



NORTHERN INYO HEALTHCARE DISTRICT NON-CLINICAL POLICY

Title: Financial Assistance and Charity Care Policy		
Owner: Director of Revenue Cycle	Department: Revenue Cycle	
Scope: District Wide		
Date Last Modified: 03/10/2025	Last Review Date: No Review Date	Version: 4
Final Approval by: NIHD Board of Directors		Original Approval Date: 02/15/2017

PURPOSE:

To ensure low-income, uninsured, and under-insured patients' and families' financial capacity does not prevent them from seeking or receiving care. Northern Inyo Healthcare District (NIHD) provides medically necessary financial assistance and charity care to all eligible patients pursuant to the guidance in this policy. This Financial Assistance and Charity Care Policy is designed to satisfy the requirements of Section 501(r) of the Internal Revenue Code, California Health & Safety Code sections 127400-127466 et seq., and the Department of Health and Human Services Office of Inspector General guidance regarding financial assistance to uninsured and underinsured patients.

This policy is intended to:

- Define the forms of available Financial Assistance and the associated eligibility criteria;
- Establish the processes that patients shall follow in applying for Financial Assistance and the process the hospital will follow in reviewing applications for Financial Assistance;
- Provide a means of review in the event of a dispute over a Financial Assistance determination;
- Provide administrative and accounting guidelines to assist with identifying, classifying, and reporting Financial Assistance;
- Establish the process that NIHD shall follow to provide patients an estimate of financial responsibility for services; and,
- Define the discounts available to patients for hospital inpatient and outpatient services performed at NIHD.

This policy is not intended to waive or alter any contractual provisions or rates negotiated by and between NIHD and a third-party payer, nor is it intended to provide discounts to a non-contracted third-party payer or other entities that are legally responsible for making payment on behalf of a beneficiary, covered person, or insured.

DEFINITIONS:

Covered Services: Covered Services are all services that are deemed medically necessary. Those services that are “Elective Services Requiring Prior Administrative Approval,” as defined below, are not Covered Services.

Emergent Care: Emergent Care is any service deemed life-threatening or potentially resulting in loss of limb or disability if care is delayed. Typically, service starts in the Emergency Department, and the patient is not discharged until Emergency Care is rendered.

Elective Services Requiring Prior Administrative Approval: Due to their unique nature, certain non-emergent services require administrative approval before admission and treatment. Typically, patients seeking complex, specialized, or high-cost services—such as experimental procedures, transplants, or cosmetic procedures—must obtain administrative approval before receiving care.

Patients requesting these services are not eligible for Full Charity Care, Partial Charity Care, Catastrophic Charity Care, or High Medical Cost Charity Care unless the hospital administration grants an exception. Exceptions will only be considered for Inyo County residents.

Northern Inyo Healthcare District (NIHD) will establish a process for Inyo County residents to apply for prior administrative approval. If an eligible patient receives a service requiring prior approval without obtaining it, they will qualify for Partial Charity Care or High Medical Cost Charity Care if eligible. Otherwise, they will receive an Uninsured Patient Discount.

Uninsured Patient: An Uninsured Patient is a patient who has no source of payment for any portion of their medical expenses, including, without limitation, commercial or other insurance, government-sponsored healthcare benefit programs or third-party liability, or whose benefits under insurance have been exhausted prior to the admission. Patients without coverage may be screened for eligibility for state and federal governmental programs.

Primary Language of NIHD Service Area: The primary language of the NIHD local population is English.

Patient’s Family: A Patient’s Family includes the patient and persons 18 years of age and older, a spouse, domestic partner, as defined in Section 297 of the California Family Code, and dependent children under 21 years of age, whether living at home or not. For persons under 20 years of age, a parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative. Disabled family members over the age of 18.

Family Income: Family income is annual family earnings from the prior 12 months or prior tax year, as shown by recent pay stubs or income tax returns, less payments made for alimony and child support. Proof of earnings may be determined by annualizing year-to-date family income, taking into consideration current earning rates.

High Medical Costs: Includes either of the following:

- Annual out-of-pocket costs incurred by the individual at the hospital that exceeds the lesser of 10 percent of the patient’s current family income or family income in the prior 12 months.
- 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.

