# Contra Costa Health Services

| Compliance | Discount Payment Program | Policy # | 707-C |
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| | | **Original Date:** | 01/2007 |
| | | **Revised:** | 01/2015 |
| | | **Supercedes:** | |

**PURPOSE**

This policy defines the process for determining when qualified low income uninsured and underinsured patients of Contra Costa Health Services are eligible to receive a partial discount on their medical care.

**POLICY**

Contra Costa Health Services (CCHS) operates a number of programs and services to help qualifying individuals minimize the financial burden associated with the cost of obtaining medical treatment.

- The Financial Counseling Department helps eligible patients gain access to government sources of medical assistance including Medi-Cal, Family PACT, or other health coverage programs, including health insurance through Covered California.
- The Basic Health Care Program is temporary health coverage program for low-income, uninsured United States citizens or legal permanent residents of Contra Costa County whose household financial resources and/or income does not exceed 300 percent of the federal poverty level.
- The Sliding Fee Scale Program offers a discount for episodic care provided in the Emergency Department, admissions in Contra Costa Regional Medical Center or referrals to CCRMC for outpatient care. This program is offered to uninsured patients whose household income does not exceed 200 percent of the federal poverty level.

Patients who are not eligible for any of these health coverage programs or for free (Charity) care may financially qualify for partially discounted medical care under the Discount Payment Program. This policy outlines the process used by Contra Costa Health Services to determine a patient's eligibility for the Discount Payment Program.

**REFERENCES**

California Assembly Bill AB 774 – Hospital Fair Pricing Policies
California Code of Civil Procedure, Section 685.010
California Health and Safety Code, Sections 127400-127455
California Constitution, Article XV, Section 1

**DEFINITIONS**

*Uninsured patients* are individuals who do not have third-party coverage from a health insurer, health care service plan, Medicare, Medi-Cal, Basic Health Care, or the Low Income Health Program, and whose injury is not compensated under a Worker's Compensation plan, automobile insurance, or other insurance as determined and documented by Contra Costa Health Services. Patients who have reached a lifetime limit on their insurance benefits will be considered uninsured for services in excess of that limit.

*Underinsured patients* are patients who have third party insurance coverage, but are considered to have high medical costs because they have annual out-of-pocket medical expenses that exceed 10% of the patient's family income in the prior twelve months and their family income does not exceed 350% of the federal poverty level.

**PROCEDURE**

Uninsured or underinsured individuals who do not qualify for government sponsored health benefits, Basic Health Care, Sliding Fee Scale Program, or free (Charity) care may qualify for partially discounted medical care under the Discount Payment Program. Eligibility for this program is based on family income limitations and high out-of-pocket medical expenses.

1. **<u>Determining Patient Eligibility</u>**

The Financial Counseling Department will determine an applicant's eligibility for the Discount Payment Program based on a review of the patient's monetary assets and family income. Documentation of income is limited to recent pay stubs or income tax returns.

Uninsured patients are financially qualified to obtain a discount on their medical bills when their family income is at or below 350% of the federal poverty level.

Underinsured patients are financially qualified to obtain a discount on their medical bills if they do not receive a discounted rate on their medical bill as a result of third-party coverage, if their family income is at or below 350% of the federal poverty level, and if they have out-of-pocket medical expenses in the prior 12 months (whether or not at CCHS) that exceed 10% of the family's income. Underinsured individuals may be asked to provide documentation for expenses incurred outside of CCHS in the prior twelve months.

Patients must apply for Discount Payment eligibility within 150 days of initial billing. Eligibility for partially discounted medical care will be denied if the applicant does not financially qualify, or does not provide the required documentation within 150 days of the initial billing. If the patient makes a reasonable effort to obtain documentation, but is unable to do so through no fault of his/her

own, an attempt will be made to make an eligibility determination without such documentation.

Requests initiated beyond 150 days of initial billing will be denied.

Applicants will be allowed to appeal any denial of eligibility to the Director of Patient Accounting.

Information concerning income obtained as part of the eligibility process will be maintained in a separate file from the file used to collect the debt. This information will not be used for collection activities.

2. **Limitations on Patient Liability**

Once Contra Costa Health Services accepts a patient, all services furnished to that patient during a particular hospital stay or outpatient visit are subject to the Discount Payment Program policy. This includes emergency services provided by an emergency physician and medically unnecessary services or procedures.

Patients must apply for Discount Payment Program eligibility within 150 days of initial billing. Requests initiated beyond 150 days of the initial billing will not be considered, and the patient will be fully liable for all charges associated with the services rendered.

- Ineligible uninsured patients will be billed for the cost of all medical care received from Contra Costa Health Services.

- Ineligible underinsured patients will be billed for any unpaid balance after their third party insurance payment has been received.

