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Owner	Kim Mikes: VP SR AND CEO HOI
Area (Category)	Organization - Administration
Applicability	Hoag Orthopedic Institute

Financial Assistance Policy

PURPOSE:

This policy outlines HOI's operational guidelines on the Financial Assistance Program (FAP) in relation to the patient collections process.

SCOPE:

This policy applies to Hoag Orthopedic Institute (HOI).

DEFINITIONS:

1. **Affordable Care Act (ACA):** A federal mandate that aims to increase the quality and affordability of health insurance.
2. **Charity Care:** Medically necessary hospital services provided at no cost to a patient who lacks or has inadequate insurance and meets defined low-income requirements.
3. **Covered California (CA):** California's Health Insurance Marketplace program that provides assistance in shopping for affordable health care and possibly financial assistance. Covered California will also assist in determining qualifications for Medi-Cal.
4. **Deposit:** When payment arrangements are made, the first installment payment is considered the deposit. The deposit is negotiated, starting at 50% of total estimated patient liability.
5. **Essential Living Expense (CA):** 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;
6. **Excluded Services:** If services not deemed a medical necessity, (i.e. cosmetic surgery)
7. **Financial Assistance Program (FAP):** A program that ensures HOI patients who are medically uninsured or underinsured are provided care at discounted or at no cost to qualified patients. Government-Funded Insurance Programs: The following are included in "government-funded insurance programs", but is not limited to:

- Medicare
- Presumptive Eligibility (Medi-Cal)
- Medi-Cal
- Covered California
- Out of State Medicaid

8. **Health Insurance Marketplace:** A component of the ACA is the Health Insurance Marketplace, formerly known as the Exchange. Each state mandates to have this on-line venue for consumers and small business to compare and purchase insurance coverage options and to learn if they are eligible for federal insurance subsidies.
9. **Health Maintenance Organization (HMO)/ Preferred Provider Organization (PPO) Payment Rate:** The average amount of payment the Hospital would receive from all contracted HMOs/PPOs for providing services. This rate, represented as a percent of total billed charges, is Hospital-specific and updated periodically.
10. **High Medical Costs:** In California (CA), a patient is considered to have "high medical cost" if he or she has either of the following:
    - Annual out-of-pocket costs incurred by the individual at the Hospital that exceed 10 percent of the patient's family income in the prior 12 months.
    - Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.
11. **Medi-Cal:** Medi-Cal is California's federally funded health insurance programs that pays for a variety of medical services for children and adults who have limited resources and low-income. Under ACA, Medi-Cal has expanded who may be eligible.
12. **Medically Necessary Services:** Services or supplies determined to be proper and needed for the diagnosis, direct care or treatment of the medical condition and meet the standards of good medical practice in the medical community.
13. **Medicare:** Medicare is a federally funded health insurance program for qualified people age 65 or older. Certain people younger than 65 also qualify based on disabilities or renal disease. This program helps with the cost of health care, but it does not cover all medical expenses or the cost of long-term care. It is not based on low-income. It is not part of the Health Insurance Marketplace, but there are some coverage changes as a result.
14. **Medicare Payment Rate:** The average amount of payment the Hospital would receive from Medicare for providing services. This rate is Hospital-specific and updated periodically.
15. **Out of State Medicaid:** Hoag, on behalf of HOI, will bill for Out of State Medicaid provided a contract is approved by the state and/or obtained through an outsourced vendor.
    Payment Arrangement/ Installment Plans: A plan negotiated and agreed to by the Hospital and the patient that sets the terms of extended payment for services provided by the hospital. Any pre-service payment plan is based on an estimate and the financial counselors and or/or HOI Registration Supervisor coordinate payment plans through the self-pay supervisor as Final terms are set up after final billing.
16. **Payment Assistance Rank Ordering (PARO) Score:** PARO is a patient account scoring mechanism. PARO score is evaluated bi-annually and calibrated to reflect the charity care policy of HOI for evaluating and eligibility criteria.

17. **Presumptive Charity (SOS and La Amistad Programs):** Share Ourselves Program (SOS) and La Amistad have been pre-determined to meet the program guidelines as these individuals were determined to be at or below 200% federal poverty level. (FPL). SOS and La Amistad complete their own screening and approval.
18. **Reasonable Payment Plan:** If Hospital and the patient/guarantor, cannot agree, the Hospital shall create a reasonable payment plan. Monthly payments pursuant to a reasonable payment plan cannot exceed more than 10 percent of a patient's family's monthly income, excluding deductions for essential living expenses.