- Out-of-pocket costs and expenses mean any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.

Federal Poverty Guidelines: The measure of income levels published annually by the United States Department of Health and Human Services and is used by hospitals to determine eligibility for financial assistance. These guidelines are available at <https://aspe.hhs.gov/topics/poverty-economicmobility/poverty-guidelines>.

2025 Federal Poverty Level (FPL) Guidelines

	100 % Full Charity Care	90 % Charity Care	80 % Charity Discount	70 % Charity Discount	60 % Charity Discount	55 % Charity Discount
Family Size (Household)	Annual 100% FPL	Annual 200% FPL	Annual 250% FPL	Annual 300% FPL	Annual 350% FPL	Annual 400% FPL
1	\$15,060	\$30,120	\$37,650	\$45,180	\$52,710	\$60,240
2	\$20,440	\$40,880	\$51,100	\$61,320	\$71,540	\$81,760
3	\$25,820	\$51,640	\$64,550	\$77,460	\$90,370	\$103,280
4	\$31,200	\$62,400	\$78,000	\$93,600	\$109,200	\$124,800
5	\$36,580	\$73,160	\$91,450	\$109,740	\$128,030	\$146,320
6	\$41,960	\$83,920	\$104,900	\$125,880	\$146,860	\$167,840
7	\$47,340	\$94,680	\$118,350	\$142,020	\$165,690	\$189,360
8	\$52,720	\$105,440	\$131,800	\$158,160	\$184,520	\$210,880
For each additional member	\$5,380	\$10,760	\$13,450	\$16,140	\$18,830	\$21,520

POLICY:

Financial Assistance is available to eligible patients who receive Covered Services and follow applicable procedures (such as completing applications and providing required information).

Financial Assistance: The term Financial Assistance refers to Full and Partial Charity Care, Special Circumstance Charity Care, Catastrophic Charity Care, High Medical Cost Charity Care, Uninsured Patient Discount, and Extended Payment Plan.

- A. Full Charity Care:** Full Charity Care is free care, which is a *complete* write-off of the hospital's undiscounted charges for Covered Services. Full Charity Care is available to patients whose Family Incomes are at or below 100% of the most recent Federal Poverty Income guidelines.
- B. Partial Charity Care:** Partial Charity Care is any charge for care that is reduced but not free, which is a *partial* write-off of undiscounted charges for Covered Services. NIHD shall provide a 55%—90% discount on services that are not already discounted to patients whose Family Incomes are between 101% and 400% of the most recent Family Federal Poverty Income Guidelines.
- C. Special Circumstances Charity Care:** NIHD reserves the discretion to grant circumstantial eligibility based on an objective, good faith determination of financial need, taking into account the individual patient's circumstances, the local cost of living, a patient's income, a patient's family size, and/or the scope and extent of a patient's medical bills, based on reasonable methods to determine financial need. Special Circumstances Charity Care allows Uninsured Patients who do not meet the Financial Assistance criteria outlined in sections A or B above or who are unable to follow specified hospital procedures to receive a complete or partial write-off of the hospital's undiscounted charges for Covered Services with the approval of the NIHD Chief Financial Officer ("CFO"), or designee. The hospital must document the decision, including why the patient did not meet the regular criteria. The following is a non-exhaustive list of some situations that may qualify for Special Circumstances Charity Care:
- a. *Bankruptcy:* Patients who are in bankruptcy or recently completed bankruptcy (i.e., discharge of debtor);
 - b. *Indigent Patients:* patients without a payment source if they do not have a job, mailing address, residence, or insurance.
 - c. *Deceased:* Deceased patients without insurance, an estate, or third-party coverage.
 - d. *Medicare:* Income-eligible Medicare patients may apply for Financial Assistance for denied stays, denied days of care, non-covered services, and Medicare cost shares;
 - e. *Medi-Cal:* Income-eligible Medi-Cal patients may apply for Financial Assistance for denied stays, denied days of care, non-covered services, and share of cost. Persons eligible for programs such as Medi-Cal but whose eligibility status is not established for the period during which the medical services were rendered may apply for Financial Assistance.
- D. Catastrophic Charity Care:** Catastrophic Charity Care is a partial write-off of an eligible Uninsured Patient's financial responsibility for Covered Services applied when an Uninsured Patient's financial responsibility exceeds 30% of their Family Income. Patients eligible for Catastrophic Charity Care will receive a complete write-off of their undiscounted charges for Covered Services that exceed 30% of their Family Income.

