

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
DEPARTMENT: BUSINESS OFFICE	PAGE: 1 OF: 7
	EFFECTIVE:

NOTE

This policy replaces the Hospital Discount Plan and Charity Care Plan (Free Care) Policy revised 1/1/07. The Fair Pricing Policy is available upon request and posted in the Emergency Department, Billing Office, Admissions Office, and other outpatient settings. The Financial Counselor can be reached at (530) 708-8800 ext. 11053 for further information.

PURPOSE

MODOC MEDICAL CENTER strives to provide quality services in a caring environment and to make a positive, measurable difference in the health of individuals we serve. Helping to meet the needs of the low-income, uninsured and underinsured persons is an important element of our commitment to the community. The Hospital's fair pricing policy provides the means for MODOC MEDICAL CENTER to demonstrate its commitment to achieving its mission and values. The fair pricing policy has been developed in written form to effectively communicate how our commitment will be applied consistently to all patients. It is the policy of Modoc Medical Center to not discriminate in the provision of services based on an individual's inability to pay, payor source (Medicare, MediCal, or Children Health Insurance Program, or other payor source), race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity.

ELIGIBILITY CRITERIA

Patients who receive medically necessary care at MODOC MEDICAL CENTER and who do not have third party insurance coverage for their entire hospital or clinic bill (less \$20 min. charge), and who have difficulty paying their hospital or clinic bills because of financial hardship, may be covered under the terms of this policy. Note that this policy may not apply to individuals whose coverage contract prohibits discounts. If a patient has not provided proof of coverage upon discharge, they shall be provided a statement of charges for services rendered; a request that the patient inform the hospital if the patient has health insurance coverage, Medicare, Medi-Cal, or other coverage; a statement that the consumer may be eligible for Medicare, Medi-Cal, Children's Services Programs, or sliding discounts based on income; a statement that the hospital will provide a Medi-Cal application; information regarding the financial assistance application, including information that the patient may qualify for discounted payments or up to a 100% discount based on income and the name and telephone number of the hospital employee from whom the patient may obtain information about discounted payments or other discounts based on income, and how to apply for that assistance. Information regarding financial assistance shall be posted in the common lobby areas of MMC facilities as well as on the website for the organization.

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
	PAGE: 2 OF: 7
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE:

It is our goal to have all admissions screened for the ability to pay and/or to determine eligibility for payment programs including those offered directly through MODOC MEDICAL CENTER. We will actively monitor each patient's financial situation during and/or after the time of their medical treatment. MODOC MEDICAL CENTER personnel will provide assistance in assessing the patient's eligibility for Medi-Cal or any other third party coverage. Patients shall be provided this information in writing, and it shall be available in English and Spanish. Direct written correspondence to the patient in these matters will be in the language spoken by the patient.

Eligibility for the Discount Payment Policy is based upon the most current available federal poverty guidelines which are incorporated herein by reference. The federal poverty guidelines are published annually and this policy will be updated by incorporating each subsequent edition. To determine eligibility for discounted payments, documentation of income shall be limited to recent pay stubs or income tax returns. A patient's eligibility for reasonable payment plans or sliding discounts based on income under this policy should be re-evaluated at least annually.

See the discussion under *Eligibility*.

EXPECTED PAYMENT AMOUNTS

Expected payment amounts are determined by the minimum payment guideline established by the Board of Directors:

Account Balance	Minimum Payment	Monthly
\$1-\$100	Payment in Full	
101-300	\$25.00	
301-330	50.00	
331-360	55.00	
361-390	60.00	
391-420	70.00	
421-450	75.00	
451-480	80.00	
481-500	85.00	
501-1,200	100.00	
1,201-3,000	150.00	
3,001-5,000	200.00	
5,001-Over	250.00+	

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
DEPARTMENT: BUSINESS OFFICE	PAGE: 3 OF: 7
	EFFECTIVE:

AVAILABILITY OF EXTENDED PAYMENT PLANS

Extended payment plans are available without interest costs. The hospital and the patient may negotiate the terms of the payment plan. A signed contract is required by the patient agreeable to repayment terms. The Financial Counselor will monitor adherence to the agreement and is responsible to retain the original agreement and follow collection policies as needed.

FAIR PRICING POLICY

PURPOSE

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COVERED PATIENT/SERVICES

Covered services include hospital inpatient and outpatient visits and services. It also includes clinic visits, physical therapy sessions and other services offered by Modoc Medical Center.

ELIGIBILITY

APPLICATION

All patients unable to provide continued financial coverage by third party insurers for hospital services provided by MODOC MEDICAL CENTER will be offered an opportunity to complete an application form referred to as a *Financial Assistance Application*. This form is available in the business office in English and Spanish. Financial data requested on the form needs to be completed for evaluation purposes. The Financial Advisor is available for any questions the patient may have. Note that potential exceptions to the policies may be considered on an individual basis.

By completing the *Financial Assistance Application*, uninsured patients who do not have the financial means to pay, uninsured patients with partial financial means to pay, and insured

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
	PAGE: 4 OF: 7
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE:

patients that are unable to pay patient liabilities may have all or part of their hospital bills covered by the hospital's fair pricing policy. The *Financial Assistance Application* is used to help determine the extent of a patient's financial means and is subject to privacy standards. Hospital staff will assist the patient with completion of the screening form during their stay. However, it is the patient's responsibility to cooperate with the information gathering process. Willful failure by the patient to cooperate may result in the inability of the hospital to provide financial assistance.

