



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

Effective: 06/07/22

Identifier: S-FW-LD-5406

Acute Care: ENC GR LJ MER Ambulatory SHAS

PURPOSE: Scripps financial assistance, charity care and discount payments policy ("FAP") describes the process for patients who need help paying for their emergency and other medically necessary hospital and ambulatory care at Scripps Hospitals and Scripps Medical Foundation. Scripps provides financial assistance in accordance with all state and federal regulations.

I. POLICY

- A. Scripps FAP is designed to support patients with demonstrated financial need and is not intended to circumvent third party coverage, including Medicare. Scripps will make every reasonable effort to assist patients with their financial obligation to pay for hospital services, including emergency and other medically necessary hospital care. General circumstances requiring assistance may include,
1. Patients with no insurance,
 3. Patients who are not eligible for third party assistance,
 3. Patients with 3rd party coverage which does not cover/reimburse all charges,
 4. Patients with who have high medical costs as defined by state and federal law, who are at or below 400% of the FPL.
- B. This FAP applies to all services provided at Scripps Health to include physician professional services that are delivered by Scripps Medical Foundation physicians and surgeons.
- C. For the purpose of this policy, terms are defined in Addendum A – Patient Financial Services Glossary of Terms.
- D. The actions Scripps may take in the event of nonpayment are contained in the *Scripps Patient Account Management, Billing and Collections* policy, S-FW-LD-5400. A free copy of the policy can be obtained on-line or by calling Patient Financial Services at 877-727-SCRIPPS.

II. PROCEDURES

A. Physician Services

1. Physicians are independent contractors and bill separately for their services.
2. A list of providers that deliver care in the hospital is available at scripps.org/FAP. This list specifies which providers are members of Scripps Medical Foundation and therefore covered by Scripps FAP. The provider list is updated quarterly by Scripps centralized medical staff services office.
3. An emergency physician who provides emergency medical services is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400% of the federal poverty level.

B. Patient Communication and Community Outreach Regarding Financial Assistance

1. Community outreach and communication regarding Scripps FAP is achieved through the following methods, including but not limited to:
 - a. Posters about the availability of financial assistance and charity care are posted in registration areas in the hospital, i.e. emergency department, outpatient settings, and main admission areas.
 - b. Paper copies of Scripps FAP, financial assistance application and a plain language summary of the FAP ("FAP summary") are available upon request and without charge in all Scripps hospital emergency departments and admissions areas. Patients may alternatively request that copies of these documents be sent to them electronically.
 - c. A written notice about the availability of charity care at a Scripps Hospital is provided to each patient at the time of service or when the patient leaves the facility. If the patient is not given the notice at the hospital, Scripps will mail the notice to the patient within 72 hours.
 - d. A summary of the The Financial Assistance Policy, referred to as, FAP Summary:
 - i. Contains the website address where resources can be found online,
 - ii. Provides the physical location in the hospital where paper copies may be obtained,
 - iii. Is offered to all patients at registration or prior to discharge as part of the Agreement for Services at a Scripps facility.
 - e. Scripps Web Site: The following resources are available on Scripps Web Site to view, download and print free of charge. They are available in the primary languages of significant patient populations with limited English proficiency (LEP):
 - i. *Patient Financial Assistance Policy, including Discounted Payments and Charity Care* policy (FAP),
 - ii. Financial Assistance Policy Summary (FAP Summary),
 - iii. *Patient Account Management Billing And Collections* policy,
 - iv. Financial Assistance applications.
 - f. Scripps Billing statements include:
 - i. Statement on the availability of financial assistance,
 - ii. Telephone number for Scripps staff that provide assistance with the application process,
 - iii. Website address where the FAP, FAP summary and financial assistance application can be found.
 - g. The FAP Summary will be available at community events and will be provided to local agencies that offer consumer assistance. Scripps Health worked with the California Hospital Association (CHA) to inform and notify members of the community served by the hospital about the FAP and to reach those members who are most likely to require financial assistance.
 - h. The FAP and related information will also be provided to the Office of Statewide Health Planning and Development as required by law.

2. All patients are screened for the ability to pay and/or to determine eligibility for payment programs including financial assistance. Scripps staff will:
 - a. Make reasonable efforts to obtain information from patients about whether private or public health insurance may fully or partially cover the charges for care.
 - b. Provide patients without insurance a good faith estimate of the costs of items and services that are reasonably expected and an application for financial assistance.
 - c. Provide assistance in assessing the patient's eligibility for Medi-Cal, County Medical Services (CMS), the California Health Benefit Exchange, or any other third-party coverage as part of the application process for financial assistance.
 - d. Reinforce that patients are expected to pursue public or private health insurance payment options. Cooperation in applying for applicable programs and identifiable funding sources is required. Patients who do not cooperate may be denied financial assistance.