POLICY:

1. HOI seeks to address patient's health care and financial needs while remaining committed to the stewardship of HOI resources. To ensure that HOI obtains appropriate reimbursement for services provided, several payment options and programs are available to support the needs of uninsured and underinsured patients. When it is determined that a payment solution cannot be obtained through such payment options and programs, then the patient is provided with information about the HOI Financial Assistance Program (FAP)
2. Patient collections processes shall remain in compliance with HOI policies relevant to patient financial assistance:
    a. Any patient who requests financial assistance will be afforded the opportunity to apply and be considered.
    b. Access to necessary care shall in no way be affected by whether financial assistance eligibility exists; medically necessary care will always be provided to the extent the Hospital can reasonably do so.
    c. The need for financial assistance is a sensitive and deeply personal issue for patients. All HOI employees will maintain confidentiality of requests for assistance, the information obtained in the application process, and the funding or denial of assistance.
    d. To ensure the patient's post-acute and follow-up health care needs are met, patients who demonstrate lack of financial coverage by third-party insurance are offered information on how the patient may obtain applications for Medicare, Medicaid, Medi-Cal and the Healthy Families Program CA, coverage offered through the Covered California (CA), or other state or county funded health coverage programs. HOI will refer them to HOI's FAP to assist patients with applying for government-sponsored programs and follow through to acceptance or denial.

COLLECTIONS PROCESS OVERVIEW:

1. It is the expectation that the patient's estimated cost or liability will be collected in full prior to or at the time of service. If a patient states they cannot pay in full, payment options and programs are offered during the collections process and it consistent sequential order as outlined below:
    a. Full payment is requested.
    b. A reasonable payment plan based on estimate is offered. A deposit payment as requested, if appropriate.
    c. Eligibility for government-funded programs is explored in programs including, but not limited to:
        i. Medicare

ii. Medi-Cal (CA)

iii. Covered California

iv. Other state and country funded health coverage programs.

d. When a payment solution cannot be found as listed above, then the patient is provided the information about FAP. Pending applications for coverage through FAP and from a government-funded health program will not preclude the patient's eligibility for eligibility for other programs.

Important: If at any time, patient request information or an application for financial assistance, it is promptly provided to the patient.

FINANCIAL ASSISTANCE PROGRAM OVERVIEW:

1. FAP ensures that medically necessary health care is provided at discounted or at no cost to qualified uninsured and underinsured patients. Any uninsured or underinsured patient who is unable to pay for his or her hospital bill and whose income meets the approved Federal Poverty Level (FPL) qualifications will be considered eligible for financial assistance. Additionally, patients who incur qualified High Medical Costs may be deemed eligible for financial assistance.
2. HOI serves all persons in the communities where we are located. We aspire to provide musculoskeletal health services with the upmost dignity and compassion for each patient and family in our care. In a confidential and caring environment patient are provided financial assistance to pay their HOI bills and, in turn, to ensure access to needed healthcare as an essential element of fulfilling their human dignity and ability to live with improved health and mobility,

COMPLETION OF THE FAP APPLICATION:

1. Upon a patient's request, FAP application will be provided. Designated personnel will assist patients in completing the application and determining eligibility for financial assistance, charity care, or government-funded programs, if applicable. Notice of Availabilitity of Financial Assistance printed in English and Spanish are also placed in the public admission areas at HOI. Interpretation services are available to address any questions or concerns and to assist in the completion of the Financial Assistance Applications.
2. A patient, our patient's legal representative, who requests a discounted payment, charity care, or other assistance in meeting his or her financial obligation to the hospital, shall make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the person requests charity care or a discounted payment and fails to provide information that is reasonable and necessary for the hospital to make a determination, the hospital may consider that failure in making its determination.
3. Upon establishing full or partial eligibility under the Financial Assistance Program the coverage will be valid for six (6) months from the date of the eligibility letter. Additionally, other pre-existing patient account outstanding balances at the time of eligibility determination will be included as eligible, excluding exceptions set forth in this policy.
4. The hospital financial system will be updated to reflect the charity discounted amount using the designated adjustment code for the full or partial approved amount.

PATIENT BILLING:

1. Patients applying for HOI Financial Assistance will continue to receive monthly statements as an awareness of an open balance in to encourage patient engagement if needed. Statements mailed to the patient will include a clear and concise notice advising the patient of HOI FAP and the appropriate contact information.
2. This notice shall also:
    a. Advise the patient that he or she may be eligible for programs such as Medicare Medi-Cal (CA), Covered California or other state or county funded health coverage programs.
    b. How the patient may apply for any of these programs and that the Hospital will provide the patient with an application.
    c. That the Hospital refers the patient to a local consumer assistance center housed a legal services office.
3. Disputes:
    a. Efforts to collect healthcare debts by an affiliate, subsidiary or external collection agency of HOI must adhere to the standards set forth in this policy including the definition and application of a reasonable payment plan.
    b. In dealing with patients eligible for HOI Financial Assistance or reasonable payment plan, HOI should not wage garnishments or place liens on homes as a mean of collecting unpaid hospital bills. This requirement does not preclude HOI from pursuing reimbursement from third-party liability settlements.
    c. Accounts without an existing FAP or payment arrangement will transfer to an external collection agency and 150 days from the first patient billing cycle.
    d. Accounts with a default in payment plan with three consecutive missed payments will transfer to the external collection agency upon review and approval of the department supervisor to ensure reasonable attempts to reach the patient / guarantor were made.

