

POLICY

Financial Assistance

Department(s):	PAS, PFS, SAU	Group(s):	Ministries, Co-Ops	Region(s):	NCAL, SCAL, SW
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		Date RCORC Approved:		Approved by:	St. Joseph Health Board of Directors

Overview

Purpose

This policy sets forth St. Joseph Health’s (SJH) Financial Assistance Program (FAP). It also outlines the guidelines for the FAP in relation to the patient billing and collection process. This policy establishes operational guidelines on the SJH FAP for Revenue Cycle Services (RCS) staff and supporting entities responsible for carrying out the financial assistance process on behalf of SJH Hospitals set forth on Exhibit A.

Scope

This policy applies to all SJH Hospitals and to all Emergent and Urgent Treatment and other Medically Necessary Care provided by SJH Hospitals (with the exception of cosmetic, experimental or investigative care).

This policy shall be interpreted in a manner consistent with Section 501(r) and, with respect to SJH Hospitals in California, the *Hospital Fair Pricing Policies* outlined in the California Health and Safety Code (sections 127400-127446). In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

Provisions of this policy that are specific to California are designated by “California” or “CA.” Similarly, provisions of this policy that apply only to SJH Hospitals in Texas are marked “Texas” or “TX.” Unless otherwise designated, the provisions of this policy apply to SJH on a system-wide basis.

California:

An emergency physician who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounts to uninsured or underinsured patients or patients with high medical costs who are at or below the approved federal poverty level. Arrangements for financial assistance with costs related to care received from emergency physicians must be made directly with that physician or his or her group. SJH assumes no liability or other responsibility for these discounts.

Continued on next page

Financial Assistance

Overview, Continued

Contents This publication contains the following topics:

Topic	Pages
Overview	1 - 9
Financial Assistance Process	10 - 14
Overview	10-11
List of Providers	11
Patient Awareness and Education	12
Applying for Financial Assistance	13
Incomplete Applications	13
Determinations	13
Approval Levels	14
Duration of Approvals	14
Dispute Resolution	14
Income Qualification	15 – 19
Sources of Family Income	15
Proof of Income	15
Use of Information	15
Income Qualifications – Texas Hospitals	16
Income Qualifications – California Hospitals	17
Automatic Classification for Financial Assistance	18
Other Special Circumstances	18
Presumptive Charity Eligibility	19
Patient Billing and Collections	20 – 23
Billing Guidelines	20-21
Patient Billing Upon Approval of FAP	22
Limitations on Charges	22
Reasonable Payment Plan	22
Patient Refunds	22-23
Exhibit A	24
List of Hospitals	24

Continued on next page

POLICY
Financial Assistance
Overview, Continued

References These publications are relevant to this document:

Document Type	Title
Policy	COBRA Premium Payment Assistance (RCS.36)
Process	Collection Process for PAS
Policy	Credit Management (RCS.21)
Policy	Financial Counseling – Government-Funded Insurance (RCS.13)
DLP	Financial Counselor – Financial Assistance Applications
DLP	Offering Payment Arrangements
Policy	Patient Discounts (RCS.26)
Policy	Payment Arrangements (Installment Plans) (RCS.18)
Policy	Placing Statements on Hold (RCS.37)
Policy	Self-Pay and Bad Debt Collection, Placement and Follow-Up (RCS.39)

Definitions This publication contains the following terms:

Term	Definition
Access to Care Program	Services primarily designed to expand access to care for the medically poor that meet the following conditions: <ul style="list-style-type: none"> • The services are identified in the hospital community benefit plan. • The services are targeted at populations which would qualify for financial assistance as identified within the community benefit plan. • The services are recorded at full established hospital rates as gross patient revenue. • The services are provided by a licensed healthcare professional. • The services are those medical diagnostic or therapeutic services for which a medical record is maintained. • The services qualify as Emergency Treatment or Medically Necessary Care.
Affordable Care Act (ACA)	The ACA is a federal mandate that aims to increase the accessibility, quality and affordability of health insurance.

