



DCHS POLICIES AND PROCEDURES

SECTION 06: FINANCIAL INTEGRITY AND UNIFORM REPORTING

POLICY/PROCEDURE#: 06.03.08

TITLE: FINANCIAL ASSISTANCE

BOARD APPROVAL DATE: September 22, 2005

EFFECTIVEDATE: September 22, 2005

REVISION DATE(s): April 27, 2007
July 23, 2010
June 21, 2013

APPROVED: 
Robert Issai, President/CEO

Reference to System Policy: 06.03.04 Financial Discount Policy

Reference to CBS Policy: N/A

POLICY PURPOSE

The purpose of this policy is to ensure that the Daughters of Charity Health System (DCHS), in keeping with the mission and values of the Daughters of Charity and its founders St. Vincent de Paul, St. Louise de Marillac and St. Elizabeth Ann Seton, provides all medically necessary healthcare as well as equal access to diagnostic and therapeutic treatments regardless of the financial status of the patient and furthermore provide financial assistance to uninsured patients in a manner that respects the dignity of patients and their families.

This policy is specifically intended to assist uninsured patients who meet certain eligibility requirements and who do not qualify under the DCHS Financial Discount Policy 6.3-4.

POLICY STATEMENT

IT IS THE POLICY OF DCHS TO:

- Advance and strengthen the healing mission of the Catholic Church by providing comprehensive, excellent healthcare that is compassionate and attentive to the whole person: body, mind and spirit.
- Provide all medically necessary hospital services without delay or limitations to all individuals without regard to the patient's ability to pay or pending financial assistance determination.
- Provide all medically necessary hospital services at a discounted rate equal to the Local Health Ministry's (LHM) major managed care rate to uninsured patients above 351% of the Federal Poverty Guidelines (Exhibit A).
- Provide an additional 10% prompt pay discount to uninsured patients for balances paid in full within 30 days from the date of discharge.
- Provide interest free payment plans for eligible patients paying balances under this policy.
- Forego reports to credit bureaus, referral of accounts to collection agencies or liens against a primary residence for eligible patients who are meeting an agreed upon payment plan.
- For patients whose income is less than 351% of the Federal Poverty Guidelines, provide all medically necessary hospital services based upon the DCHS Financial Discount Policy (6.3-4).

POLICY SCOPE

- Eligible patients consist of uninsured persons, or persons who have exhausted their insurance coverage or have been denied payment for services due to pre-existing conditions.
- Financial assistance is given to eligible patients without regard to race, religion, color, creed, age, gender, sexual orientation, national origin or immigration status.
- Financial assistance is always secondary to other government sponsored programs. Patients eligible for government sponsored programs may also apply for the Financial Assistance Program or the DCHS Financial Discount Program.
- Eligibility for financial assistance will be determined after an assessment of the patient's insurance status.
- Financial assistance applies to all types of medically necessary hospital services; for

the purposes of this Policy, hospital services include all services provided or billed by the LHM.

- Services not provided or billed by the LHM are not covered by this policy.
- Cosmetic services and other non-medically necessary procedures are not covered by this Financial Assistance policy.
- Financial assistance does not apply to balances due from insured patients for deductibles, co-payments or co-insurance or other type of patient payment responsibility.
- Patients who have access to employer based, or government sponsored health insurance yet elect not to enroll, or fail to maintain eligibility may be excluded from assistance provided by this policy.
- If a determination is made that a patient has insurance coverage after the financial assistance is provided, the assistance will be revoked and the patient's insurance will be billed at the full usual and customary charges.
- Eligibility for financial assistance requires the full cooperation of the patients and their families in providing and completing required documents and information on a timely basis.

PROCEDURE FOR FINANCIAL ASSISTANCE

A. Communication

1. Patient Financial Services (PFS) department will update the Federal Poverty Guidelines chart (Exhibit A) annually in February based on the updated Federal Poverty Income Guidelines as published every January in the Federal Register.
2. Each LHM posts (Exhibit B) the availability of financial assistance in locations where there is a high volume of patient access and registration, such as admitting, emergency departments, outpatient service settings and Patient Financial Services (PFS) office.
3. Materials are available in multiple languages specific to the geographic area of each LHM.
4. Financial counselors are available at each LHM to help patients understand and apply for government sponsored programs and the Financial Assistance Program.
5. LHM billing statements will communicate the availability of government sponsored programs as well as the DCHS Financial Assistance Program for eligible patients.
6. Patients can also be referred to the DCHS Financial Assistance Program by the patient's physician, family members, community or religious groups, social services

or other hospital personnel.

