This policy applies to:  
☑️ Stanford Health Care - ValleyCare

Last Approval Date: January 2018

### Name of Policy:
FINANCIAL ASSISTANCE / CHARITY CARE POLICY

### Departments Affected:
All Departments

---

**I. PURPOSE**

The purpose of this Policy is to define the eligibility criteria and application process for financial assistance for patients who receive Emergency and Medically Necessary hospital services at The Hospital Committee for the Livermore-Pleasanton Areas doing business as ValleyCare Health System, referred within this document as Stanford Health Care-ValleyCare (SHC-VC) and who are uninsured or underinsured. SHC-VC also seeks to describe the types of financial assistance available and ensure patients have access to information about these programs.

**II. POLICY**

SHC-VC is committed to providing financial assistance in the form of Charity Care or Special Circumstances Financial Assistance (together referred to in this Policy as Financial Assistance) to uninsured and underinsured individuals who seek and obtain Emergency and Medically Necessary hospital services from SHC-VC but are not able to meet their payment obligations to SHC-VC without assistance. SHC-VC desires to provide this assistance in a manner that addresses the patients’ individual financial situations, satisfies the hospital’s not-for-profit and teaching missions, and meets its strategic, operational, and financial goals.

Financial Assistance is not to be considered a substitute for personal responsibility. Patients are expected to cooperate with SHC-VC’s Financial Assistance requirements, and to contribute to the cost of their care based on their individual ability to pay.

This written Policy:

- Includes eligibility criteria for Financial Assistance.
- Includes a link to a list of providers who are covered by the Policy and those who are not.
- Describes the method by which patients may apply for financial assistance and the basis for calculating amounts charged to patients eligible for financial assistance under this Policy.
- Limits the amounts that SHC-VC will charge for emergency or other medically-necessary care provided to individuals eligible for Financial Assistance. The limit will be based upon the discounted rate comparable to SHC-VC’s government payors.
- Describes the methods used to widely publicize the Policy within the communities served by SHC-VC.
- Does not address SHC-VC’s billing and collection policy, which can be found in SHC-VC’s Debt Collection Policy at: http://intranet.valleycare.us/policy_and_procedure/docs/hosp-wide/finance/fin_Dept%20Collection%20Policy%202016%2020%20FINAL%202008.2016.11092016.pdf.

**III. DEFINITIONS**

For the purpose of this Policy, terms are defined as follows:

A. **Charity Care:** A 100% waiver of patient financial obligation for Medically Necessary services provided by SHC-VC to SHC-VC. (Uninsured and underinsured patients with annualized family
incomes not in excess of 400% of the Federal Poverty Guidelines may be eligible for fully
discounted care.)

B. **Eligibility Qualification Period:** Patients determined to be eligible shall be granted Financial
Assistance for a period of twelve (12) months. Financial Assistance will also be applied to
outstanding eligible accounts incurred for services received prior to the Financial Assistance
application date.

C. **Emergency medical conditions:** As defined within the meaning of section 1867 of the Social
Security Act (42 U.S.C. 1395dd), SHC-VC treats persons from outside of an SHC-VC service
area if there is an emergent, urgent, or life-threatening condition.

D. **Family:** For patients 18 years or older, the patient’s spouse, registered domestic partner, and
dependent children under 21 whether living at home or not. For patients under 18 years of age,
family includes patient’s parent, caretaker relatives, and other children under 21 years of age of
the parent or caretaker. If a patient claims a dependent on their income tax return, according to the
Internal Revenue Service rules, that individual may be considered a dependent for the purposes of
determining financial assistance eligibility. Any and all resources of the household are considered
together to determine eligibility under this Policy.

E. **Family Income:** Family Income is determined using the U.S. Census Bureau definition when
determining eligibility based on the Federal Poverty Guidelines.

   1. Includes earnings, unemployment compensation, workers’ compensation, Social Security,
      Supplemental Security Income, public assistance, veterans’ payments, survivor benefits,
      disability payments, pension or retirement income, interest, dividends, rents, royalties,
      income from estates and trusts, educational assistance, alimony, child support, financial
      assistance from outside the household, and other miscellaneous sources;

   2. Non-cash benefits (i.e. Medicare, Medicaid, and Golden State Advantage card EBT
      benefits, heat assistance, school lunches, housing assistance, need-based assistance from
      non-profit organizations, foster care payments, or disaster relief assistance) are not
      counted as income for making an eligibility determination for financial assistance;

   3. Capital gains or losses Determined on a before-tax basis; and

   4. A person’s family income includes the income of all adult family members. For patients
      under 18 years of age, family income includes that of the parents and/or step-parents,
      unmarried or domestic partners, or caretaker relatives.