Continued on next page

Financial Assistance

Overview, Continued

Definitions,
continued

Term	Definition
Amounts Generally Billed (AGB)	The amounts generally billed for Emergency Treatment and Medically Necessary Care to patients who have health insurance is referred to in this policy as AGB. AGB is calculated by using the billing and coding process that each Hospital would use if the patient were a Medicare fee-for-service beneficiary, and AGB equals the amount reimbursed by Medicare plus the amount the patient would be responsible for paying if he or she were a Medicare beneficiary in the form of co-payments, co-insurance and deductibles.
Application Period	The Application Period is the period during which each SJH Hospital will accept and process an application for Financial Assistance. Each SJH Hospital in furtherance of its mission will accept and process in accordance with this policy a Financial Assistance application from a patient at any point in time.
Covered California	Covered California is 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 qualification for Medi-Cal.
Deposit	When payment arrangements are made, the first installment payment is considered the deposit.
Emergency Treatment	Emergency Treatment means the care or treatment provided for an “emergency medical condition”, as defined by EMTALA.
EMTALA	The Emergency Medical Treatment and Active Labor Act is a U.S. Act of Congress passed in 1986. It requires hospitals to provide a Medical Screening Exam to anyone presenting for emergency healthcare treatment regardless of citizenship, legal status, or ability to pay. Hospitals may only transfer or discharge patients needing emergency treatment under their own informed consent, after stabilization, or when their condition requires transfer to a hospital better equipped to administer the treatment.
Essential Living Expenses	Essential Living Expenses include 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.

Continued on next page

Financial Assistance

Overview, Continued

Definitions, continued

Term	Definition
Extraordinary Collection Action (ECA)	<p>An action taken by the SJH Hospital against a patient or any responsible party that involves legal or judicial process; selling an individual's debt to a third party; reporting adverse information about the individual to a consumer credit agency or credit bureau; deferring or denying, or requiring a payment before providing, Medically Necessary Care because of a patient's nonpayment of one or more bills for previously provided care under the Policy; and such other actions as defined by the IRS from time to time.</p> <p>California: The Hospital Fair Pricing Policies impose additional restrictions on the billing and collection activities of SJH Hospitals located in California. These additional restrictions are discussed on page 21 of this policy.</p>
Federal Poverty Level (FPL)	FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.
Financial Assistance	<p>Emergency Treatment or Medically Necessary Care provided at a discount or at no cost to a patient who lacks funds and/or has inadequate insurance and who meets the eligibility criteria set forth in the SJH Financial Assistance Policy.</p> <p>California: Financial Assistance includes a Reasonable Payment Plan.</p>
Government-Funded Insurance Programs	<p>Government-Funded Insurance Programs include, without limitation, the following:</p> <ul style="list-style-type: none"> Covered California (CA) Medi-Cal (CA) Medi-Cal, Presumptive Eligibility (CA) Medicaid (TX) Medicare Texas Health Insurance Marketplace (TX)
Health Insurance Marketplace	<p>A component of the Affordable Care Act (ACA) is the Health Insurance Marketplace (formerly known as Exchange). Each state is mandated to have this on-line venue for consumers and small businesses to compare and purchase insurance coverage options and to learn if they are eligible for federal insurance subsidies.</p>

Continued on next page

Financial Assistance

Overview, Continued

Definitions,
continued

Term	Definition
High Medical Costs	<p>California: A patient is considered to have High Medical Costs if he or she has 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. A lower level may be determined by the Hospital.</p> <p>Texas: When a patient incurs a financial liability exceeding \$75,000.00, this is considered a "catastrophic medical event" due to high medical costs which may be deemed eligible for Financial Assistance. Determination is based upon the amount of patient liability of billed charges, and consideration of family's income and assets as reported on the Financial Assistance Application. Management shall use reasonable discretion in making a decision on patient responsibility exceeding \$75,000.00.</p>
Hospital	<p>California: Hospital means a facility that is required to be licensed under subdivision (a), (b), or (f) of Section 1250 of the Health and Safety Code which includes a general acute care hospital, acute psychiatric hospital and specialty hospital.</p> <p>Texas: Hospital means a facility that is licensed as a hospital under the Texas Hospital Licensing Act.</p>
Medicaid (TX)	Texas administers the federally funded Medicaid program, rather than administering a state program. Texas has yet to make any changes to Medicaid programs as a result of ACA.
Medi-Cal (CA)	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.
Medically Necessary Care	Medically Necessary Care means those health care services that satisfy the requirements for coverage under Medicaid.
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 may 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.

