



**Policy: Patient Financial Assistance, Including Discounted Payments, and Charity Care (FAP)**

Effective: 12/10/24

Identifier: S-FW-LD-5406

Acute Care: ENC  GR  LJ  MER  Ambulatory  SHAS

**PURPOSE:** Outlines options and process for patients of Scripps Hospitals and Scripps Medical Foundation who need financial help with emergency and medically necessary care. Scripps' hospitals include Scripps Memorial Hospital La Jolla, Scripps Memorial Hospital Encinitas, Scripps Green Hospital, Scripps Mercy Hospital, San Diego and Chula Vista. Scripps provides financial assistance in compliance with all state and federal regulations.

## I. POLICY

- A. The Scripps Health (Scripps), Financial Assistance Policy (FAP) is developed to support patients who cannot afford medical costs. It is not a substitute for insurance, including Medicare.
- B. Scripps will make every reasonable effort to help patients meet their financial responsibilities for hospital services, including emergency and medically necessary care.  
Assistance may be needed for:
  1. Patients with no insurance
  2. Patients' ineligible for third party assistance
  3. Patients with partial 3<sup>rd</sup> party coverage (e.g., Medicaid or other indigent care programs that do not cover/reimburse all charges).
  4. Patients with high medical expenses who earn at or below 400% of the Federal Poverty Level (FPL).
- C. This policy applies to all services at Scripps including those provided by Scripps Medical Foundation physicians and surgeons.
- D. For this policy, specific terms are defined in **Attachment A: Patient Financial Services Glossary of Terms**.
- E. Scripps' actions for non-payment are detailed in *Scripps Patient Account Management, Billing and Collections* policy, S-FW-LD-5400. A free copy is available online or by contacting Patient Financial Services 1-877-727-SCRIPPS.

## II. PROCEDURES

### A. Physician Services

1. Physicians bill their services separately as independent contractors.
2. A list of hospital care providers who are covered by Scripps FAP is available on scripps.org/FAP. It is updated quarterly by Scripps centralized medical staff services office.
3. Emergency physicians are required by law to provide discounts to uninsured patients or patients with high medical expenses who earn at or below 400% of the federal poverty level.

## **B. Patient Communication and Community Outreach**

1. Posters with information about financial assistance and charity care are displayed in registration areas in the hospitals, including the Emergency Departments, outpatient settings, and main admission areas.
2. The following Financial Assistance documents are available for all patients:
  - a. Patient Financial Assistance Policy, including Discounted Payments and Charity Care (FAP)
  - b. Scripps *Patient Account Management, Billing and Collections* policy, S-FW-LD-5400.
  - c. *Scripps Financial Assistance Notice and Policy Plain Language Summary* - a summary of the FAP is offered to all patients at registration or prior to discharge and a copy is included in all patient billing statements. A copy will be mailed to the patient within 72 hours if not received at the hospital.
  - d. Financial Assistance Application with instructions
3. Paper copies of all documents are available free of charge in the Emergency Department and main registration areas. Patients may request a copy be sent to them electronically.
4. The documents listed above, are available on Scripps.org website, free of charge in multiple languages including the primary languages of patient populations with limited English proficiency (LEP).
5. Scripps works with the California Hospital Association to inform those likely to need financial help. The Financial Assistance PLS will be available at community events and be provided to local agencies that offer consumer assistance. The FAP and related information will also be provided to the California Department of Health Care Access and Information (HCAI) as required by law.
6. All patients are screened for payment ability and program eligibility, including financial assistance. Scripps staff will:
  - a. Make reasonable efforts to obtain information from patients to determine if their health insurance, whether it's private or public, might cover all or part of their medical expenses.
  - b. Provide uninsured patients with a "good faith" estimate of the expected costs for medical services and items, along with a financial assistance application.
  - c. Assist patients in determining if they qualify for Medi-Cal, County Medical Services (CMS), the California Health Benefit Exchange, or any other third-party insurance.
  - d. Emphasize that patients should seek out and apply for any available public or private health insurance. Patients are required to cooperate in applying for these programs and funding sources.

## **C. Financial Assistance Application Process**

1. Patients or their representative must make every reasonable effort to provide income and health benefits coverage documentation and a completed

- application. The hospital may not be able to determine if the patient qualifies for assistance without this information.
2. Patients are encouraged to submit initial qualifying information within 30 days whenever possible. This includes documentation:
    - a. To determine financial status.
    - b. To allow the hospital to identify other sources that could help pay for healthcare services.
    - c. To maintain an audit trail of the hospital's commitment and efforts to provide financial assistance.
  3. Additional documents may be necessary in determining qualification for Discounted Payment Program. Documents may include details on all financial resources, except information on retirement or deferred compensation plans.
  4. Scripps accepts payments from individuals who are not obligated to pay the patient medical bills. These are not considered in the application process.
  5. Information gathered for financial assistance is not used for collection efforts.
  6. Patients may request help with applications from Scripps financial counselors by at 1-877-727-SCRIPPS or by visiting the main admitting/registration department at any Scripps hospital.

**D. Financial Assistance Determination**

1. At least one of the following criteria must be met to qualify for financial assistance for full or partial bill coverage:
  - a. The payment amount is not covered or reimbursed by Medi-Cal, Medicare, or any other third-party insurance.
  - b. In the past 12 months, the documented annual out-of-pocket medical expenses after insurance coverage was higher than 10% of the family income.
  - c. The patient has high medical costs as defined by state and federal regulations.
  - d. Income is below 400% of the federal poverty level (FPL).
2. Financial assistance will be granted on an "all or partial" basis as follows:
  - a. Charity Care: The hospital bill amount that the patient is responsible for will be forgiven when an income level is 200% percent or less of the FPL. Discounted Payment: For income levels between 201 - 400% of FPL, eligible patients will not be charged more than the calculated discounted financial assistance amount.
  - b. If the family income is above 400% FPL, Scripps may still consider extenuating circumstance, and/or a catastrophic medical event. Manager approval is required, and additional information may be requested.
  - c. The Patient Financial Assistance Discount Schedule will be updated annually with current Federal Poverty Level (FPL) information.
3. Scripps offers interest-free extended payment plans, with terms negotiated based on the patient's financial situation. If agreement on terms cannot be

achieved, the formula required by California law will be used to create a reasonable payment plan.

