services or Patient Access department during and/or after receiving services by using the *Application for Sponsored Care or Discount Payment Program*. The application must be received within 240 days of the original bill date. Incomplete applications will be kept on file until all information is received. In addition to a completed application, a letter explaining the patient's circumstances and/or a letter from the person(s) providing living assistance to the patient may be required to determine eligibility. See Eligibility Criteria below.
- B. A patient (or a patient's legal representative) who requests Sponsored Care or Discount Payment, must make every reasonable effort to provide documentation of income and health benefits coverage. Uninsured patients, who are eligible for a government-sponsored health benefit plan, or health benefit coverage through the California Health Benefit Exchange with a government subsidy, will be encouraged to apply for those programs and comply with the application requirements for those programs. This also applies to patients who are at or below 138 percent of the federal poverty level, who are eligible for modified adjusted gross income Medi-Cal. Hospital enrollment counselors will be available to assist patients with the application process for government-sponsored health benefit plans, health benefit coverage through the California Health Benefit Exchange, Medi-Cal, Medicare, and other available programs. When patients do not cooperate with the enrollment counselors, Community Hospital will make reasonable effort, through letters and telephone calls, to encourage patients to cooperate prior to its review and decision regarding Sponsored Care and/or Discount Payment eligibility. Applications may be denied and the associated account(s) referred to a collection agency if documentation sufficient to determine eligibility is not provided.

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 3 of 7

- C. If a patient applies or has a pending application for another health coverage program at the same time they apply for the hospital Sponsored Care or Discount Payment Program, the pending status of either application shall not prevent or delay the review of or action on the other.
- D. This policy applies only to emergency and medically necessary services provided by Community Hospital. Services provided at a hospital facility by private healthcare providers, such as personal physicians and ambulance conveyance, are not covered by the Sponsored Care and Discount Payment programs. Community Hospital maintains a list of providers delivering emergency or other medically necessary care covered by the Sponsored Care and Discount Payment programs. The list is available on the hospital's website at: <http://www.CHOMP.org>. These programs are available only for emergency and medically necessary services provided by Community Hospital that are not paid for by any other government programs and/or funding sources, including third-party insurance coverage for which an individual applicant is eligible. See the list of non-covered services below.

Non-Covered Services

- A. All healthcare services not billed by Community Hospital, such as non-hospital based physician services and ambulance transportation;
- B. Non-medically necessary bariatric surgery;
- C. Cosmetic services;
- D. Services which, in the opinion of competent hospital staff, are provided only as a stop-gap when a patient is staying at the hospital, or at Westland House, for the convenience of the family and/or physician;
- E. Non-medically indicated care;
- F. Durable medical equipment;
- G. Oxygen and oxygen supplies, except when pre-approved;
- H. Any service or product considered to be experimental;
- I. Services or products unapproved for patient use by the FDA; and
- J. Services or products that would effectively place the hospital in the position of having to provide such services or products for extended periods of time, including when the patient is not a patient of Community Hospital.

Discount Payment Program

- A. Community Hospital of the Monterey Peninsula is committed to providing qualifying uninsured patients and patients with high medical costs, as defined below, with a discount that exceeds that provided to participants in the Medicare program. The Medicare program, currently the highest paying government-sponsored health benefit program accepted by Community Hospital of the Monterey Peninsula, currently reimburses the hospital an average of 35 percent of total charges, representing a 65 percent discount. However, as an expanded benefit to patients who qualify for the

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 4 of 7

Discount Payment Program, the patient's obligation will be limited to 29 percent of total charges, representing a 71 percent discount. No individual who qualifies for the Discount Payment Program will be charged more than the amount generally billed ("AGB") by Community Hospital to individuals who have insurance covering such emergency and/or medically necessary care. Community Hospital calculates the AGB using the prospective Medicare method described in 26 C.F.R. § 1.501(r)-5(b)(4).

- B. Uninsured patients who qualify for the Discount Payment Program will also be eligible for a zero-interest extended payment plan on the remaining balance. Insured patients who are eligible for the Discount Payment Program due to high medical costs as defined below will receive a 100-percent discount on all charges in excess of the amount paid by their insurance, provided their insurance has paid at least 29 percent of total charges.
- C. The total gross charge for services and the discount to be applied will be shown on the award letter. These discounts apply to co-payments, deductibles, co-insurance amounts, and non-covered medical amounts.
- D. Demonstrating Eligibility
 - 1. Uninsured patients and patients with high medical costs applying for the Discount Payment Program are required to provide documentation of family income in the form of three months of recent pay stubs or the prior year's tax return. If the patient is from out of the country, the hospital may request an affidavit to prove income eligibility. For purposes of determining eligibility, neither retirement or deferred compensation plans qualified under the Internal Revenue Service code nor nonqualified deferred compensation plans shall be included. Qualifying income must not exceed 350 percent of the applicable federal poverty level. Patients claiming to have high medical costs must demonstrate proof of costs incurred at the hospital or paid medical expenses as outlined in the Definition section of this policy.
- E. Payment Plan
 - 1. Patients who qualify for the Discount Payment Program will also be eligible for an interest-free payment plan not to exceed 72 months in duration. In situations where an agreement cannot be reached, a minimum monthly payment amount should not exceed 10 percent of the patient's monthly income (after essential living expenses). Any payment plan that remains unpaid for 90 consecutive days will be declared delinquent, and may be advanced for collection activity after attempts have been made to renegotiate the terms of the defaulted payment plan. See *Procedure for Financial Assistance Program, Sponsored Care and Discount Payment Program attached.*