F. **Federal Poverty Guidelines:** Federal Poverty Guidelines are updated annually in the Federal
Register by the United States Department of Health and Human Services under authority of
subsection (2) of Section 9902 of Title 42 of the United States Code. Current guidelines can be
G. Financial Assistance: Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by SHC-VC and who meet the eligibility criteria for such assistance. Under this Policy, Financial Assistance is either Charity Care or Special Circumstances Financial Assistance.

H. Guarantor: An individual other than the patient who is responsible for payment of the patient’s bill.

I. Gross Charges: The total charges at the organization’s full established rates for the provision of patient care services before deductions from revenue are applied.

J. Healthcare Services: Emergency and Medically Necessary hospital services.

K. Special Circumstances Financial Assistance: Financial assistance that provides a discount to eligible patients with annualized family income in excess of 400% of the Federal Poverty Guidelines and financial obligations resulting from medical services provided by any SHC-VC entity that exceed 10% of annualized family income.

L. Medically Necessary: As defined by Medicare as services or items reasonable and necessary for the diagnosis or treatment of illness or injury. Healthcare services, including emergency care, which, in the opinion of a SHC-VC treating physician, is a service, item, procedure or level of care that is:

1. Necessary for the proper treatment or management of the patient’s illness, injury or disability; or

2. Reasonably expected to, prevent the onset of an illness, condition, injury or disability, or is routine, generally accepted preventive care; or

3. Reasonably expected to reduce or ameliorate the physical, mental or developmental effects of the patient’s illness, condition, injury or disability; or

4. Will assist the patient to achieve or maintain maximum functional capacity in performing daily activities, taking into account both the functional capacity of the patient and those functional capacities that are appropriate for the patient’s age.

M. Presumptive Eligibility: Determination of eligibility for Financial Assistance based upon socio-economic information specific to the patient that is gathered from market sources.
N. **Proof of Income:** For purposes of determining Financial Assistance eligibility, SHC-VC will review annual family income from the prior two (2) pay periods and/or the prior tax year as shown by recent pay stubs or income tax returns and other information. Proof of earnings may be determined by annualizing the year-to-date family income, taking into consideration the current earnings rate.

O. **Reasonable Payment Plan:** An extended interest free payment plan that is negotiated between SHC-VC and the patient for any patient out-of-pocket fees. The payment plan shall take into account the patient's income, essential living expenses, assets, the amount owed, and any prior payments.

P. **Uninsured Patient:** An individual having no third-party coverage by a commercial third-party insurer, an ERISA plan, a Federal Health Care Program (including without limitation Medicare, Medicaid, SCHIP and CHAMPUS), Worker’s Compensation, or other third party assistance to assist with meeting his/her payment obligations. It also includes patients that have third party coverage, but have either exceeded their benefit cap, been denied coverage or does not provide coverage for the particular Emergency and Medically Necessary hospital services for which the patient is seeking treatment from SHC-VC.

Q. **Underinsured Patient:** An individual, with private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medical services provided by SHC-VC. Annual Out-of-Pocket expenses for Emergency and Medically Necessary hospital services will not exceed 10% of family income in prior 12 months.

IV. **GENERAL GUIDELINES**

A. **Eligible Services**

1. Financial Assistance under this Policy shall apply to *Medically Necessary* hospital services, up to and including emergent services, inpatient admissions and outpatient services offered within the licensed SHC-VC hospital facilities. With the exception of Emergency Room physician services, this Policy does not apply to any medical or ancillary services provided by any other physician or provider of services. Please inquire with the physician’s or provider’s office directly to determine what financial assistance may be offered by that physician or provider. For a listing of the physicians or other providers participating in SHC-VC Financial Assistance Policy, please consult the following roster: https://www.netreturns.biz/Client_Files/valleycare/CM/System/Specialty_Roster_FAP_Edition_05312016.pdf

2. In the event that there is uncertainty as to whether a particular service is Medically Necessary, a determination shall be made by the Executive Director of Revenue Cycle,
Vice President of Revenue Cycle, Chief Nursing Officer, or Vice President of Quality Services.