*[Uninsured Patient's financial responsibility for undiscounted charges for Covered Services] - [Family Income * 30%] = Catastrophic Charity Care write-off.*

- E. High Medical Cost Charity Care (for Insured Patients):** High Medical Cost Charity Care for Insured Patients ("High Medical Cost Charity Care") is a complete write-off of the hospital's undiscounted charges for Covered Services. High Medical Cost Charity Care is not available for patients receiving already discounted services (e.g., package discounts for cosmetic services). This discount is available to insured patients who meet the following criteria:
- a. The patient's Family Income is less than 400% of the Family Federal Poverty Income guidelines; The Patient has High Medical Costs as defined in this Policy.; and
 - b. The patient's insurer has not provided a discount on the patient's bill (i.e., the patient is responsible for paying undiscounted charges).
- F. Uninsured Patient Discount:** The Uninsured Patient Discount is an adjustment of 30% of the hospital's undiscounted charges for Covered Services taken when an Uninsured Patient is billed for the services rendered. The Uninsured Patient Discount does not apply to patients who qualify for charity care or receive services that are already discounted. Patients who are responsible for a hospital bill not covered or discounted by any insurance or governmental program or whose benefits under insurance have been exhausted prior to admission are eligible for an Uninsured Discount if the patient or the patient's guarantor verifies that they are not aware of any right to insurance or government program benefits that would cover or discount the bill. In this case, insurance includes but is not limited to any HMO, PPO, indemnity coverage, or consumer-directed health plan.
- G. Extended Payment Plan:** On any Partial Charity care, Uninsured Patient Discounts, or High Medical Cost Charity Care, the hospital will allow payments of the discounted price over time. The hospital and the eligible patient may negotiate the terms of the payment plan and take into consideration the patient's family income and essential living expenses. Suppose the hospital and the patient cannot agree on the payment plan. In that case, the hospital must use the statutory formula to create a reasonable payment plan, defined as monthly payments that are not more than 10 percent of a patient's family monthly income, excluding deductions for essential living expenses.
- H. Caps on Patient Liability:** NIHD shall limit expected payments for eligible patients, whose Family Income is at or below 400% of the federal poverty level, for services to the highest amount the hospital would expect, in good faith, to receive from Medicare or Medi-Cal, whichever is greater. If the hospital provides a service for which there is no established payment by Medicare or Medi-Cal, the hospital shall establish an appropriate discounted payment. Consistent with Section 501(r)(5) of the Internal Revenue Code, this amount is always lower than the amount generally billed.

PROCEDURES:

- A. Applying for Financial Assistance:**
- a. A patient who indicates the financial inability to pay a bill for Covered Service shall be evaluated for Financial Assistance.
 - b. The NIHD standardized "*Financial Assistance Application*" form will document each patient's overall financial situation. This application shall be available in the primary language(s) of the NIHD service area. Documents and information required to consider eligibility are Income tax returns (preferred) or paycheck stubs, or for complete 100%

charity care, unemployment/disability payment stubs. Any information obtained as part of the Financial Assistance Application shall not be used for collection activities.

- c. If an application for Financial Assistance is received but incomplete, NIHD will contact the patient outlining what is missing from the application. Suppose the additional information is not received within a reasonable time frame. In that case, NIHD will send a denial letter to the patient stating that the application was incomplete and the missing information was not received.