Sponsored Care (free care)

- A. Community Hospital of the Monterey Peninsula is committed to providing qualifying uninsured patients and patients with high medical costs, as defined below, with a 100 percent discount on the amount determined to be due from the patient. This discount

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 5 of 7

applies to co-payments, deductibles, co-insurance amounts, and non-covered amounts.

B. Demonstrating Eligibility

1. Uninsured patients and patients with high medical costs applying for Sponsored Care are required to provide documentation of family income in the form of three months of recent pay stubs or the prior year's tax return. Patients claiming to have high medical costs must demonstrate proof of costs incurred at the hospital or paid medical expenses as outlined in the Definition section of this policy. Additionally, documentation of monetary assets must be provided; this includes documentation of assets held in trust for the patient's benefit and those held in a special needs trust. Neither assets held in retirement or deferred compensation plans qualified under the Internal Revenue Service code nor nonqualified deferred compensation plans, shall be included. Any patient who owns an interest in more than one parcel of real property or whose family assets include an interest in more than one parcel of real property will not be eligible for Sponsored Care.
2. When determining eligibility for the Sponsored Care Program, the first \$10,000 in assets is not counted in determining the patient's assets and the hospital will only consider 50 percent of the patient's monetary assets over the first \$10,000. After excluding the first \$10,000 and 50 percent of the remaining assets, the patient's assets must not exceed \$50,000 in order to qualify.
3. The hospital may require written consent from the patient or the patient's family authorizing the hospital to obtain account and real estate ownership information from financial or commercial institutions or other entities that hold or maintain the monetary and real property assets in order to verify their value.

Dispute process

Any patient who wishes to dispute the determination made on their application for assistance may request a review of the original application by the director of Patient Business Services, provided the request is submitted in writing within 30 days of the latest denial date. The director's eligibility determination will be final.

Special circumstances

Uninsured patients and patients with high medical costs with income that exceeds 350 percent but is less than 500 percent of the applicable federal poverty level will be awarded a 25 percent discount and will also be eligible for a zero-interest extended payment plan for the remaining balance.

Payments in excess of amount due after discount

Community Hospital of the Monterey Peninsula will reimburse patients for any amount actually paid in excess of the amount due after Sponsored Care or Discount Payment approval. Interest on the excess payment will also be provided; such interest is calculated from the date the patient payment was received by Community Hospital of the Monterey Peninsula. This does not apply to overpayments of less than \$5, but a credit in the amount

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs-Sponsored Care and Discount Payment	Page 6 of 7

due will be available for the patient to apply to future services received up to 60 days from the date the amount is due to the patient.

Policy maintenance and reporting

This policy document is to be reviewed annually for consistency with all applicable laws and available resources. Additionally, this information must be submitted to Office of Statewide Health Planning and Development every other year on January 1, or whenever a significant change is made. In order to make the Sponsored Care and Discount Payment policies available to the community, the hospital will publish the policy and application on the hospital website and include information about how to apply in its initial billing statements.

Practice

See procedure document *Financial Assistance Program, Sponsored Care and Discount Payment* attached.

Definitions

The following terms have the following meanings:

- A. *Federal poverty level* means the poverty guidelines specific to income and family size which are 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.
- B. *A patient with high medical costs* means a person whose family income does not exceed 350 percent of the applicable federal poverty level who has:
 - 1. annual out-of-pocket costs incurred as a result of services provided by the hospital that exceed 10 percent of the patient's family income in the prior 12 months;
 - 2. annual out-of-pocket medical expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's or family medical expenses paid by the patient or the patient's family in the prior 12 months.
- C. *Patient's family* means the following:
 - 1. For persons 18 years of age and older, family includes spouse, 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.
 - 2. For persons under 18 years of age, family includes parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.
- D. *Hospital-based physicians* means the doctors who provide services at Community Hospital and are billed under Community Hospital's PIN. These include Emergency department physicians, radiologists, pathologists, cardiologists, radiation oncologists, and psychiatrists.

COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA	DP-5.6630
Patient Business Services Policy: Financial Assistance Programs- Sponsored Care and Discount Payment	Page 7 of 7

CONTENTS	DESCRIPTION
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