Each patient who completes the *Financial Assistance Application* enables MODOC MEDICAL CENTER to accomplish certain essential steps in the financial assistance process:

- Allows the hospital to determine if the patient has declared income giving them the ability to pay for the health care services they will continue to receive;
- Provides a document to support a financial status determination; and
- Provides an audit trail in documenting the hospital's commitment to providing financial assistance.

In order to determine that a patient does not have the ability to pay, the Patient Financial Advisor will make a good faith effort to obtain the following information:

- Individual or family income and expense
- Employment status. This will be considered in the context of the likelihood future earning will be sufficient to meet the cost of paying for these healthcare services within a reasonable period.
- Family size. This is used to determine the amount of the discount that the patient qualifies for, if income is at or below the established income levels. Family is defined to include children under 21 and caretaker relatives.
- Eligibility for Medi-Cal at present or potential for eligibility in the future. Whether a patient has MediCal or not, even when they would qualify based on income, will not be used to determine eligibility for this program, however patient financial services is encouraged to assist patients qualifying for MediCal to fill out an application for some third party coverage to help them secure payment for future health services where they may qualify for coverage.

Information used by the fair pricing policy will be based upon a signed declaration of the patient or patient's family, or documentation provided by the patient or the patient's family. Additional information may be required for special circumstances or as determined by hospital management. It is understood that in some cases, information will not be obtainable and MODOC MEDICAL CENTER staff will indicate such when necessary on the *Financial Assistance Application*.

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
	PAGE: 5 OF: 7
DEPARTMENT: BUSINESS OFFICE	EFFECTIVE:

Given the MODOC MEDICAL CENTER service area demographics and the hospital mission to meet the health care needs of its community, the primary qualifying levels are based on 400% of the federal poverty level guidelines. In subsequent years, this percentage may be evaluated and modified as necessary. The discounts below are contingent upon patients being financially eligible for the discounts as outlined in this policy. The discount percentages offered below are based on the most recently filed cost report and our cost to charge ratio rounded to the nearest 10% increment. Patients who earn income from 201% to 300% of the federal poverty level receive a discount that is equal to 100% of our charge minus our cost to charge ratio rounded to the nearest 10% increment. This means that those within this income tier would only be required to pay the organization's costs for services rendered. Income tiers below this tier are given an additional 20% discount per income tier until a 100% discount is offered to those that are at or below the federal poverty level. Income tiers above this tier are given a discount that is 20% less than the previous tier, as their ability to pay for services rendered is improved with more income. The methodology described above represent how MMC calculates nominal charges for each tier of income as outlined in this policy. These discounts are meant to remove any financial barrier to care that an individual would otherwise experience in the absence of this program. The discounts by each income tier offered under this program are outlined below:

- Patients below 100% of the federal poverty level pay nothing.
- Patients between 101% and 150% of federal poverty level receive an 80% discount on their bill.
- Patients between 151% and 200% of the federal poverty level receive a 60% discount on their bill.
- Patients between 201% and 300% of the federal poverty level receive a 40% discount on their bill.
- Patients between 301% and 400% of the federal poverty level receive a 20% discount on their bill.

To qualify for fair pricing policy for either the entire hospital bill or a portion of the hospital bill, the following criteria must be met:

- Self-Pay patient:
 1. No third-party insurance
 2. No Medicare or Medi-Cal
 3. No compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by the hospital

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
DEPARTMENT: BUSINESS OFFICE	PAGE: 6 OF: 7
	EFFECTIVE:

- High Medical Cost Patients:
 1. The patient’s medical costs are beyond a reasonable level where they might be expected to pay the amounts in full
 2. Family income at or below 400% of federal poverty level
 3. Out-of-pocket medical expenses in prior 12 months (whether incurred in or out of hospital) exceed 10% of family income.

Eligibility for discounted payments based on income may be determined at any time the hospital is in receipt of information outlined in the facility’s financial application packet. A patient’s eligibility for discounted payments or reasonable payment plans should be re-evaluated at least annually.

REVIEW PROCESS

The procedures below are excerpts from *Admissions Policy and Procedures: Financial Advisor*.

FINANCIAL SCREENING PROCESS

1. The Financial Advisor will verify and or review the *Financial Assistance Application* and compare the income to the current Federal Poverty Guidelines based on the number of persons in the family or household to determine financial eligibility for the fair pricing policy.
2. The Financial Advisor will also determine if the patient has high medical cost with prior out of pocket medical expenses in the recent 12 months (whether incurred in or out of the hospital) that exceeds 10% of the family income.
3. The Financial Advisor will provide an audit trail on the financial assistance application as to figures used to determine financial eligibility and would review them with a patient if asked.

APPROVAL OR DENIAL

The Financial Advisor will mail an approval or denial letter to the patient with a written notice of how to appeal a denial of eligibility within five working days of receipt of the application. If a clinic patient qualifies for the discount, there is a minimum charge of \$20 per visit.

SUBJECT: FAIR PRICING POLICY	REFERENCE #0024
DEPARTMENT: BUSINESS OFFICE	PAGE: 7 OF: 7
	EFFECTIVE:

OUTSIDE COLLECTION AGENCIES

Failure to adhere to negotiated rates and payment schedules may result in the account being turned over to an outside agency. Notification procedures related to outside collection agencies and consumer credit reporting bureaus include monthly statements, phone calls, notice of collections, and transfer to collection agencies.