I. SETTING

Medical Center

II. PURPOSE

The University of California, Davis Health (UCDH) strives to provide quality patient care and high standards for the communities we serve. This policy demonstrates UCDH’s commitment to our mission and vision by helping to meet the needs of the low income, uninsured patients and the underinsured patients in our community. This policy is not intended to waive or alter any contractual provisions or rates negotiated by and between a Health System and a third party payer, nor is the policy intended to provide discounts to a non-contracted third party payer or other entities that are legally responsible to make payment on behalf of a beneficiary, covered person or insured.

This policy is intended to comply with Section 501(r) of the Internal Revenue Code (IRC) as well as California Health & Safety Code section 127400 et seq. (AB 774 and AB1503), Hospital Fair Pricing Policies, effective January 1, 2007 and Emergency Physician Fair Pricing Policies, effective January 1, 2011, and January 1, 2015 (SB1276) and Office of Inspector General (OIG), Department of Health and Human Services guidance regarding financial assistance to uninsured and underinsured patients. This policy only applies to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level. Additionally, this policy provides guidelines for identifying and handling patients who may qualify for financial assistance. This policy also establishes the financial screening criteria to determine which patients qualify for Charity Care. The financial screening criteria provided for in this policy are based primarily on the Federal Poverty Level (FPL) guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services. Uninsured patients who do not meet the criteria for Charity Care under this policy may be referred to the Cash Discount or Prompt Payment Policy.

III. POLICY

A. This policy is designed to provide 100 percent charity care discounts to patients who:

1. Have family incomes at or below 400 percent of the FPL.
2. Require emergent care.
3. Reside in the UCDH’s service area as defined in Attachment 4, and
4. Are uninsured, are ineligible for third party assistance or have high medical cost.

B. Patients with demonstrated financial need may be eligible if they satisfy the definition of a Charity Care patient or High Medical Cost patient as defined in section IV, below.
C. This policy permits non-routine waivers of patients’ out-of-pocket medical costs based on an individual determination of financial need in accordance with the criteria set forth below. This policy and the financial screening criteria must be consistently applied to all cases throughout UCDH. If application of this policy conflicts with payer contracting or coverage requirements consult with UCDH legal counsel.

D. This policy excludes services, which are not medically necessary or separately billed physician services with the exception of emergency room physician services.

E. This policy will not apply if the patient/responsible party provides false information about financial eligibility or if the patient/responsible party fails to make every reasonable effort to apply for and receive government-sponsored insurance benefits for which they may be eligible.

IV. DEFINITIONS

A. Amounts Generally Billed (AGB)--The maximum amount billed by UC Davis Health to individuals eligible for Financial Assistance, as determined by this policy. UC Davis Health determines AGB using a method allowed by federal regulations, namely the “Medicare Prospective” method. The prospective method requires the facility to estimate the amount it would be paid by Medicare for the emergency or other medically necessary care as if the FAP eligible individual were a Medicare fee-for-service beneficiary. The term “Medicare fee-for-service” includes only health insurance available under Medicare parts A and B of Title XVII of the Social Security Act (42 U.S.C. 1395c through 1395w-5) and not health insurance plans administered under Medicare Advantage.

B. Bad Debt--A bad debt results from services rendered to a patient who is determined by UCDH, following a reasonable collection effort, to be able but unwilling to pay all or part of the bill.

C. Charity Care Patient--A Charity Care Patient is a financially eligible self-pay patient or a high medical cost patient.

D. Emergent Medical Condition--is defined as a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in any of the following:

1. Placing the patient’s health in serious jeopardy.

2. Serious impairment to bodily functions.

3. Serious dysfunctions of any bodily organ or part.

E. Emergency Physician--means a physician and surgeon licensed pursuant to Chapter 2 (commencing with Section 2000 of the business and Professions Code who is credentialed by a hospital and either employed or contracted by a hospital to provide emergency medical services in the emergency department of the hospital, except that an “emergency physician” shall not include a physician specialist who is called into the emergency department of a hospital or who is on staff or has privileges at the hospital outside of the emergency room. All physicians who provide services in the emergency department are covered under this policy.
F. Extraordinary Collection Action (ECA)—A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance.

1. Placing a lien on an individual’s property.
2. Foreclosing on real property.
3. Attaching or seizing an individual’s bank account or other personal property.
4. Commencing a civil action against an individual or write of body attachment for civil contempt.
5. Causing an individual’s arrest.
7. Reporting adverse information to a credit agency.
8. Deferring or denying medical necessary care because of nonpayment of a bill for previously provided care under UCDH’s Financial Assistance/Charity Care Policy.
9. Requiring a payment before providing medical necessary care because of outstanding bills for previously provided care.