B. Amount of Financial Assistance

1. DCHS provides financial assistance for medically necessary hospital services for eligible patients, based upon the following guidelines:
 - Eligible patients with family incomes over 351% of the Federal Poverty Guidelines (FPG) receive medically necessary hospital services at a rate equal to the LHM's major managed care rate.
 - Patients with incomes below 351% of the Federal Poverty Guidelines may be eligible for the Financial Discount Program as outlined in the DCHS Financial Discount Policy 6.3.4.
2. The LHM may take into account unusual or exceptional patient circumstances and adjust the financial assistance under this policy. These cases must follow the hospital's documentation guidelines and be approved by the DCHS Executive Vice President and CFO.

C. Prompt pay discounts

1. Patients eligible for financial assistance under this policy are also eligible for a 10% discount for balances paid in full within 30 days from the date of discharge.
2. The prompt pay discount will be applied after the financial assistance provided by this policy.
3. Insured patients are not eligible for this prompt pay discount.

D. Payment plans for Eligible Patients

1. DCHS offers interest free extended payment plans for eligible patients qualifying for financial assistance as follows:

	Total Amount Owed and Months to Pay		
Total Amount Owed	\$1-\$500	\$501-3,000	\$3,000+
Manager Approval	6 months	12 months	24 months
Director Approval	12 months	24 months	36 months

*Requires approval of the DCHS Executive Vice President and CFO.

2. Patients are responsible for communicating to the PFS office anytime an agreed upon payment plan may be broken. Lack of communication from the patient may result in further account collection action.
3. Any variations from the above payment plans require the approval of the

LHM CFO.

E. Collection practices for Eligible Patients

1. DCHS does not pursue legal action for non-payment of bills against any household where the primary wage earner(s) is unemployed, uninsured, or there are not significant incomes sources or assets.
2. Eligible patients meeting an agreed upon monthly payment plan are not assigned to a collection agency or reported to credit bureaus.
3. DCHS will not place liens on a primary residence as a means of collecting unpaid hospital bills for eligible patients.
4. DCHS expects its external collection agencies to receive approval from the DCHS PFS office before pursuing legal actions against any individual who qualifies as an eligible patient under this Policy.
5. Collection agencies used by DCHS LHMs must follow Fair Debt and Collection Practices, behaving in a manner that treats individuals with dignity, respect and compassion.

F. Advance Cash Pay Discounts

1. In the event that, under this policy, the market driven rate for certain medically necessary hospital services is less than the published LHM rate for the same service, additional financial assistance may be extended to eligible patients who are willing to pay on an Advance Cash Pay basis. The additional assistance will be calculated such that the LHM recovers, at a minimum, its full cost plus a fixed margin specific to each LHM for reinvestment in capital and technology needs. In no case may the assistance granted result in a rate being charged that is less than the established Medi-Cal rates for the same service.
2. Each LHM will select the services for which an additional assistance may be made available, based on its market needs, and establish a list of these selected services showing the additional discount to be extended for each such service to eligible patients willing to pay on an Advance Cash Pay basis. The list and additional assistance must be approved by the DCHS Executive Vice President and CFO. All subsequent changes to the list and price must also be approved by the DCHS Executive Vice President and CFO.
3. Each LHM will set the margin in the calculation of the Advance Cash Pay services. The margin must be approved by the DCHS Executive Vice President and CFO. All subsequent changes to the margin must also be approved by the DCHS Executive Vice President and CFO.
4. Otherwise eligible patients who are receiving services at an LHM on an “out of network” basis or who have been denied coverage for a service by their health plan will not be eligible for the additional assistance provided under this policy, except

upon advance approval of the DCHS Executive Vice President and CFO.

Federal Poverty Guidelines

The Federal Poverty Income Guidelines are published in the Federal Register in February of each year and for purposes of this Policy and Procedure will become effective the first day of the month following the month of publication.

2013 HHS Poverty Guidelines		351% of Federal Poverty Guidelines
Size of Family Unit	48 Contiguous States and D.C.	
1	\$11,490	\$ 40,329.90
2	\$15,510	\$ 54,440.10
3	\$19,530	\$ 68,550.30
4	\$23,550	\$ 82,660.50
5	\$27,570	\$ 96,770.70
6	\$31,590	\$110,880.90
7	\$35,610	\$124,991.10
8	\$39,630	\$139,101.30
For each additional person, add	\$4,020	\$ 14,110.20

SOURCE:

Federal Register, Vol. 78, No. 16, January 24, 2013, pp. 5182-5183



Financial Assistance Program

Consistent with its mission, the Daughters of Charity Health System Local Health Ministries provide reduced cost medical services to persons who are uninsured.

Please discuss your individual needs with a Financial Counselor.