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| Policy/Procedure Number | AD-3004 |
| Policy/Procedure Name | Financial Assistance |
| Type of Policy/Procedure | Administration |
| Date Approved | 03/24 |
| Date Due for Review | 01/25 (Annual) |
| Policy/Procedure Description | Outlines purpose of and guidelines for receiving financial assistance or charitable care at Valley Children's Hospital. |
| Supersedes | 1.1606, Policy: Organization/Governance, Financial assistance Financial Assistance |

Purpose Statement

The policy outlines the purpose of, and guidelines for, receiving financial assistance or charitable care at Valley Children's Hospital ("Valley Children's").

Policy

Valley Children's is committed to providing high quality, comprehensive health care services to children, regardless of their ability to pay. The policy covers all emergent and medically necessary care. Medically necessary care is considered services or supplies that are needed for the diagnosis or treatment of your medical condition and meet accepted standards of medical practice. Valley Children's strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to comply with Valley Children's procedures for obtaining financial assistance and to contribute to the cost of their care based on individual ability to pay. Valley Children's does not engage in extraordinary collections actions before making reasonable efforts to determine whether the individual is eligible for financial assistance. This policy does not apply to physician services.

Patient Notification and General Information:

Information about financial assistance available from Valley Children's shall be disseminated through various means, including Valley Children's website, the publication of notices in patient bills, delivery of patient notification at time of registration for an inpatient stay, emergency department visit, or clinic visit and by posting notices in high volume areas such as the Emergency Department, Clinics, Admitting, Patient Accounting and other places as Valley Children's may elect. Such information shall be provided in English and Spanish and will be translated for patients/guarantors who speak other languages. The notices will inform patient families they may be eligible for public insurance programs including, but not limited to, government sponsored programs and the California Health Benefit Exchange (Covered California). Valley Children's shares its Financial Assistance Policy with the appropriate community health agencies and organizations that assist families. Upon request, patients will be provided with referrals to local consumer assistance agencies housed at community legal services offices.

A patient may qualify for financial assistance prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources prior to, or at the time of, the visit. If a funding source cannot be identified after full compliance by the patient or guarantor, financial assistance may be provided. A request for financial assistance may be initiated via completion of a Financial Assistance Application by the patient, family member, physician, or health care representative. All financial assistance requests will be considered for eligibility upon receipt of the prescribed financial information.

Valley Children's recognizes that the financial status of patients may change over time. Valley Children's personnel will actively assist families in securing eligibility for any program with the assistance of patients and their guarantors. Valley Children's will refer a patient/guarantor to alternative programs. (i.e. Medical, California Children's Services, the California Health Benefit Exchange or any other government sponsored health program for health benefits in which the Hospital participates). Failure of patient/guarantor to comply with the referral process may result in forfeiture of the right to be considered for the Financial Assistance Program. If the patient/guardian misses the deadline to apply for retro-active

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Medi-cal or other insurance coverage for a specific date of service, the patient/guarantor must apply for ongoing coverage before current outstanding self-pay balances will be considered for the Financial Assistance Program.

The granting of financial assistance shall be based on an individualized determination of financial need and shall not take into account age, gender, race, socio-economic or immigrant status, sexual orientation, religious affiliation or protected class. Factors for determining financial need may include but are not limited to family income, family size, scope and extent of a patient's medical bills, and employment status.

Procedure

Application Process:

The Financial Assistance Application may be completed by telephone with the assistance of a Patient Accounting Financial Counselor or by completing, signing and returning the application to: Valley Children's Hospital Patient Accounting Department, 9300 Valley Children's Place, Madera, CA 93636 or by uploading via MyChart or email at patientfinservices@valleychildrens.org. Patient Financial Services can be reached via phone at **559-353-7009**.

A patient's eligibility for financial assistance may be determined at any time Valley Children's is in receipt of the patient's financial information or 240 days from the post discharge bill. The Financial Assistance Application shall remain valid for services rendered within a 180-day period. The financial assessment will include a review of the following: proof of residences, most recent income tax return, most recent one month pay stubs, most current bank statement, hardship letter, and notice of action from Government sponsored insurance program.