H. High Medical Cost Patient--A financially eligible High Medical Cost patient is defined as follows:

1. Not Self-Pay (has third party coverage)
2. Patient’s Family income at or below 400 percent of the FPL.
3. Out-of-pocket medical expenses in prior twelve (12) months (whether incurred in or out of any hospital) exceed 10 percent of Patient’s Family income.
4. Patient does not otherwise receive a discount as a result of third party coverage for the services to be billed.

I. Medically Necessary Service--A medically necessary service or treatment is one that is absolutely necessary to treat or diagnose a patient and could adversely affect the patient’s condition, illness or injury if it were omitted, and is not considered an elective or cosmetic surgery or treatment.

J. Non-Participating Providers – Sutter Health Foundation Children’s Surgical Specialists provides services at UC Davis Health and are not subject to this policy.
K. Participating Providers – UC Davis Health at all locations are subject to this policy. In addition, all physicians with the UC Davis Medical Group and Primary Care Network are subject to this policy.

L. Patient’s Family--For patients 18 years of age and older, Patient’s Family is defined as their spouse, domestic partner and dependent children under 21 years of age, whether living at home or not. For persons under 18 years of age, Patient’s Family includes a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relative.

M. “Reasonable payment plan”- Monthly payments that are not more than 10 percent of a Patient’s Family income for a month, excluding deductions for essential living expenses. “Essential living expenses” means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, 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.

N. Self-Pay patient--A financially eligible Self-Pay patient is defined as follows:

1. No third party coverage.

2. No Medi-Cal/Medicaid coverage or patients who qualify but who do not receive coverage for all services or for the entire stay.

3. No compensable injury for purposes of government programs, workers’ compensation, automobile insurance, other insurance, or third party liability as determined and documented by the hospital.

4. Patient’s Family income is at or below 400 percent of the FPL.

V. COMMUNICATION OF CHARITY CARE AND DISCOUNT POLICIES

Responsibility: Admitting, Emergency Room, Outpatient Settings, Patient Financial Services, Billing Office

A. Patients will be provided a written notice with their bill that contains information regarding the hospital’s charity care policy, including information about eligibility, as well as contact information for a hospital employee or office from which the patient may obtain further information about these policies. At the time of service, notices are to be given to patients that do not appear to have third party coverage, in the Admitting Department, Emergency Room and other outpatient hospital settings. Notices should be provided in English and in languages as determined by UCDHs’ geographical area. (See Attachment 4).

B. UCDH Patient Financial Services shall publish policies and train staff regarding the availability of procedures related to patient financial assistance.

C. Notice of our Charity Care Policy will be posted in conspicuous places throughout the hospital including the Emergency Department, Admissions Offices, Outpatient settings and the Patient Financial Services Department, in languages as determined by UCDHs’ geographical area.
D. The Charity Care Policy will be posted on UC Davis Health’s website in languages as determined by UCDH’s geographical area.

E. See Section XI, Patient Billing and Collection Practices, Part A.

VI. ELIGIBILITY PROCEDURES

Responsibility: Admitting/Registration, Emergency Department, Outpatient Settings, Ancillary Registration Areas, Clinics, Patient Financial Services

A. Every effort will be made to screen all patients identified as uninsured or in need of financial assistance for admissions, emergency and outpatient visits for the ability to pay and/or determine eligibility for payment programs, including those offered through UCDH. Screened patients’ financial information will be monitored as appropriate. Screened patients will be provided assistance in assessing patient eligibility for Medi-Cal or any other third party coverage.

B. Patients without third party coverage will be financially screened for eligibility for state and federal governmental programs as well as charity care funding at the time of service or as near to the time of service as possible. If the patient does not indicate coverage by a third-party payer, or requests a discounted price or charity care, the patient should be provided with information on how to obtain an application for the Medi-Cal program, California Children’s Services (CCS) or state funded governmental program before the patient leaves the hospital, emergency room or other outpatient setting. Request for Charity Care may be made at any point before, during, or up to 240 days from the first post-discharge billing statement after the provision of care. For non-urgent care patients are required to apply prior to receiving services. The approved Charity Care level may be effective for a period of up to three months.

C. High Medical Cost patients with third party coverage will be screened by a Financial Counselor in the Admitting Department or Patient Financial Services to determine whether they qualify as a High Medical Cost patient. Upon patient request for a charity care discount, the patient will be informed of the criteria to qualify as a High Medical Cost patient and the need to provide receipts if claiming services rendered at other providers in the past twelve months. It is the patient’s decision as to whether they believe that they may be eligible for charity and wish to apply. However, the hospital must insure that all information pertaining to the Charity Care Discount Policy was provided to the patient.

D. All potentially eligible patients must apply for assistance through State, County and other programs before charity care funds are considered. If denied, UC Davis Health must receive a copy of denial. Failure to comply with the application process or provide required documents can be considered in the determination. Willful failure by the patient to cooperate may result in UCDH's denial to provide financial assistance.