Continued on next page

Financial Assistance

Overview, Continued

Definitions, continued

Term	Definition
Notification Period	<p>The Notification Period refers to the period during which each SJH Hospital must undertake certain actions described in this policy with respect to a patient that are designed to help inform the patient about the availability of Financial Assistance and during which each SJH Hospital must refrain from certain actions, including ECAs.</p> <p>The Notification Period begins on the first date care is provided and ends no earlier than the 120th day after the SJH Hospital provides the individual with the first post-discharge billing statement for such care.</p> <p>California: The Hospital Fair Pricing Policies impose additional restrictions on the billing and collection activities of SJH Hospitals located in California. These additional restrictions are discussed on page 21 of this policy.</p>
Patient's Family	<p>California:</p> <p><i>For persons 18 years of age and older</i>, family refers to a 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. "Domestic partners" are defined by Section 297 of the Family Code in part as two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring.</p> <p><i>For persons under 18 years of age</i>, family refers to a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relatives.</p> <p>Texas:</p> <p><i>For persons 18 years of age and older</i>, family refers to a spouse, children 18 years or younger, and any other dependents listed on their tax return.</p> <p><i>For persons under 18 years of age</i>, family refers to a parent, caretaker relatives and other children under 21 years of age of the parent or caretaker relatives.</p>
Payment Plan	<p>A plan that formalizes the interim payment amounts and timeframes until the balance is paid in full. The plan must be agreed upon by both SJH and the patient/guarantor, in accordance with this policy. Any pre-service payment plan is based on an estimate, and final terms are set up after final billing. (Also known as "payment arrangement" or "installment plan".)</p>
Post-Discharge	<p>Post-discharge means the period of time after medical care (whether inpatient or outpatient) has been provided and the individual has left the SJH Hospital.</p>

Continued on next page

POLICY

Financial Assistance

Overview, Continued

Definitions,
continued

Term	Definition
Qualifying Monetary Assets	Qualifying Monetary Assets (QME) includes all of a patient’s liquid assets, including bank accounts and publicly traded stocks. Qualifying Monetary Assets <i>do not include</i> the following: retirement, deferred-compensation plans qualified under the Internal Revenue Code, non-qualified deferred compensation plans, the first ten thousand dollars (\$10,000) of a patient's monetary assets, or 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000).
Reasonable Efforts	<p>Reasonable Efforts are the actions that the SJH Hospital will take to determine whether an individual qualifies for Financial Assistance and include : offering a paper copy of the plain language summary of this Policy to patients as part of the intake or discharge process; including a conspicuous written notice on billing statements that identifies the FAP and informs patients about the availability of Financial Assistance, including, without limitation, the website address where a patient may obtain copies of the FAP, an application form and a plain language summary of the FAP as well as the phone number of the Hospital department that can provide information about the FAP and the application process; making reasonable efforts to notify the patient about the FAP and how to obtain assistance with the application process in oral communications regarding the bill that occur during the Notification Period; providing the patient with at least one written notice that contains a plain language summary of the FAP and describes the ECAs that the Hospital may take if the patient does not submit a complete application for Financial Assistance or pay the amount due by a deadline specified in the notice that is no earlier than thirty (30) days after the date of the notice or the expiration of the Notification Period (whichever is later); and taking such other actions as are required by the IRS with respect to Section 501(r) of the Internal Revenue Code.</p> <p>If the SJH Hospital presumptively determines that a patient eligible for less than the most generous Financial Assistance available under the FAP, the SJH Hospital will have made Reasonable Efforts if it: notifies the patient regarding the basis for the presumptive FAP-eligibility determination and the way to apply for more generous Financial Assistance available under the FAP; gives the patient a reasonable period of time to apply for more generous assistance before initiating ECAs to obtain the discounted amount owed for the care; and if the patient submits a complete FAP application seeking more generous Financial Assistance during the Application Period, determines whether the patient is eligible for more generous Financial Assistance.</p>

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POLICY**Financial Assistance****Overview**, Continued**Definitions**,
continued

Term	Definition
Reasonable Payment Plan	California: Reasonable Payment Plan (RPP) means monthly payments that are not more than 10 percent of a Patient's Family income for a month, excluding deductions for Essential Living Expenses for FAP-qualified individuals.
Section 501(r)	Section 501(r) of the Internal Revenue Code, which was added by the ACA, and sets forth certain requirements that charitable hospitals must satisfy in order to receive and retain their status as tax-exempt, charitable organizations.
Texas Health Insurance Marketplace	The on-line venue for Texas consumers and small businesses to compare and purchase insurance coverage options and to learn if they are eligible for federal insurance subsidies. Texas has defaulted to a federally-facilitated Marketplace, operated entirely by the federal government.