If the Financial Assistance Application is completed within the application period, Valley Children's will suspend collection efforts until determination is made. Once determination of eligibility is completed, and the Guarantor is not approved for financial assistance, collection efforts will resume.

Upon review of the application, if information is missing, the Guarantor will be notified via phone and mail and the applicant will have 15 days to provide the needed information or collection efforts will continue.

Valley Children's may not deny assistance for failure to provide information not described in the Financial Assistance Policy or Application.

Approval Process:

The Patient Accounting Director or designee will review all applications to determine eligibility for discount payment options based upon current gross monthly income, family size and/or extent of patient's medical bills as provided on the Financial Assistance Application and supporting documentation. Reasonable efforts will be made to verify financial data. All financial information provided will be considered confidential and staff will respect each circumstance with dignity.

Financial obligations not eligible for consideration for financial assistance are Medi-Cal share of cost except in the instance of presumptive charity. Elective cosmetic procedures, or services denied by available funding sources as not medically necessary, are not eligible for financial assistance. Upon request, special consideration may be made by the Vice President of Revenue Cycle and Managed Care or Chief Financial Officer.

Any patient account recommended for financial assistance allowance, after meeting the guidelines set forth in this policy, requires the following approval signature:

\$0 - \$4,999 –Manager, Patient Financial Services & Cash Applications

\$5,000 - \$9,999 – Director, Patient Accounting

\$10,000 - \$24,999 – Vice President, Revenue Cycle and Managed Care

\$25,000 or > – Vice President, Revenue Cycle and Managed Care or Chief Financial Officer

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Written notification of determination of eligibility or ineligibility for financial assistance or discount payment options will be forwarded to the applicant by the Patient Accounting Director or designee within 30 days of receipt of the Financial Assistance Application and requested financial documentation.

Charitable Care:

Charitable Care is defined as a full charitable deduction (100% discount) for all eligible amounts owed to Valley Children's.

Valley Children's will provide financial assistance to uninsured applicants whose qualifying income is at 200% or less of the unit value(s) established by the Department of Health and Human Services' (HHS) Poverty Guidelines.

| Family Size | Maximum Monthly Income | Family Size | Maximum Monthly Income |
|-------------|------------------------|-------------|------------------------|
| 1 | \$ 2,510.00 | 5 | \$ 6,097.00 |
| 2 | \$ 3,407.00 | 6 | \$ 6,993.00 |
| 3 | \$ 4,303.00 | 7 | \$ 7,890.00 |
| 4 | \$ 5,200.00 | 8 | \$ 8,787.00 |

*Schedule based upon 2024 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

**For family units with more than 8 members, add an additional \$ 897.00 per month per family member.

Presumptive Charity:

Presumptive charity may be considered when all other avenues of payment have been exhausted. Examples of presumptive charity cases may include; families that have met the income guidelines and they are currently receiving public housing, WIC program, and or government family assistance. Presumptive charity may also be considered on a case-by-case basis due to a change in financial status, hardship or other circumstances demonstrating the guarantor has no ability to pay. Amounts given for consideration may be partial or full financial assistance as defined by Guarantors ability to pay and income.

Discount Payment Options:

In addition to charitable care, Valley Children's has established additional discount payment options based upon the financial eligibility of the individual requesting assistance. Patients who qualify for multiple discounts under this policy will be granted the single discount amount resulting in the largest discount to the patient. Discount payment options include: uninsured discount, high medical cost discount and prompt pay discounts.

Discount payment options will also be considered for those individuals who receive discounted rates through his/her third party pay or coverage for the portion of their bills their health plan will not pay, such as high deductible plans or plans requiring coinsurance or copayments.