E. The Patient Financial Information form (see Attachment 2) is used to determine a patient's ability to pay for services at UCDH and/or to determine a patient's possible eligibility for public assistance. This form will also be used for processing Clinical Teaching Support requests and for review of charity care funding.

F. All uninsured patients will be offered an opportunity to complete a Patient Financial Information Form. The form is available in English and in languages as determined by UCDH’s geographical area.
G. The Charity Care Discount financial screening and means testing will be performed by Financial Counselors in the Admitting Department and Patient Financial Services. It is the patient's responsibility to cooperate with the information gathering process.

H. Patient-specific information will be provided to the County and State in accordance with County and State guidelines for eligibility determinations.

I. This policy applies to hospital inpatient, outpatient departments and UCDH Physicians. Physicians who provide medically necessary and emergency services at the hospital are covered by the FAP. UCDH maintains a list of physicians at http://www.ucdmc.ucdavis.edu.

VII. ELIGIBILITY FOR 100 percent CHARITY CARE

A. Covid-19 Testing
   1. Patient is uninsured and receives Covid-19 testing at UC Davis Health.

B. Or Patients who:
   1. Have family incomes at or below 400 percent FPL.
   2. Require emergent care.
   3. Reside in the UCDH’s primary service area as defined in Attachment 4.
   4. Are uninsured, are ineligible for third party assistance or is a high medical cost patient will be extended a 100 percent charity care discount on services rendered.
   5. If unable to make contact with a patient, prior to being referred to an outside agency for collection, an Experian review will be completed. If the patient’s financial status meets our department charity care criteria, a charity care discount may be extended.

C. Means testing consists of a review of the patient’s income and assets.

D. The Patient Financial Information form should be completed for all patients requesting a charity care discount.

E. Criteria and process to determine a patient’s eligibility for a 100 percent charity care discount are as follows:
   1. Patient’s Family income is verified not to exceed 400 percent of the FPL with the most recent filed Federal tax return or recent paycheck stubs.
   2. First $10,000 of monetary assets (liquid assets) is excluded.
   3. 50 percent of all monetary assets (liquid assets) above $10,000 are excluded.
   4. Retirement accounts and Internal Revenue Service (IRS)-defined deferred-compensation plans (both qualified and non-qualified) are not considered monetary assets and are excluded from consideration.
5. Assets above the statutorily excluded amounts will be considered exceeding allowable assets and may result in denial of charity care discounts.

6. High Medical Cost patients with third party coverage who are below 400 percent of the FPL with medical costs in excess of 10 percent of the patient’s family annual income, and who have not received a discount as a result of third party coverage for the services to be billed, will be extended a 100 percent charity care discount on services rendered.

7. Patients who qualify for 100 percent charity care on the basis of high medical costs shall receive such charity care discount only if they do not otherwise receive a discount as a result of third party coverage for the services to be billed.

8. High Medical Cost patients will be evaluated monthly for eligibility determination, and their status will be valid for the current month or most current service month retroactive to twelve months of service.

9. Patient Financial Services may -- under unusual circumstances -- extend charity care to individuals who would not otherwise qualify for charity care under this policy. When such an award is made, the unusual circumstances justifying the award of charity care will be documented in writing and maintained in a segregated file in Patient Financial Services.

VIII. REVIEW PROCESS

Responsibility: Admitting/Registration and Patient Financial Services

A. Requirements above will be reviewed and consistently applied throughout UCDH in making a determination on each patient case.

B. Information collected in the Patient Financial Assistance form may be verified by UCDH. A waiver or release may be required authorizing the hospital to obtain account information from a financial or commercial institution or other entity that holds or maintains the monetary assets to verify their value. The patient's signature on the Patient Financial Assistance form will certify that the information contained in the form is accurate and complete.

C. Any patient, or patient’s legal representative, who requests a charity care discount under this policy shall make every reasonable effort to provide the hospital with documentation of income and all health benefits coverage. Failure to provide information would result in denial of charity care discount.

D. Eligibility will be determined based on Patient’s Family income including monetary assets as outlined in Assembly Bill 774, Health & Safety Code Section 127400 et al, Hospital Fair Pricing Policy.

E. The Patient Financial Information will be required each time the patient is admitted and is valid for the current admission plus any other outstanding patient liability at UCDH time of determination. The inpatient application can be used in the determination of charity care discount for outpatient services. The financial screening application for outpatient services is valid for three calendar months starting with the month of eligibility determination and any other patient financial liability at UCDH at the time of determination.
F. Patients who are homeless or expire while admitted to UCDH and/or have care by its emergency room physicians and have no source of funding or responsible party or estate may be eligible for charity care even if a financial assistance application has not been completed. All such cases must be approved by the Admitting Director, Patient Financial Services Director or their designees.