Financial Assistance

Financial Assistance Process

Overview

SJH Hospitals serve all persons in the communities where we are located. We aspire to reflect the healing ministry of Jesus through providing health services with the utmost dignity and compassion for each patient and family in our care.

SJH ensures that Emergency Treatment and Medically Necessary Care is provided at discounted rates or no cost to qualified individuals. Any uninsured or underinsured patient who is unable to pay his or her hospital bill, or is the responsible party for a hospital bill and whose income meets the approved federal poverty level (FPL) qualifications, will be considered eligible for Financial Assistance as set forth in this policy. SJH believes that this policy will ensure access to needed healthcare as an essential element of fulfilling each patient's human dignity and ability to live more healed, more whole, and more able to contribute to the common good.

SJH seeks to address patient's health care and financial needs while remaining committed to the stewardship of SJH resources. To ensure that SJH 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 SJH Financial Assistance Program (FAP).

Patient collection processes shall remain in compliance with SJH policies relevant to Financial Assistance, including, without limitation, the following:

- Any patient who requests Financial Assistance will be afforded the opportunity to apply and be considered.
- Each SJH Hospital will use reasonable efforts to notify patients about the FAP and how to obtain assistance with the Financial Assistance Application in oral communications with patients regarding bills.
- The need for Financial Assistance is a sensitive and deeply personal issue for patients and their families. All SJH employees will maintain confidentiality of requests for assistance, the information obtained in the application process, and the funding or denial of assistance.

Continued on next page

Financial Assistance

Financial Assistance Process, Continued

**Overview,
continued**

- In an effort to ensure patients' post-acute and follow-up health care needs are met, patients who demonstrate lack of financial means to pay for their care or coverage by third-party insurance are offered information on government-sponsored programs. SJH will assist patients with applying for government-sponsored programs and follow through to acceptance or denial.
- Periodic review of this policy shall be conducted by internal and external auditors.

California: SJH hospitals are in compliance with the *Hospital Fair Pricing Policies* outlined in the California Health and Safety Code (sections 127400-127446).

**List of
Providers**

Each SJH Hospital shall incorporate as part of its adoption and implementation of this Policy a list of those physicians and other providers who are covered by this policy and a list of those physicians and other providers who are not covered by this policy. Each SJH Hospital shall provide these lists to any patient who requests a copy.

Continued on next page

Financial Assistance

Financial Assistance Process, Continued

Patient Awareness and Education

Reasonable efforts will be made to notify and inform patients of the availability of Financial Assistance, utilizing the methods outlined below.

- Patient billing statements will include a clear and conspicuous notice advising of the availability of the SJH Financial Assistance program. (See page 20 for detailed requirements).
- A plain language summary of the FAP (brochure) shall be provided as part of the admission or discharge process.
- The FAP policy, plain language summary (brochure) and Financial Assistance Application will be available on each SJH Hospital's website.
- The plain language summary of the FAP (brochure) will be printed in English and Spanish, at a minimum, and shall be available at each hospital in public admission areas, including, but not limited to, the emergency room, inpatient and outpatient admission areas.
- Translations of the SJH Financial Assistance Policy, Financial Assistance Application, and plain language summary of the FAP (brochure) shall be made available in other languages as determined by each hospital, in accordance with Section 501(r) of the Internal Revenue Code.
- SJH personnel will make a reasonable effort to orally notify patients of the availability of Financial Assistance when discussing payment options.
- Each SJH hospital shall post notices informing the public of the Financial Assistance Program. Such notices shall:
 - Be posted in high volume inpatient and outpatient service areas of the hospital including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas or other common patient waiting areas of the hospital and any location where a patient may pay his or her hospital bill.
 - Include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance.
 - Be in English and Spanish and any other languages that represent the lesser of 1,000 individuals or 5 percent of the community served by the SJH Hospital.