Discounts for Financially Qualified Patients:

Valley Children's will provide a partial discount for uninsured patients and patients with high medical costs whose income for the last twelve (12) months does not exceed 400% of the of the unit value(s) established by the Department of Health and Human Services' (HHS) Poverty Guidelines (federal poverty level). High medical costs are defined as annual out-of-pocket costs at the hospital that exceed the lessor of ten (10) percent of the patient's current family income or family income in the prior twelve (12) months. Additionally, Valley Children's may provide a partial discount to insured patients who meet the income qualifications but whose medical costs do not qualify under the established high medical costs thresholds if assistance is needed with out-of-pocket financial obligations. Eligible individuals may not be charged more than **amounts generally billed (AGB)** for emergency or other medically necessary care as required by Treasury Regulation §1.501(r)-1(b)(24)(vii)

The Patient Accounting Director or designee will use the following table to determine income eligibility for discounts. This schedule will be maintained and updated annually by the Patient Accounting Director or designee.

| Family Size | Monthly Income Less than or equal to 400% |
|--------------------|--|
| 1 | \$ 5,020.00 |
| 2 | \$ 6,813.00 |
| 3 | \$ 8,607.00 |
| 4 | \$ 10,400.00 |
| 5 | \$ 12,193.00 |
| 6 | \$ 13,987.00 |
| 7 | \$ 15,780.00 |
| 8 | \$ 17,573.00 |

*Schedule based upon 2024 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)

**For family units with more than 8 members, add an additional \$1,793.00 per month per family member.

Elective cosmetic procedures or services denied by available funding sources as not medically necessary are not eligible for uninsured discount payments. Upon request, special consideration may be made by the Vice President, Revenue Cycle and Managed Care or Chief Financial Officer.

Patients receiving a partial discount may be eligible for interest free patient payment plans as described later in the policy.

Eligible patients' obligation will be reduced to no more than the applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges. Please see examples below.

Example #1

An insured patient has qualified for a discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient's third party insurance paid \$6,000 and has left the patient responsible for a co-pay of \$4,000. If billed, Medi-Cal would have paid \$5,000 for the same services. Under these discount criteria, the patient would not be responsible for the \$4,000 co-pay as the amount paid by the third party insurance has exceeded the Medi-Cal reimbursement amount.

Example #2

Patient has qualified for a discount based upon high medical cost. Patient has an emergency stay with \$10,000 total charges. The patient's third party insurance paid \$6,000 and has left the patient responsible for a co-pay of \$4,000. If billed, Medi-Cal would have paid \$7,500 for the same services. Under these discount criteria, the patient would only be responsible for the difference between the allowed amount from Medi-Cal (\$7,500) and the amount paid by the third party insurance (\$6,000) therefore, leaving the patient responsible for \$1,500.

Prompt Pay Discount:

Valley Children's will extend a 45% prompt pay discount to those self-pay patients who wish to pay their entire outstanding balance immediately.

Insured patients with non-covered services which are deemed medically necessary and wish to pay their outstanding balance immediately will be eligible for a 45% discount upon request. The patient or

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guarantor must request the 45% discount and make payment in full within 30 days of receipt of insurance payment for non-covered services.

Financial obligations not eligible for prompt pay discounts include co-pays, deductibles, and Medi-Cal share of cost.

Patients requesting patient payment plans may still be eligible for prompt pay discounts with prior approval.

Patient Payment Plans:

Upon request, Valley Children's will negotiate an interest free, patient payment plan within the following guidelines:

Payment plans for incomes less than 400% of the Federal Poverty Guidelines:

- Valley Children's will make every attempt to negotiate a reasonable payment plan. In the event one cannot be agreed upon the monthly payment amount will not exceed 10% of the patient family's available income less essential living expenses.
- Patient families will be required to complete an Essential Monthly Income Statement and asked to attest to available income and essential living expenses.
- In instances where patient families qualify for high medical cost discounts, payment plans may be negotiated under the terms specified in the immediately above.