PROOF OF INCOME:

1. The patient will submit all necessary income documents including copies of IRS forms, W-2 wages and earnings, disability payment statements, etc. An application for a government program (i.e. prescription drug assistance programs, DHS, SSI, or any other signed federal program document), may be used to financial assistance. Financial information obtained will not be used to determine collection activities.
2. In cases where documentation is unavailable, the patient's income may be verified by having the patient sign assistance application attesting to the veracity to the income provided if the proof of income is questionable, validation of income should be immediately requested.

INCOME QUALIFICATIONS- CA HOSPITALS:

1. Any uninsured or underinsured patient whose family income is less than 400% of the current federal poverty level (FPL) is unable to pay his or her hospital bill shall be considered eligible for financial assistance. Full or partial assistance is based on the criteria outlined below:

<table>
<tr><th>If the income % of FLP is:</th><th>And the patient is:</th><th>Then:</th></tr>
<tr><td>200% or less,</td><td>Uninsured or insured</td><td>The entire (100%) patient liability portion of the bill for services will be written off.</td></tr>
<tr><td rowspan="2">201% - 400%,</td><td>Uninsured,</td><td>The patients' payment obligation will be a percentage of the gross amount the Medicare program would have paid for the service based on the sliding scale below:
<table>
<tr><th>If the income % of FPL is:</th><th>Then the % of Medicare LIKE Rate Payable is:</th></tr>
<tr><td>201 – 400%</td><td>50%</td></tr>
</table></td></tr>
<tr><td>Insured,</td><td>The patient's obligation will be reduced by insurance payments:
<table>
<tr><th>If:</th><th>Then:</th></tr>
<tr><td>The amount paid by insurance exceeds what Medicare would have paid,</td><td>The entire (100%) patient liability portion of the bill will be written off.</td></tr>
<tr><td>The Medicare Payment LIKE Rate is greater than the HMO/PPO Payment Rate for services rendered,</td><td>The patient's payment obligation will be based on the HMO/PPO Payment Rate.</td></tr>
</table></td></tr>
<tr><td>201% - 400%,</td><td>Insured, yet services are not covered by the payer,</td><td>The following will apply:
<table>
<tr><th>If...</th><th>Then ...</th></tr>
<tr><td>The patient ordinarily would be responsible for the full billed charges,</td><td>The total patient payment obligation will be the HMO/PPO Payment Rate.</td></tr>
</table></td></tr>
<tr><td>201% - 400%,</td><td>Insured, and services are covered by the payer,</td><td>The following will apply:
<table>
<tr><th>If:</th><th>Then:</th></tr>
<tr><td>The patient is responsible for only a portion of the billed charges (deductible, copay, etc.),</td><td>There is no discount.</td></tr>
</table></td></tr>
</table>

AUTOMATIC CLASSIFICATION FOR CHARITY CARE:

1. Under the following special circumstances, patient may be deemed eligible for charity care without absolute requirement for submission of a financial assistance application:

Circumstance	CALIFORNIA
Eligible for other FPL-qualified programs	(Addressed in Other Special Circumstances section below)
Disabled	n/a
Deceased	Is deceased and without third-party insurance coverage or identifiable estate, no living spouse
Incarcerated	n/a
Homeless	Is determined to be homeless and is not currently enrolled in Medicare, Medicaid or any government sponsored program, without third-party insurance coverage
Access to Care	Is treated through an Access to Care Program

OTHER SPECIAL CIRCUMSTANCES:

1. As validated by the court document of discharge for accounts not yet in collection or as validated by the collection agency, patients who have filed for bankruptcy for the outstanding HOI debt and the court has granted discharge status.
2. Patients who are eligible for FPL - qualify programs such as Medi-Cal, Medicaid, and other government-sponsored low-income assistance programs, are deemed to be indigent. Therefore, such patients are eligible for Charity Care when payment for services is not made by the program. Patient account balances resulting from non-reimbursed charges are eligible for charity write off.

Medi-Cal Share of Cost obligations are not eligible for charity write off or the discount program.