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Financial Assistance

Financial Assistance Process, Continued

Applying for Financial Assistance

An individual who believes that he or she may qualify for Financial Assistance or has requested Financial Assistance must submit a Financial Assistance Application.

The Financial Assistance Application may be obtained for free at the locations designated by each SJH Hospital, by mail or by visiting the SJH Hospital's website.

Each SJH Hospital shall make designated personnel available to assist patients in completing the Financial Assistance Application and determining eligibility for SJH Financial Assistance or financial assistance from government-funded insurance programs, if applicable.

Interpretation services are available to address any questions or concerns and to assist in the completion of Financial Assistance Applications.

Incomplete Applications

If a patient submits an incomplete SJH Financial Assistance Application, SJH will send the patient a written notice requesting the information necessary to complete the application, provide contact information for assistance in completing the application, and will allow no less than thirty (30) days from the date of the notice to submit the missing information. SJH will suspend ECAs (if any) that may have commenced against the patient. SJH may not deny Financial Assistance based on the failure to provide information or documentation unless that information or documentation is described in this policy or the Financial Assistance Application.

Determinations

Patients will receive notification of FAP eligibility determination within 30 days of submission of a completed Financial Assistance application.

If individual submits a complete financial assistance application during the application period, SJH shall meet its reasonable efforts requirement by:

- Suspending ECAs
- Making and documenting a determination of financial assistance eligibility
- Notifying the individual in writing of the determination of financial assistance eligibility and the basis for the determination

SJH will refrain from making determination that an individual is not eligible for financial assistance based on information that the hospital has reason to believe is incorrect or unreliable.

Continued on next page

POLICY**Financial Assistance****Financial Assistance Process, Continued****Approval Levels**

Financial assistance determination is made by approved hospital personnel according to the local ministry levels of authority.

Duration of Approvals

Approvals for SJH Financial Assistance for patients who complete the application process will be applied for six months forward from the approval date and six months prior to the approval date. For prior accounts, up to six months back, only accounts with open, outstanding balances will receive the financial assistance discount.

Dispute Resolution

In the event that a dispute arises regarding qualification, the patient may file a written appeal for reconsideration. The process is described below:

Stage	Description	Who Performs
1	Submits the appeal, which must include an explanation of the patient's dispute and rationale for reconsideration.	The patient
2	Reviews the patient's appeal and considers all written statements of dispute and any attached documentation. Provides the patient with a written explanation of findings and determination within 30 days of receipt of the written appeal.	A Director of Revenue Cycle
3	In the event that the patient believes the dispute remains after consideration by the Director of Revenue Cycle, the patient may submit a written request for reconsideration.	The patient
4	Reviews the patient's written appeal and documentation, as well as the findings of the Director of Revenue Cycle. Makes a determination and provides a written explanation of findings to the patient. The dispute resolution process concludes with a final decision by the VP of Revenue Cycle.	VP of Revenue Cycle

Note: The VP of Revenue Cycle for each Hospital will have final authority and responsibility for determining whether an individual qualifies for Financial Assistance pursuant to this Policy and whether the Hospital may therefore engage in ECAs against such individual.

Financial Assistance

Income Qualification

Sources of Family Income

For purposes of this policy, sources of a Patient's Family income include but are not limited to:

- Gross salary and wages
- Self-employment income
- Interest and dividends (excluding retirement or deferred compensation plans)
- Real estate rentals and leases
- Social Security
- Alimony
- Child support
- Unemployment and disability payments
- Public assistance
- In addition, 50% of a patient's Qualified Monetary Assets over the first ten thousand dollars (\$10,000) will be considered.

Family income consists of the above mentioned sources for all dependents of the financially responsible party if they are claimed as dependents for income tax purposes.

Proof of Income

In cases where documentation is unavailable, the patient's income may be verified by having the patient sign the assistance application attesting to the veracity of the income information provided. If the proof of income is questionable, validation of the income should be immediately requested. The hospital may grant Financial Assistance even if all of the information and documentation is not provided.

Texas:

The patient will submit all necessary income documentation, including copies of IRS forms, W-2 Wages & Earnings, disability payment statements, recent pay stubs, 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 qualify for financial assistance.

California:

Documentation of income shall be limited to recent pay stubs or income tax returns.

Use of Information

California: Information regarding a patient's income or monetary assets obtained by the SJH Hospital for purposes of determining eligibility under this policy shall not be used for debt collection activities.