C. Financial Assistance Application Process

1. Patient Responsibility
 - a. Patients or their representative should make every reasonable effort to provide Scripps with documentation of income and health benefits coverage.
 - b. A completed financial assistance application with requested qualifying documentation of their income and health benefits coverage should be submitted.
 - c. Failure to provide information that is necessary may result in the hospital's inability to make a determination if the patient qualifies for assistance.
2. Financial Assistance Applications are accepted at any time within 240 days of the date of service. Patients are encouraged to provide qualifying information within 30 days of the request to enable Scripps to take the necessary steps in the financial assistance review. This includes:
 - a. Providing documentation that supports a financial status determination.
 - b. Allowing the hospital to determine if the patient has declared income and/or assets giving him/her the ability to pay for the health care services he/she has received or will continue to receive.
 - c. Providing an audit trail in documenting the hospital's commitment to providing financial assistance.
3. An initial financial assistance determination will be based on the patient's individual or family income and family size as determined by tax returns or recent pay stubs. The following additional information may also be required:
 - a. Information on all monetary assets, both liquid and non-liquid, except statements on retirement or deferred-compensation plans.
 - b. Waivers or releases from the patient or family, authorizing Scripps to obtain account information from financial or commercial institutions that hold monetary assets to verify their value.
 - c. Family size (includes legally qualified dependents) used to determine the appropriate benchmark for 100 percent financial assistance, if income is at or below the established income levels.

4. Scripps recognizes that individuals who are under no obligation may offer to assist patients in paying medical bills. Scripps will accept these payments. However, payments, and the assets of those offering the payments, will not be considered in the financial assistance application process.
5. Information obtained in the course of determining income and/or charity care eligibility for financial assistance under this policy shall not be used in collection efforts.
6. Patients may obtain assistance with the financial assistance application process by contacting a Scripps financial counselor at 877-727-SCRIPPS or by visiting the main admitting department at any Scripps hospital.

D. Financial Assistance Determination

1. To qualify for financial assistance coverage for either the entire hospital bill or a portion of the hospital bill, one or more of the following conditions must be met:
 - a. For patients with 3rd party payor coverage, where the expected payment for services being provided is not covered/reimbursed by Medi-Cal, Medicare or any other third-party payor, or where the patient's documented annual out-of-pocket medical expenses after insurance exceed 10 percent of the patient's family income in the prior 12 months.
 - b. The patient has high medical costs as determined by state and federal regulations.
 - c. The patient's family income does not exceed 400 percent of the federal poverty level (FPL).
2. Financial assistance will be granted on an "all or partial" basis as follows:
 - a. Charity Care: For an income level 200 percent of FPL or less, the entire portion of the hospital bill that is the responsibility of the patient will be forgiven. Scripps may consider:
 - i. Patients income
 - ii. A patient's monetary assets
 - a) Does not include retirement or delayed compensation plans.
 - b) The first \$10,000 of a patient's monetary assets are not counted
 - c) 50% of the patient's monetary assets over the first \$10,000 are not counted in determining eligibility
 - b. Discounted Payment: For an income level between 201 and 400 percent of FPL, and following a determination of eligibility, the patient responsibility will not be charged more than the calculated discounted financial assistance amount.
 - c. If it is determined that the family income is above 400 percent of the FPL, Scripps may still consider the patient eligible for financial assistance based on extenuating circumstances such as catastrophic medical events or other special situations. Net worth information included on the Patient Financial Assessment Statement will be used to evaluate these special situations. All such cases require specific management approval and the following additional information may be required:
 - i. Individual or family net worth including assets, both liquid and non-liquid; liabilities; and claims against assets.