3. Specifically included as eligible are charges related to the following:
    a. Denied inpatient stays for medically necessary services
    b. Denied inpatient days of care
    c. Eligible non-covered services
    d. IP Treatment Authorization Request (TAR) denials
    e. Denials due to restricted coverage

PRESUMPTIVE CHARITY:

1. HOI recognizes that a portion of the uninsured or underinsured patient population may not engage in the traditional financial assistance application process. If the required information is not provided by the patient, HOI utilizes an automated, predictive scoring tool to qualify patients for Charity Care. The PARO™ tool predicts the likelihood of a patient to qualify for Charity Care based on publicly available data sources. PARO provides estimates of the patient's likely socio-economic standing, as well as, the patient's household income and size.
2. Qualified Medicare Beneficiaries (QMB patients): Eligible for charity write off when no secondary or Medi-Cal information is obtainable or balance after secondary other than SOC: Medicare providers and suppliers may not bill people in the QMB program for Medicare deductibles, coinsurance or co-pays, but state Medicaid programs may pay for those costs. Under some circumstances, federal law lets states limit how much they pay providers for Medicare cost sharing. Even when that's the case, people in the QMB program have no legal obligation to pay Medicare providers part A or part B cost-sharing. Refer to Prohibition on billing dually eligible individuals enrolled in the QMB program.

APPROVAL LEVELS:

1. Financial assistance determination will be made only by approved Hospital personnel according to the local Hospital levels of authority.
2. Notification of Determination
    a. Patients will receive notification of Hospital determination within 30 days of submitting the completed application and supporting documentation.
3. Patient Disputes
    a. FAP qualifications are determined after the application is reviewed for eligibility based on criteria contained in this policy. Financial assistance shall not be provided on a discriminatory or arbitrary basis; however, the hospital retains full discretion to establish eligibility criteria based on sufficient evidence and information provided by the patient or guarantor.
4. In the event of a dispute, a patient or guarantor may seek review from management or the executive director of revenue cycle via email at PFS@Hoag.org or in writing by providing additional information to support the dispute at:

    Hoag Memorial Hospital Presbyterian
    Attn: Executive Director of Revenue Cycle

500 Superior, Suite 250
Newport Beach, CA 92663

PROOF OF INSURANCE:

1. If a hospital bills a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge HOI will provide the patient with a Notice of Availability Financial Assistance (NAFA).

MISSION

To optimize the musculoskeletal health of individuals and their communities.

WHAT IS THE PATIENT FINANCIAL ASSISTANCE PROGRAM?

HOI has Financial Counselors available to offer free financial screenings for people who do not have health insurance and cannot pay their hospital bill, as well as patients who do have insurance, but are unable to pay their portion of the bill that insurance does not cover.

The Financial Counselors will review your eligibility for Medicare, Healthy Families Program, Medi-Cal, or other coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage, or charity care. If you already have coverage through one of these programs, please notify our Financial Counselors immediately. Patients ineligible for government assistance may still qualify for discount or charity programs available through HOI.

HOW AND WHEN TO APPLY

Please contact our Financial Counselors immediately after discharge or completion of services by calling 949-764-5564 or by e-mail at FC@Hoag.org. We can assist with your application and provide the applications for Medicare, Healthy Families Program, Medi-Cal, or other coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage. You may also be referred to www.OCGOV.com for local assistance.

If you lack, or have inadequate, insurance, and you meet low- and moderate-income requirements, you may qualify for discounted payment or charity care. Please remember that access to necessary health care is not affected by eligibility for financial assistance. Hoag Orthopedic Institute is committed to treating all those who come to us for care.

You may also apply directly for the above programs by accessing their website directly:
Medi-Cal: http://www.dhcs.ca.gov/services/medi-cal/pages/applyformedi-cal.aspx
Affordable Care Act: www.HealthCare.gov to apply by phone Call 1-800-318-2596
Medicare: www.ssa.gov/medicare/apply.html
HOI Charity care program: www.Hoag.org (Patient & Visitors tab, Billing, Charity Care Application)

CONFIDENTIALITY

We understand that the need for financial assistance can be a sensitive and deeply personal issue. We are committed to maintaining the confidentiality of requests, information and funding. For more information please contact one of our Financial Counselors at 949-764-5564. Counselors are available Monday through

Friday from 8:30 AM to 4:30 PM, or by e-mail at FC@Hoag.org

Reference:

1. **Hoag Memorial Hospital policy** on Financial Assistance. https://wave.hoag.org/edms/PublishedPandP/Published/Financial%20Assistance%20Policy.pdf
2. **California Code, Health and Safety Code - HSC §127405**

Approval Signatures

Step Description	Approver	Date