B. Services NOT Eligible

Services that are generally not considered to be Medically Necessary and are therefore not eligible for Financial Assistance include:

- Cosmetic or plastic surgery services
- Bariatric Services
- Reproductive Endocrinology and Infertility services
- Assistive hearing & listening devices
- Vision correction services including LASIK, PRK, Conductive Keratoplasty, Intac’s corneal ring segments, Custom contoured C-CAP, and Intraocular contact lens

In rare situations where a physician considers one of the above referenced services to be Medically Necessary, such services may be eligible for Financial Assistance upon review and approval by the Chief Nursing Officer of SHC-VC.

SHC-VC reserves the right to change the list of services deemed to be not eligible at its discretion.


- All patients who receive Emergency and Medically Necessary hospital services at SHC-VC may apply for Financial Assistance. A patient’s prior eligibility determinations with respect to Financial Assistance are not presumed to apply to new episodes of care for that patient if the qualification period exceeds 12 months. A new application for Financial Assistance must be completed for all new financial assistance requests.

- All individuals applying for Financial Assistance are required to follow the procedures in Section V below.

- SHC-VC shall determine eligibility for Charity Care or Special Circumstances Financial Assistance based on an individual determination of financial need in accordance with this Policy, and shall not take into account an individual’s age, gender, race, immigrant status, sexual orientation or religious affiliation.

- Applicants for Financial Assistance are responsible for applying to public programs for available coverage prior to receiving Financial Assistance. They are also expected to pursue public or private health insurance payment options for Emergency and Medically Necessary hospital services provided by SHC-VC. The patient’s, or a patient’s Guarantor’s, cooperation in applying for applicable programs and identifiable funding sources, including COBRA coverage (a federal law allowing for a time-limited extension of health care benefits), is required.
• Patients, or patients’ Guarantors, who do not cooperate in applying for programs that may pay for their Emergency and Medically Necessary hospital services, will be denied Financial Assistance. SHC-VC shall make affirmative efforts to help a patient or patient’s Guarantor, apply for public and private programs.

• In accordance with Federal Emergency Medical Treatment and Labor Act (EMTALA) regulations, no patients shall be screened for Financial Assistance or payment information prior to the rendering of services in emergency situations. The SHC-VC EMTALA Policy can be found at: http://intranet.valleycare.us/policy_and_procedure/docs/hosp_wide/patient_care/ptc_EMTALA_10152015.pdf.

• The Federal Poverty Guidelines shall be used for determining a patient’s eligibility for Financial Assistance. Eligibility for Financial Assistance will be based on Family Income and cover a period up to 12 months of services including but not limited to services prior to and after Financial Assistance application is received.

D. Charity Care (See Definition Above)

SHC-VC shall grant Charity Care to those patients who apply for Financial Assistance and whom SHC-VC determines as eligible. SHC-VC shall make that determination subject to the following provisions:

• His or her gross income before taxes, including wages and salary, welfare payments, social security payments, strike benefits, unemployment benefits, child support and alimony, dividends and interest, rental payment and other direct sources of income ("Family Income") is no greater than 400% of the Federal Poverty Guidelines ("FPG"), and

• He or she does not have third-party insurance coverage from HMO, PPO, EPO, Medicare, Medi-Cal or any other commercial third-party payor, and the injury is not a compensable injury for purposes of workers’ compensation, automobile insurance or other insurance.

OR

• He or she has some form of third-party insurance coverage, and does not receive a discounted rate from SHC-VC as a result of such coverage, and

• The annual family income in excess of 400% of the FPG and financial obligations, resulting from medical services exceed 10% of the family income in the prior 12 months.

SHC-VC shall make Charity Care eligibility determination subject to the following priorities:
- **First Priority**: Patients who receive emergency services are SHC-VC’s first priority for Charity Care. (Consistent with EMTALA, SHC-VC’s determination of eligibility for Financial Assistance cannot be made until the patient has received legally required screening and any necessary stabilizing treatment.)

- **Second Priority**: Patients who have had or will have Medically Necessary services and for whom SHC-VC is the closest hospital to the individual’s home or place of work. (In general, if there is a county hospital in the county in which the patient lives or works, and the county hospital can provide the non-emergency service that the patient needs, the patient will be directed to that county hospital.)

- **Third Priority**: Patients who have had or will have Medically Necessary services and for whom SHC-VC is not the closest hospital to the patient’s home or place of work, but for whom one or more of the following factors applies are SHC-VC’s third priority for Charity Care:
  - The patient has a unique or unusual condition which requires treatment at SHC-VC as determined by the Chief Nursing Officer; or
  - The patient presents a teaching or research opportunity that will further SHC-VC’s teaching missions, as determined by the Chief Nursing Officer.