G. Patient will be notified in writing of approval or reason for denial of charity care eligibility in languages as determined by UCDH’s geographical area pursuant to federal and state laws and regulations.

H. For High Medical Cost patients with third party coverage, it may be necessary to wait until a payer has adjudicated the claim to determine patient financial liability.

I. See Section XII for Appeals/Reporting Procedures

IX. PATIENT BILLING AND COLLECTION PRACTICES

Responsibility: Patient Financial Services

A. Patients who have not provided proof of coverage by a third party at or before care is provided will receive a statement of charges for services rendered at the hospital. Included in that statement will be a request to provide the hospital with health insurance or third party coverage information. An additional statement will be provided on the bill that informs the patient that if they do not have health insurance coverage, the patient may be eligible for Medi-Cal, California Children’s Services or charity care.

B. Patient’s request can be communicated verbally or in writing and a Patient Financial Information Form will be given/mailed to patient/guarantor address. Written correspondence to the patient shall also be in the languages as determined by UCDH’s geographical area pursuant to federal and state laws and regulations.

C. If a patient is attempting to qualify for eligibility under the hospital's charity care policy, and is attempting in good faith to settle the outstanding bill, the hospital shall not send the unpaid bill to any collection agency or other assignee unless that entity has agreed to comply with this policy.

D. Patients are required to report to UCDH any change in their financial information promptly.

E. For financially eligible Charity Care patients, prior to commencing collection activities against a patient, the hospital and its agents will provide a notice containing a statement that non-profit credit counseling may be available, and containing a summary of the patient’s rights.

F. Bills that are not paid 120 days after the first post-discharge billing statement may be placed with a collection agency. The patient or the patient’s guarantor can apply for help with their bill up to 240 days from the first post-discharge billing statement and/or any time during the collection process.

G. It is the policy of UCDH to not engage in Extraordinary Collection Action (ECA). If in the future UCDH were to change its policy UCDH will comply with the guidelines under 501(r) that states the patient will receive a 30 day written notification of the ECAs UCDH intends to take.
H. UCDH or its contracted collection agencies will undertake reasonable collection efforts to collect amounts due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for charity care, offers of no-interest payment plans, and offers of discounts for prompt payment. Neither UCDH nor its contracted collection agencies will impose wage garnishments or liens on primary residences except as provided below. This requirement does not preclude UCDH from pursuing reimbursement from third party liability settlements or other legally responsible parties.

I. Agencies that assist the hospital and may send a statement to the patient must sign a written agreement that it will adhere to the hospital’s standards and scope of practices. The agency must also agree to:

1. Not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after initial billing.

2. Not use wage garnishments, except by order of the court upon noticed motion, supported by a declaration file by the movant identifying the basis for which it believes that the patient has the ability to make payments on the judgment under the wage garnishment, which the court shall consider in light of the size of the judgment and additional information provided by the patient prior to, or at, the hearing concerning the patient's ability to pay, including information about probable future medical expenses based on the current condition of the patient and other obligations of the patient.

3. Not place liens on primary residences.

4. Adhere to all requirements as identified in AB774 (Health & Safety Code Section 127400 et seq).

5. Adhere to all notification requirements of the 501(r)

J. In the event that a patient is overcharged, the hospital shall reimburse the patient the overcharged amount with 7 percent annual interest (Article XV, Section 1 of the California Constitution) calculated from the date the patient made the overpayment.

X. APPEALS/REPORTING PROCEDURES

Responsibility: Patient Financial Services

A. In the event of a dispute or denial, a patient may seek review from the Customer Service Manager. The Assistant Director of Finance for Patient Financial Services will review a second level appeal.

B. The charity care policy, Discount Payment Policy, and Patient Financial Information form shall be provided to the Office of Statewide Health Planning and Development (OSHPD) at least biennially on January 1, or with significant revision. If no significant revision has been made by UCDH and its emergency room physicians since the policies and financial information form was previously provided, OSPHD will be notified that there has been no significant revision.
XI. RESPONSIBILITY

Questions about the implementation of this policy should be directed to the Assistant Director of Finance, Patient Financial Services Administration at (916) 734-9172. Questions about Financial Assistance eligibility should be directed to the Financial Counseling Manager at (916) 734-9077 or the Customer Service Manager at (916) 734-9206.

UCDH reserves the right to make exceptions to this policy on a case by case basis.

XII. REFERENCES

Patient Accounting Debt Collection Practices Policy
Administrative Policy 1101, Emergency Medical Treatment and Active Labor Act (EMTALA)
Administrative Policy 1885, Request for Hospital or Physician Discount
University of California Accounting Manual (H-576-60)
Federal Regulations (42 C.F.R. Section 440.255)

XIII. REVIEWED BY

Mitchel Murri*
Professional Billing Operations and Compliance Work Group