All Other Payment Plans:

- Outstanding patient balance is to be paid in the most expeditious manner possible with a minimum monthly payment amount of \$25.00.
- An Electronic Fund Transfer (EFT) option is available to patient families. An EFT established exceeding (2) years must be approved by the Vice President, Revenue Cycle and Managed Care or Chief Financial Officer.
- An online payment option is available to patient families at <https://valleychildrens.org>
- Patients with balances less than or equal to \$1,000 must be paid in full within one (1) year of establishment of the payment plan. Exceptions to these criteria must be approved by the Patient Accounting Director, Vice President, Revenue Cycle and Managed Care or Chief Financial Officer.
- Requests for contractual terms exceeding one (1) year must be approved by the Patient Accounting Director unless an EFT is established. Requests exceeding two (2) years must be approved by the Vice President, Revenue Cycle and Managed Care or Chief Financial Officer.
- Patients requesting patient payment plans will not be eligible for prompt pay discounts.

Dispute Resolution:

Valley Children's recognizes that there may be unusual or extenuating circumstances or disputes which may warrant special consideration. In such cases, a description of the unusual circumstances or dispute (written or verbal) should be forwarded to the attention of the Patient Accounting Director.

Refunds and Interest Owed by the Hospital:

Any excess amounts collected on accounts eligible for financial assistance will be reimbursed with interest at the rate of 10% per annum. Such amounts will be processed within thirty (30) days, except that interest will not be paid on payments of \$5.00 or less.

Billing and Collection Guidelines:

Valley Children's sends out a minimum of two statements prior to cycling an account to an early out vendor. At the time of billing Valley Children's will provide to all financially qualified, uninsured and under-insured patients the same information concerning services and charges provided to all other patients who receive care at the hospital.

When sending a bill to a patient who has not provided proof of coverage by a third party at the time of treatment or discharge, the hospital shall include:

- A statement of charges.
- Request the patient inform the hospital if the patient has insurance coverage, or may be eligible for Medicare, Medi-Cal, or other coverage.
- Statement that if the patient does not have health insurance coverage, they may be eligible for Medicare, Medi-Cal, California Children's Services Program and discounted or financial assistance.
- A statement that indicates that if the patient meets certain income requirements, the patient may be eligible for a government-sponsored program or for financial assistance from the hospital
- Information regarding how patients may obtain applications for government programs from the hospital; and
- A statement that provides the patient with the telephone number of Valley Children's so they may obtain information about the hospital's financial assistance policies for patients and how to apply for such assistance.
- Those persons at Valley Children's making calls regarding the Charity Program shall use a routine script in their conversations to ensure equitable assistance for all our patients and families.

Patient guarantors must complete a Financial Assistance Application, be in process with an eligibility application for a government sponsored insurance program or set up a payment plan within 70 days of final bill or the account will be assigned to an early out vendor for third party billing at full self-pay billed charges.

Valley Children's will assign any financial obligation to a debt collection agency after 180 days from final bill date where the patient has failed to comply with an established payment plan or for non-payment on an account where the patient guarantor is not in process with an eligibility application for a government sponsored insurance program or is not in the process of applying for Financial Assistance.

The third-party billing agency may charge interest.

Patients with a pending appeal for coverage of services will not be forwarded to a third-party billing agency or collection agency until a final determination of that appeal is made. If the appeal is unfavorable and the patient is responsible for the outstanding obligation, the patient will be afforded the opportunity to qualify for financial assistance or discount payment arrangements as prescribed above.

In the course of debt collection involving financially qualified, uninsured or underinsured patients who are at or below 400% of the Federal Poverty Level, Valley Children's or any associated third-party billing agency or collection agency will not garnish wages or place liens on primary residences as a means of collecting unpaid hospital bills. This provision will not preclude Valley Children's from pursuing reimbursement from third party liability settlements for patients whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the hospital.

In the event the Patient/Guarantor is uninsured we will not take legal action.