4. Homeless patients not participating in other financial assistance programs get 100% full assistance. If the hospital is unable to obtain information to establish ability to pay, the patient may be granted financial assistance only after billing and/or other attempts to collect information have been made.
5. An automated tool may be used to determine financial assistance.
6. Patients may request details or appeal decisions through Scripps Business Office. For disputes, patients may contact the Revenue Cycle Manager 858 927- 5115. Appeals are reviewed with Case Management and include any clinical and/or social condition with possible restrictions and financial status.
7. Whenever possible, eligibility determination is made within 20 business days of receiving documentation including language translations if necessary. The Senior Director of Patient Financial Services is the authority for determining that the hospital has made reasonable efforts to determine whether an individual is eligible for financial assistance.
8. Patients are informed of the assistance details. The eligibility determination is valid for six months from the date of determination unless circumstances change.
9. If a patient is approved for financial assistance and it is determined they overpaid, a refund with interest at 10% per year is issued promptly, Reimbursement to patients will not be made if it has been 5 years or more since the patients last payment to the hospital.

### **III. ATTACHMENT**

Patient Financial Services Glossary of Terms

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<b>Charity Care</b>	Considered free care, the portion of care provided by a hospital to a patient for which a third-party payer is not responsible, and the patient is unable to pay.
<b>Discounted Financial Assistance Amount (AGB)</b>	This reduced amount represents the amount generally billed (AGB) as defined by Internal Revenue Service (IRS) requirements. Scripps uses the prospective method for determining AGB and estimates the amount it would be paid by Medicare, including amounts payable by a Medicare beneficiary. This amount represents the maximum a qualified patient will be required to pay.
<b>Established Cash Price</b>	Established Cash Price is the expected payment amount after applying a discount to its full charges for services. This amount is offered to patients who have no insurance and qualify under the hospital's discount payment policy but who have not been determined eligible for financial assistance. Patients determined eligible for financial assistance will not be required to pay more than the Discounted Financial Assistance Amount.
<b>Extraordinary Collection Activities</b>	Extraordinary collection activities are those that require legal or judicial process or involve selling an individual's debt to another party or reporting adverse information about the individual to consumer credit reporting agencies.
<b>Family Income</b>	Determined by recent pay stubs and tax returns.
<b>Federal Poverty Level</b>	The most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.
<b>Financially Qualified patient</b>	Financially qualified patient" means a patient who is both of the following: <ol style="list-style-type: none"><li>1. A patient who is a self-pay patient, as defined in subdivision (f), or a patient with high medical costs, as defined in subdivision (g).</li><li>2. A patient who has a family income that does not exceed 400 percent of the federal poverty level</li></ol>
<b>Guarantor</b>	The person with financial responsibility for the patients' health care services, usually the patients' parent or legal guardian.
<b>Homelessness</b>	A person is homeless if they live: (Source HUD gov. offices) <ol style="list-style-type: none"><li>1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks.</li><li>2. In an emergency shelters;</li><li>3. In transitional or supportive housing (for people coming from street or shelter) and;</li><li>4. In any of the above places, but is in a hospital/institution short-term (30 days or less)</li></ol> Or if they are: <ol style="list-style-type: none"><li>5. Evicted within a week from a private dwelling.</li><li>6. Discharged within a week from an institution that does not provide housing as part of discharge planning.</li><li>7. A victim of Domestic Violence who does not have a secure living environment.</li><li>8. Or no subsequent residence has been identified and has no resources and</li></ol>

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	support networks to obtain housing.
<b>Patients Family</b>	<p>(1) For persons 18 years of age and older, spouse, domestic partner, dependent children under age 21 whether living at home or not and disabled children of any age.</p> <p>(2) For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.</p> <p>(3) For patients (1) under 18 years of age or (2) who are 18-20 years of age and are a dependent child, the patient's family also includes, other dependent children of the patient's parents or caretaker relatives if those other children are disabled.</p>
<b>Patient High Medical Costs</b>	<p>A patient with high medical costs" means a person whose family income does not exceed 400 percent of the federal poverty level, as defined in subdivision (b). For these purposes, "high medical costs" means any of the following:</p> <ol style="list-style-type: none"><li>1. Annual out-of-pocket costs incurred by the individual at the hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months.</li><li>2. 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.</li><li>3. A lower level determined by the hospital in accordance with the hospital's charity care policy.</li></ol>
<b>Reasonable Payment Plan</b>	<p>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. "Essential living expenses" means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation, and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.</p>
<b>Self-Pay Patient</b>	<p>A patient who meets the following criteria:</p> <ul style="list-style-type: none"><li>• No third-party insurance</li><li>• No Medi-Cal</li><li>• No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.</li></ul>
<b>Total Charges</b>	<p>Total charges are the hospital's full established rates for patient care services</p>
<b>Reasonable Efforts</b>	<p>A certain set of actions a healthcare organization must take to determine whether and individual is eligible for financial assistance under Scripps financial assistance policy (FAP). In general, reasonable efforts may include providing individuals with written and oral notifications about the FAP and Application process or Scripps Policies</p>