SHC-VC shall determine a patient’s eligibility for Charity Care in accordance with the procedures set forth in Section V below.

### E. Special Circumstances Financial Assistance *(See Definition Above)*

Under Special Circumstances Financial Assistance, SHC-VC may limit the expected payment for Emergency and Medically Necessary hospital services to those eligible for this discount in this Policy (see list in Section IV.C above) by a patient who qualifies for Financial Assistance.

- SHC-VC will extend to the qualified patient a reasonable interest free payment Plan, not to exceed 18 months without approval from the Executive Director Revenue Cycle.

- SHC-VC shall determine a patient’s income and eligibility for Special Circumstances Financial Assistance according to the procedures in Section V below.
V. **PROCEDURE**

A. Procedure for Applying for Financial Assistance

1. Any patient who indicates an inability to pay an SHC-VC bill for Emergency and Medically Necessary hospital services shall be evaluated for Charity Care, other sources of funding, or Special Circumstances Financial Assistance by SHC-VC Financial Counseling and Patient Financial Services.

2. Any SHC-VC employee who identifies a patient whom the employee believes does not have the ability to pay for Emergency and Medically Necessary hospital services shall inform the patient that Financial Assistance may be available and applications are available in Patient Financial Services, Patient Admitting Services, the Emergency Department, all clinics, Customer Service, in the primary language of five percent or more of the SHC-VC community.

3. A patient may be screened initially by an SHC-VC Financial Counselor prior to receiving non-emergent services to determine whether or not the patient or Family can be linked to any public or private payer source. If the Emergency and Medically Necessary hospital services has not yet been provided and is not an emergency, the Financial Counselor will also help the patient determine whether there is a county hospital in the county in which the patient works or resides that can provide the services.

4. SHC-VC expects patients to cooperate fully in providing information necessary to apply for governmental programs such as Medicare or Medi-Cal, or through the California Health Benefit Exchange for which the patient may be eligible. In addition, the patient will be asked to fill out a Financial Assistance Application.

5. Any patient who applies for Charity Care must make every reasonable effort to provide SHC-VC Proof of Income and health benefits coverage. If a patient files an application and fails to provide information that is reasonable and necessary for SHC-VC to make a determination as to eligibility for Charity Care, SHC-VC may consider that failure in making its determination. The SHC-VC Patient Financial Services Department will inform patients in writing within 60 days of non-compliance of requested documentation, of the consequences of failure to provide complete information on a timely basis.

6. In the event SHC-VC denies Charity Care or Special Circumstances Financial Assistance to a patient who has fulfilled the application requirements set forth in this
Policy, the patient may seek review of that determination by contacting the Patient Financial Services department in writing. Executive Director Revenue Cycle will review the patients request for redetermination and provide in writing the decision within 60 days.

7. Unless a patient is informed otherwise, Financial Assistance provided under this Policy shall be valid for the Eligibility Qualification Period as defined above. However, SHC-VC reserves the right to reevaluate a patient’s eligibility for Financial Assistance during that one-year time period if there is any change in the patient’s financial status.

B. Presumptive Eligibility for Charity Care

SHC-VC recognizes that not all patients, or patients’ Guarantors, are able to complete the Financial Assistance application or provide requisite documentation. A presumptive eligibility determination may be made by a Hospital Facility utilizing third-party credit inquiries and publicly available data sources to determine if a patient qualifies for Financial Assistance under this Policy. If this data suggests that such patient’s Household Income is at or below 200% of the then-current Federal Poverty Guidelines, 100% of the patient’s remaining balance for Covered Services may qualify to be written-off.

For patients, or patients’ Guarantors, who are unable to provide required documentation but meet certain financial need criteria, SHC-VC may nevertheless grant Financial Assistance. In particular, presumptive eligibility may be determined on the basis of individual life circumstances that may include:

- Homeless or one who received care from a homeless clinic;
- Participation in Women, Infants and Children programs (WIC);
- Food stamp eligibility;
- Subsidized school lunch program eligibility;
- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
- Low income/subsidized housing is provided as a valid address; and/or
- Patient is deceased with no known estate.
- Patients identified with a diagnosis of abuse.