Continued on next page

POLICY**Financial Assistance****Income Qualification, Continued****Income Qualifications
– TX
Hospitals**

Full or partial assistance for Covenant Health System patients is based on the criteria outlined below:

If...	Then ...
Annual gross income is 175% or less of the current FPL guidelines,	The patient is determined to be financially indigent, and qualifies for Financial Assistance 100% write-off.
Annual gross income is between 175% and 300% of the current FPL guidelines,	The patient is determined to be medically indigent. The reimbursement for services or patient responsibility shall not exceed the AGB on each inpatient account. Reimbursement for services on Outpatient accounts shall be determined by using the SJH Calculator for Financial Assistance for Texas Hospitals. A patient's responsibility in these circumstances shall not exceed the AGB.
Patient incurs financial liability exceeding \$75,000.00,	This is considered a "catastrophic medical event" due to high medical costs. Management may determine the patient to be eligible for financial assistance based upon the amount of patient liability, billed charges, income, and assets and may, at its discretion, grant Financial Assistance without all information or documentation. In such circumstances, the patient's responsibility shall not exceed the AGB.

Continued on next page

POLICY

Financial Assistance

Income Qualification, Continued

**Income Qualifications –
CA Hospitals**

Any uninsured or underinsured patient whose family income is less than 500% of the current federal poverty level (FPL) and 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:

If the family income is...	And the patient is...	Then...																						
200% or less of the FPL,	Uninsured or insured	The entire (100%) patient liability portion of the bill for services will be written off.																						
201% - 350% of the FPL,	Uninsured,	The patients' payment obligation will be a percentage of the AGB for the service based on the sliding scale below: <table border="1" style="margin-left: 20px; margin-top: 10px;"> <thead> <tr> <th style="background-color: #d9ead3;">If the income % of FPL is...</th> <th style="background-color: #d9ead3;">Then the % of AGB is...</th> </tr> </thead> <tbody> <tr><td>201 – 215%</td><td>10%</td></tr> <tr><td>216 – 230%</td><td>20%</td></tr> <tr><td>231 – 245%</td><td>30%</td></tr> <tr><td>246 - 260%</td><td>40%</td></tr> <tr><td>261 – 275%</td><td>50%</td></tr> <tr><td>276 – 290%</td><td>60%</td></tr> <tr><td>291 – 305%</td><td>70%</td></tr> <tr><td>306 – 320%</td><td>80%</td></tr> <tr><td>321 – 335%</td><td>90%</td></tr> <tr><td>336 – 350%</td><td>100%</td></tr> </tbody> </table>	If the income % of FPL is...	Then the % of AGB is...	201 – 215%	10%	216 – 230%	20%	231 – 245%	30%	246 - 260%	40%	261 – 275%	50%	276 – 290%	60%	291 – 305%	70%	306 – 320%	80%	321 – 335%	90%	336 – 350%	100%
	If the income % of FPL is...	Then the % of AGB is...																						
201 – 215%	10%																							
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276 – 290%	60%																							
291 – 305%	70%																							
306 – 320%	80%																							
321 – 335%	90%																							
336 – 350%	100%																							
Insured,	The patient's obligation will be reduced by the insurance payments: <table border="1" style="margin-left: 20px; margin-top: 10px;"> <thead> <tr> <th style="background-color: #d9ead3;">If...</th> <th style="background-color: #d9ead3;">Then ...</th> </tr> </thead> <tbody> <tr> <td>Insurance payment is more than or equal to the AGB,</td> <td>The entire (100%) patient liability portion of the bill will be written off.</td> </tr> <tr> <td>Insurance payment is less than the AGB,</td> <td>The patient would pay the difference between the insurance payment and the AGB.</td> </tr> </tbody> </table>	If...	Then ...	Insurance payment is more than or equal to the AGB,	The entire (100%) patient liability portion of the bill will be written off.	Insurance payment is less than the AGB,	The patient would pay the difference between the insurance payment and the AGB.																	
If...	Then ...																							
Insurance payment is more than or equal to the AGB,	The entire (100%) patient liability portion of the bill will be written off.																							
Insurance payment is less than the AGB,	The patient would pay the difference between the insurance payment and the AGB.																							
351% - 500% of the FPL,	Uninsured,	The patient pays the AGB amount.																						
	Insured,	The patient pays the difference between the insurance payment and the AGB.																						
Above 500% of the FPL,	Incurring financial liability according to the "high medical costs" definition,	The patient pays no more than the AGB.																						