Eligibility for partially discounted medical care will be denied if the applicant does not financially qualify or does not make a reasonable effort to provide the required documentation within 150 days of the initial billing.

Applicants will be allowed to appeal any denial of eligibility to the Director of Patient Accounting.

## 3. Providing Notices

**A. Written Notice to Patients:** The initial billing to a patient classified as uninsured or underinsured will be accompanied by:

a. A statement of charges.

b. A request that the patient inform the Patient Accounting Department if he/she has health insurance coverage or other coverage.

c. A statement that the individual may be eligible for Medicare, Medi-Cal, Family PACT, or Basic Health Care.

d. Information advising the patient that he/she may qualify for fully discounted medical care or a partial discount on their medical bill based on family income limitations and high out-of-pocket medical expenses.

e. Information advising the patient on where to call to obtain assistance in applying for these programs.

Patients are classified as uninsured if they do not have third-party coverage or have not provided evidence of third-party coverage at the time of service. A patient with third-party coverage will be considered underinsured for billing purposes after the insurance has paid or been denied and the balance becomes the responsibility of the patient.

**B. Posted Notices:** Information about the availability of financial assistance for financially qualified patients of Contra Costa Health Services will be posted in locations visible to the public including, but not limited to:

a. The Contra Costa Regional Medical Center Emergency Department;

b. The Patient Financial Services Office;

c. The Contra Costa Regional Medical Center Admissions Office;

d. Outpatient settings including the Health Centers and ancillary departments furnishing services to outpatients.

## 4. Limits on Debt Collection

Neither Contra Costa Health Services, the assignee of an account, nor a collection agency may, within 150 days of initial billing, report adverse information to a consumer credit reporting agency concerning, or commence a civil action against, a patient who lacks coverage or provides information that he or she may be a patient with high medical costs.

The expected payment from a patient eligible under the Discount Payment Program is limited to the ***greater*** of the amount of payment the hospital would receive for providing services from Medicare, Medi-Cal, or any other government-sponsored health program in which CCHS participates.

Contra Costa Health Services has identified Medi-Cal as the highest paying program in which it participates. Therefore, qualifying uninsured individuals will have their medical bills discounted to the comparable amount paid by Medi-Cal. CCHS has determined that Medi-Cal pays 65% of total charges for both inpatient and outpatient services. Therefore, all eligible individuals will receive a 35% discount on their medical bills.

Qualifying underinsured individuals will also have the applicable Medi-Cal discount applied to their medical bills. These individuals will be liable for the difference between what the individual's insurance pays and the discounted Medi-Cal rate. (For example, if the patient's insurance pays $4,000 on a $10,000 inpatient medical bill, but the expected Medi-Cal payment is $6,500 for the same service, the initial $6,000 patient liability will be reduced to $2,500 – the difference between the expected Medi-Cal payment and the patient's third-party insurance payment. Conversely, if the insurance payment exceeds the expected Medi-Cal payment, no payment will be sought from the patient).

Unpaid bills will not be sent to a collection agency while the patient is attempting to qualify for eligibility in the Discount Payment Program, or if the patient is attempting in good faith to negotiate a reasonable payment plan.

Individuals qualifying for the Discount Payment Program will be offered interest-free extended payment plans. The terms of the payment plan will be negotiated between CCHS and the patient.

CCHS can declare the payment plan inoperative if the patient fails to make all consecutive payments during a 90-day period. Prior to doing so CCHS must:

a. Attempt to contact the patient by telephone at the patient's last known phone number.

b. Give notice in writing that the plan may become inoperative. This may be sent to the patient's last known address.

c. Inform the patient of the opportunity to renegotiate the payment plan and attempt to do so if requested by the patient.

Until the plan is declared inoperative, no report may be made to a consumer credit reporting agency and no civil action may commence.

CCHS will not use wage garnishments or liens on primary residences as a means of collecting the unpaid bills of any individual who qualifies for the Discount Payment Program.

CCHS will provide written notice to the patient before beginning collection activity. The assignee of the debt, such as a collection agency, must also provide written notice before it begins collection activity. The notice must include information about debt collection activities including the patient's rights, and a statement about the availability of nonprofit credit counseling services in the area.

Income or asset information obtained during the eligibility process may not be used for collection activities

**5. Reimbursing Overcharges to Patients**

Any amount collected from a qualified patient in excess of the amount due under the terms of the Discount Payment Policy will be refunded with interest at the rate provided in Section 685.010 of the California Code of Civil Procedure, currently set at 10 percent annually.

**RESPONSIBLE** Health Services Administrator – Financial Counseling
Director of Patient Accounting

| Departmental Review | Signature | Date |
|---|---|---|
| Health Services Director | [signature] | 3-11-2015 |
| Compliance Officer | [signature] | 3-11-2015 |