For patients, or their Guarantors, who are non-responsive to the SHC-VC application process, other sources of information, as described below, may be used to make an individual assessment of financial need. This information will enable SHC-VC to make an informed decision on the financial need of non-responsive patients.
For the purpose of assisting a patient that communicates a financial hardship, SHC-VC may utilize a third-party to review a patient’s, or the patient’s Guarantor’s information to assess financial need.

This review utilizes a health care industry-recognized, predictive model that is based on public record databases. The model incorporates public record data to calculate a socio-economic and financial capacity score. The model’s rule set is designed to assess each patient to the same standards and is calibrated against historical Financial Assistance approvals for SHC-VC. The predictive model enables SHC-VC to assess whether a patient is characteristic of other patients who have historically qualified for financial assistance under the traditional application process.

Information from the predictive model may be used by SHC-VC to grant presumptive eligibility to, or to satisfy the documentation requirements for patients or their Guarantors. In cases where there is an absence of information provided directly by the patient, and after efforts to confirm coverage availability, the predictive model provides a systematic method to grant presumptive eligibility to patients in financial need.

In the event a patient does not qualify under the presumptive eligibility rule set, the patient may still provide requisite information and be considered under the traditional Financial Assistance application process set forth above in Section V.

Patient accounts granted presumptive eligibility status will be adjusted accordingly. These accounts will be reclassified under the Financial Assistance Policy. The discount provided will not be sent to collection and will not be included in SHC-VC bad debt expense.

Presumptive eligibility screening provides a community benefit by enabling SHC-VC to systematically identify patients in financial need, reduce administrative burdens and provide financial assistance to patients and the Guarantors, some of whom may not have been responsive to the financial assistance application process.

### VI. NOTIFICATION ABOUT FINANCIAL ASSISTANCE

To make information readily available about its Financial Assistance Policy and program, SHC-VC will do the following:

- Post this Policy, a summary, and the SHC-VC Financial Assistance Application on the SHC-VC website.
Conspicuously post notices on the availability of Financial Assistance in emergency departments, urgent care centers, admitting and registration departments, Patient Financial Services, and at other locations that SHC-VC deems appropriate.

Make paper copies of the FAP, FAP application form, and the plain language summary of the FAP available upon request and without charge both by mail and in public locations.

Notifying patients by offering a paper copy of the summary as part of intake or discharge process.

Including conspicuous written notice on billing statements about the availability of financial assistance including the phone number of the hospital office that can provide information about the FAP and application process, and the website address where the FAP is posted.

Provide notices and other information on Financial Assistance to all patients in the primary language of 5 percent or more of the SHC-VC community.

Make available its Financial Assistance Policy or a program summary to appropriate community health and human services agencies and other organizations that assist people in financial need.

Include information on Financial Assistance, including a contact number, in patient bills and through oral communication with uninsured and potentially underinsured patients.

Provide financial counseling to patients about their SHC-VC bills and make the availability of such counseling known. (Note: It is the responsibility of the patient or the patient's Guarantor to schedule assistance with a financial counselor.)

Provide information and education on its Financial Assistance and collection policies and practices available to appropriate administrative and clinical staff.

Encourage referral of patients for Financial Assistance by SHC-VC representative or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains and religious sponsors.

Encourage and support requests for Financial Assistance by a patient, a patient’s Guarantor, a family member, close friend or associate of the patient, subject to applicable privacy laws.

Respond to any oral or written requests for more information on the Financial Assistance Policy made by a patient or any interested party within 60 days from date received within the Self-Pay Management Office.

VII. RELATED DOCUMENTS

10121879.1
This policy applies to:
☑ Stanford Health Care - ValleyCare

Name of Policy:
FINANCIAL ASSISTANCE / CHARITY CARE POLICY

Departments Affected:
All Departments

A. SHC-VC Financial Assistance Application
B. SHC-VC Federal Poverty Guidelines
C. SHC-VC Uninsured Patient Discount Policy
D. SHC-VC Debt Collection Policy
E. SHC-VC EMTALA Policy

VIII. DOCUMENT INFORMATION

A. Legal Authority/References

2. California Code of Regulations, Title 22
3. Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and proposed regulations (as of the date of the approval of this Policy, those regulations are not yet final).

B. Review and Renewal Requirements

This Policy will be reviewed every three years or as required by change of law or practice. Any changes to the Policy must be approved by the same entities or persons who provided initial approval.

C. Review and Revision History

August 2016
December 2017, Andrea Fish, Office of General Counsel, Kristine Grajo, Director Self-Pay Management Office

D. Approvals

January 2018, ValleyCare Charitable Foundation Board of Trustees