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Financial Assistance

Income Qualification, Continued

Automatic Classification for Financial Assistance

Under the following special circumstances, a patient may be deemed eligible for Financial Assistance *without absolute requirement for submission of a financial assistance application*:

Circumstance	California	Texas
Eligible for other FPL-qualified programs	(Addressed in <i>Other Special Circumstances</i> section below.)	Has documented eligibility for food stamps or other public programs whose eligibility criteria is based on strict adherence to the Federal Poverty Guidelines.
Disabled	Has an SSI case referred to the disability examiner	
Deceased	Is deceased and without third-party insurance coverage or identifiable estate	Is expired with no estate, and no living spouse.
Homeless	Is determined to be homeless and without third-party insurance coverage	
Seen in ER, unable to bill	Is treated in the Emergency Department but the hospital is unable to issue a billing statement	
Access to Care	Is treated through an Access to Care Program	N/A
Community Clinic Referral	Services rendered are a result of an approved referral from an affiliated community clinic.	

Note: The amount of Financial Assistance in these circumstances will equal a write-off of the entire (100%) patient liability portion of the bill for services.

Other Special Circumstances

Patients who are eligible for FPL-qualified 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 Financial Assistance when the programs deny payment and then deem the charges billable to the patient. Patient account balances resulting from non-reimbursed charges are eligible for full charity write-off. Specifically included as eligible are charges related to the following:

- Denied inpatient stays
- Denied inpatient days of care
- Non-covered services
- Treatment Authorization Request (TAR) denials
- Denials due to restricted coverage

Continued on next page

POLICY**Financial Assistance****Income Qualification**, Continued**Presumptive
Charity
Eligibility**

SJH 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, SJH may utilize an automated, predictive scoring tool to qualify patients for Financial Assistance.

Financial Assistance

Patient Billing and Collections

Billing Guidelines

Subject to this Policy, Hospital may take any and all legal actions, including ECAs, to obtain payment for medical services provided. In so doing, Hospital will utilize a series of statements, letters, and phone contact with the patient and referral of the responsible party commencing with the first Post-Discharge billing statement and continuing at regular intervals of approximately 30 days in accordance with the Hospital's regular billing cycle.

Billing statements mailed to patients will include a clear and conspicuous notice advising the patient of SJH Financial Assistance Program and the appropriate contact information. The notice shall also advise the patient of the following:

- That he or she may be eligible for programs such as Medicare, Medi-Cal(CA), Medicaid (TX), Covered California, Texas Health Insurance Marketplace or other state or county funded health coverage programs.
- How the patient may apply for any of these programs and that the Hospital will provide the patient with an application.(CA)
- That the Hospital will refer the patient to a local consumer assistance center housed at legal services offices.(CA)
- That the patient notify the hospital if they have health insurance coverage, Medicare, Medi-Cal (CA), Medicaid (TX) or other coverage.
- That the patient may qualify for a Reasonable Payment Plan and/or Financial Assistance under the FAP if he or she lacks insurance or has inadequate insurance and satisfies the eligibility criteria set forth in the FAP. (CA)
- That the patient may access the SJH Hospital's website for more information on the FAP, including how to download the Financial Assistance Policy, plain language summary and Financial Assistance Application.
- That the patient may contact a specified office at the SJH Hospital by calling an identified telephone number for information about the FAP and for assistance with the Financial Assistance Application.
- Amounts charged for any Emergency Treatment or Medically Necessary Care to FAP eligible individuals shall not exceed the AGB for the same service.

Patients may not be billed during the Financial Assistance Application review process.

- Billing statements are to be placed "on hold" once the patient's Financial Assistance Application is received.
- The statement-hold will be released upon final determination of the submitted application.

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Financial Assistance

Patient Billing and Collections, Continued

Billing Guidelines, continued

In no event shall any SJH Hospital engage in any ECA until the SJH Hospital has used Reasonable Efforts to determine whether an individual is eligible for Financial Assistance during the Notification Period, and in furtherance of its mission, SJH will not do the following at any time:

- Take actions that require legal or judicial process, including but not limited to:
 - Attaching or seizing bank accounts.
 - Causing arrest or subjection to a writ of body attachment.
- Sell patient debt to other parties [without the approval of the Hospital's Chief Financial Officer].