- ii. Employment status, which will be considered, based on the likelihood that future earnings will be sufficient to meet the cost of paying for health care services within a reasonable period of time.
 - iii. Unusual expenses or liabilities.
 - iv. Additional information as required for special circumstances or required by management.
 - d. The Patient Financial Assistance Discount Schedule (see Related Form B.) will be updated annually to reflect updated Federal Poverty Level (FPL) information.
3. Scripps will offer extended payment plans without interest to allow payment of the discounted price over time. The hospital and the patient shall negotiate the terms of the payment plan, and take into consideration the patient's family income and essential living expenses. If agreement on terms cannot be achieved, the formula required by California law will be used to create a reasonable payment plan.
4. Patients determined to be "homeless" and not participating in another financial assistance program will be granted 100 percent financial assistance. If the hospital is unable to obtain adequate information after attempts 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. Financial assistance determination may be made through the use of an automated tool.
6. Patients requesting additional details or appeal will be referred to the responsible individual in the Single-Billing Office. In the event of a dispute, a patient may seek review by personally contacting the Revenue Cycle Manager at 858 927- 5115. The patient's appeal will be reviewed in conjunction with case management to ensure the patient's clinical and social condition with possible restrictions are considered along with his or her financial status.
7. Eligibility for charity care or discounted payment may be determined at any time Scripps is in receipt of documentation of income or assets. Every reasonable effort will be made to make a determination of eligibility within 15 business days of receipt of all requested documentation. Details of the charity care or discount will be provided to the patient or the patients representative. An eligibility determination will be valid for a period of six months from the date of determination unless the patient's circumstances have changed.
8. At the time of the evaluation, should it be determined that the patient has paid more than required, a refund of the overpayment, with interest (10 percent per year) will be issued promptly.

III. ATTACHMENT

- A. Patient Financial Services Glossary of Terms

IV. REFERENCES

- A. Federal Poverty Level, current publication
- B. Scripps Financial Assistance Discount Schedule (current)
- C. Hospital Fair Pricing Policies Act, Health & Safety Code sections 127400, *et seq.*
- D. 26 U.S.C. section 501 ©

V. RELATED PRACTICE DOCUMENTS

- A. Patient Account Management, Extended Payment Plan; [S-FW-LD-5404](#)
- B. Patient Account Management, Billing and Collections; [S-FW-LD-5400](#)

VI. RELATED FORMS

- A. SBO -Scripps Patient Financial Assessment Statement; [100-8560-019SW](#), [100-NS8560-021](#) (Spanish)
- B. Scripps Financial Assistance Discount Schedule, FPL, current edition; [SW-LD-5406 A](#)
- C. Financial Assistance Brochure; [100-8560-2004](#)
- D. One page summary: If you need Financial Assistance, English/Spanish. [100-8560-235](#)
- E. Financial Assistance Application; [100-8560-019SW](#), [100-NS8560-021](#) (Spanish)

VII. SUPERSEDED

Formerly titled; Patient Accounts, Financial Assistance, Including Charity Care, Hospital Services; S-FW-LD-5406, 06/19

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Charity Care	That 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, and for which the hospital has no expectation of payment.
Discounted Financial Assistance Amount	This 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. After a determination of eligibility, this amount represents the maximum a qualified patient will be required to pay.
Established Cash Price	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.
Extraordinary Collection Activities	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.
Family Income	Determined by recent pay stubs and tax returns.
Federal Poverty Level	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.
Financially Qualified patient	Financially qualified patient" means a patient who is both of the following: (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). (2) A patient who has a family income that does not exceed 400 percent of the federal poverty level
Guarantor	The person with financial responsibility for the patients health care services, usually the patients parent or legal guardian.
Homelessness	A person is homeless if he/she lives: 1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks; 2. In an emergency shelters; 3. In transitional or supportive housing (for people coming from street or shelter) and; 4. In any of the above places, but is in a hospital/institution short-term (30 days or less) Or if he/she is: 5. Evicted within a week from a private dwelling 6. Discharged within a week from an institution that does not provide housing as part of discharge planning 7. A victim of Domestic Violence who does not have a secure living environment 8. Or no subsequent residence has been identified and has no resources and support networks to obtain housing. Source: HUD gov offices

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	http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homelessnes %20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessnes%22
Patients Family	<p>For persons 18 years of age and older, 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.</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>
Patient High Medical Costs	<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> <p>(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.</p> <p>(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.</p> <p>(3) A lower level determined by the hospital in accordance with the hospital’s charity care policy.</p>
Reasonable Payment Plan	<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 child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.</p>
Self-Pay Patient	<p>A patient who meets the following criteria:</p> <ul style="list-style-type: none">• No third party insurance• No Medi-Cal• No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.
Total Charges	<p>Total charges are the hospital’s full established rates for patient care services</p>
Reasonable Efforts	<p>A certain set of actions a healthcare organization must take to determine whether and individual is eligible for financial assistance under Scripps Health 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 Health Policies</p>