In the event that a patient requires interpretation services, Valley Children's complies with the California Codes Health and Safety Section 1259. Please refer to policy 4.8362.007 for procedures to be followed to receive interpretation assistance.

Should Valley Children's decide to contract with an early out vendor or collection agency, written agreements will ensure full compliance with this policy and all guidelines provided in California Assembly Bill 774, Assembly Bill 1276 and all applicable Federal and State laws including:

- Upon notification by the patient, the agency will return all accounts to Valley Children's that are applying for a government assistance program or may qualify under the Valley Children's Financial Assistance and Financial Assistance Policy.
- Prior to commencing collection activities against a patient, the patient will be provided with a written notice that nonprofit credit counseling services may be available in the area and a plain language summary of the patient's rights pursuant to the Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act.
- Agency shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for non-payment at any time prior to 180 days after final bill.
- The account may be sent to an early out vendor on day 71 for collection of the self-pay balance; this is not a bad debt agency, the account will not be sent to bad debt until day 181 after final bill.
- All patient Guarantors will be given a 30-day notice prior to their account cycling to bad debt.
- Valley Children's Hospital will define the standards and scope of practices to be used internally and by its outside (non-hospital) collection agencies and will maintain written agreements from such agencies that they will adhere to such standards and scope of practices.

The collection agency or other assignee will not pursue extraordinary collections action without the approval of the Vice President, Revenue Cycle and Managed Care or Chief Financial Officer as required by Treasury Regulation §-4(b)(4)(i)(c)

- Patient communications will be provided in English and Spanish and in languages other than English that may be deemed appropriate to the patient.

Documentation:

All documentation will be maintained by Patient Accounting in accordance with regulatory guidelines.

Other Providers:

This policy does not apply to professional services provided to Valley Children's patients by physicians or other medical providers including but not limited to Radiology, Anesthesiology, Pathology or Hospitalist services.

Emergency room physicians are covered under the Valley Children's Hospital Financial Assistance Policy. Emergency room physicians providing emergency medical services to Valley Children's patients must provide discounts to uninsured patients or patients with high medical costs and incomes below 400% of the federal poverty level, in accordance with California Law. Valley Children's will notify uninsured patients or patients with high medical costs that discounts are available for services received from an emergency room physician.

A list of providers who are covered and not covered by the Valley Children's Financial Assistance Policy is maintained in a document separate from the Financial Assistance Policy and members of the public may readily obtain the list free of charge, both online and on paper, as required by IRS Notice 2015-46.

The link to the document can be found at the following website https://www.valleychildrens.org/media/file/FAP%20PROVIDER%20LIST%20COVERED%20%20NON%20COVERED%2011_18_21.pdf or a paper copy can be obtained by contacting Patient Financial Services at 559-353-7009.

Valley Children's will provide, without discrimination, care for emergency conditions regardless of whether the individual is eligible for Financial Assistance.

Cash collections activity will not be permitted until the patient is stable according to EMTALA guidelines.

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| References/Regulations | Assembly Bill 1276, Assembly Bill 1503 amended AB 774, effective 01/01/11 |
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| Other Related Policies/Procedures | |
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| Policy Lead | Vice President, Revenue Cycle and Managed Care |
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| Content Expert(s) Review | Date(s) |
|--|---|
| Director, Patient Accounting | 02/18, 08/19, 03/20, 06/21, 11/21, 06/22, 06/23, 02/24 |
| Manager, Credit & Collections & Cash Apps | 02/18, 8/19, 03/20, 06/21, 11/21, 06/22, 06/23, 02/24 |
| Vice President, Revenue Cycle and Managed Care | 02/08, 02/09, 08/10, 09/11, 06/12, 04/13, 07/14, 11/14, 02/17, 02/18, 09/18, 03/20, 08/21, 12/21, 06/22, 06/23, 02/24 |

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| COO/CNO | 02/17, 02/18, 09/18, 04/20*, 07/21*, 01/22*, 06/22*, 06/23, 03/24 |
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*CEO/CNO Only