Efforts to collect healthcare debts by an affiliate, subsidiary or external collection agency of the Hospital or SJH must adhere to the standards set forth in this policy including the definition and application of a Reasonable Payment Plan [CA] and Financial Assistance. Each SJH Hospital shall ensure that the restrictions imposed by this Policy, Section 501(r) and, in California, the *Hospital Fair Pricing Policies* are set forth in any agreement between the SJH Hospital and any affiliate, subsidiary or external collection agency.

California:

In dealing with patients eligible for Financial Assistance, the Hospital shall not use wage garnishments or place liens on homes or engage in credit agency reporting or any legal or judicial process as a means of collecting unpaid hospital bills prior to determining eligibility. This requirement does not preclude Hospitals from pursuing reimbursement from third party liability settlements.

For a patient that lacks coverage, or for a patient that provides information that he or she may be a patient with High Medical Costs, the Hospital, any assignee of the Hospital, any other owner of the patient's debt, including a collection agency, shall 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 the first Post-Discharge billing statement.

If a patient is attempting to qualify for Financial Assistance and is attempting in good faith to settle an outstanding bill with the Hospital by negotiating a Reasonable Payment Plan or by making regular partial payments of a reasonable amount, the Hospital shall not send the unpaid bill to any collection agency or other assignee.

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POLICY**Financial Assistance****Patient Billing and Collections, Continued**

Patient Billing Upon Approval of FAP If an individual is determined to be eligible for Financial Assistance, SJH will:

- Provide a billing statement that indicates the amounts the individual owes as a FAP-eligible individual and shows or describes how the determination was made.
- Take reasonable measures to reverse any ECAs taken against the individual.
- Refund any excess payments made by the individual.
- Provide a billing statement that shows any amount owed by the individual, how the amount was determined and where to obtain information on the calculation of AGB.

Limitations on Charges SJH Hospitals will limit amounts charged to patients who qualify for the SJH Financial Assistance program for Emergency Treatment or Medically Necessary Care to no more than the AGB, as defined in this policy.

Reasonable Payment Plan California: Once a patient is approved for partial Financial Assistance, SJH will negotiate a payment plan arrangement. In cases when a monthly installment amount cannot be agreed upon, SJH will offer a Reasonable Payment Plan. The Reasonable Payment Plan shall consist of monthly payments that are not more than 10 percent of a patient's monthly family income, excluding deductions for Essential Living Expenses that the patient listed on their Financial Assistance Application.

Patient Refunds In the event that a patient or patient's guarantor has made a deposit payment or other partial payment for services and subsequently is determined to qualify for free or discounted care for those services through SJH's Financial Assistance Program, all amounts paid which exceed the payment obligation, if any, shall be refunded to the patient.

Any overpayment due to the patient under this obligation *may not be applied to other open balance accounts or debt* owed to the hospital by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within a reasonable time period.

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Financial Assistance**Patient Billing and Collections**, Continued

Patient Refunds, continued

California: The hospital will reimburse the patient any amount actually paid in excess of the amount due under this policy, including interest. Such interest shall begin to accrue on the first day that the patient or guarantor's payment obligation is determined through the Financial Assistance Program process. Interest owed shall accrue at the rate of 10% per annum as set forth in Section 685.010 of the California Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital. However, the hospital shall not reimburse the patient or pay interest if the amount due is less than five dollars (\$5.00). The hospital shall give the patient a credit for the amount due for at least 60 days from the date the amount is due.

Texas: Interest is not paid to patients, and patient deposits are non-refundable.

Financial Assistance

Exhibit A

**List of
Hospitals****California:**

St. Joseph Hospital of Orange
St. Jude Medical Center
Mission Hospital
St. Mary Medical Center
Santa Rosa Memorial Hospital
Petaluma Valley Hospital
Queen of the Valley Medical Center
St. Joseph Hospital, Eureka
Redwood Memorial Hospital

Texas:

Covenant Hospital Lubbock
Covenant Specialty Hospital
Covenant Children's Hospital
Covenant Hospital Plainview
Covenant Hospital Levelland