B. Financial Assistance Determination:

a. Determination Process:

- i. NIHD will consider each applicant's Financial Assistance Application and grant financial assistance where the patient meets eligibility requirements and has received (or will receive) Covered Service(s).
- ii. Eligibility for discounted payments or charity care may be determined at any time the District is in receipt of the information specified in section A of this procedure.
- iii. All open accounts shall be considered for Charity Care and/or discounted payment once the Financial Assistance Application has been approved or denied.
- iv. NIHD will not make *Partial Charity Care Financial Assistance Application* approval contingent upon a patient applying for governmental program assistance.
- v. NIHD will require Full Charity Care patients to apply for assistance from the governmental program, and the application will be pending until proof of determination has been submitted.
- vi. Many applicants are not aware that they may be eligible for assistance through Medi-Cal, County Medical Services Program (CMSP), Victims of Crime, California Children Services, or Covered California.
- vii. NIHD can assist individuals in determining if they are eligible for any governmental or other assistance.
- viii. Where administrative approval is required, the hospital will consider the request for service in a timely fashion and respond to it in writing.

b. Uncooperative Patients and Non-Compliant Patients:

- i. *Uncooperative and Non-compliant patients* are defined as unwilling to disclose any financial information as requested for Full or Partial charity care determination during the application process. In these cases, the account will not be processed as charity care. The patient will be advised that unless they comply and provide the information, no further consideration will be given for charity care processing, and standard accounts receivable follow-up will begin.

c. Presumptive Eligibility

- i. NIHD understands that certain patients may be unable to complete a Financial Assistance application, comply with requests for documentation, or otherwise be non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for Financial Assistance may

be established without completing the formal assistance application. Under these circumstances, NIHD may utilize other information sources to assess financial need and determine whether the individual is eligible for financial assistance. This information will enable NIHD to make an informed decision on the financial needs of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.

- ii. NIHD uses an automated financial screening tool that produces a fair, balanced, real-time determination of a patient's charity potential and propensity to pay. NIHD Credit and Billing Department will have access to this service with credit information pulled from Experian to be used to help determine if a patient is eligible for charity care/financial assistance. The Credit and Billing Department is authorized to access the patient's credit information for the sole purpose of determining eligibility for charity care/financial assistance. This information is strictly confidential and will be used only by Credit and Billing Department, the Revenue Cycle Management Director, and the CFO in conjunction with the charity care/financial assistance policy of NIHD to determine eligibility.

C. Notice of Determination:

- a. **Timeline for determining eligibility:** While it is desirable to determine the amount of financial assistance for which a patient is eligible as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent; in other cases, further investigation is required to determine eligibility. In some cases, a patient eligible for Financial Assistance may not have been identified before initiating external collection action. NIHD's external collection agency shall be made aware of this policy so that the agency knows to refer back to the hospital patient accounts that may be eligible for Financial Assistance.
- b. **Notification Letter:** Once a Full or Partial Charity Care, Catastrophic Charity Care, or High Medical Cost Charity Care determination has been made, a "Charity Notification Letter" will be sent to each applicant advising them of the NIHD decision.
- c. **Dispute Resolution:** In the event of a dispute over the application of this policy, a patient may seek review from the hospital by notifying the NIHD CFO, Compliance Officer (760) 873-2022, or designee at (760) 873-2097, of the basis of any dispute and the desired relief. Written communication should be submitted within thirty (30) days of the patient's notice of the circumstances giving rise to the dispute. The CFO or designee shall review the concerns and inform the patient of any decision in writing.

D. Communication of Financial Assistance Availability:

- a. **Information Provided to Patients:** During preadmission or registration (or as soon thereafter as practicable), NIHD shall offer patients:
 - i. information regarding the charity care and discount policy, including a Discharge Notice.
 - ii. the NIHD standardized financial assistance application.
 - iii. Any and all applications for Coverage that the patient may qualify for, such as Medi-Cal, County Medical Services Program, Victims of Crime, California Children Services, or Covered California.

If the patient cannot receive this information at the time of service, it shall be provided during the discharge process. If the patient is not admitted, this information shall be provided when the patient leaves the facility. If the patient leaves the facility without receiving this information, the hospital shall mail it to the patient within 72 hours of providing services.

- b. **Postings and Other Notices:** Information about Financial Assistance shall also be provided through clearly and conspicuously posted notices in locations that are visible to the public, including but not limited to the emergency department, billing office, admitting office, and other hospital outpatient service settings. This information shall also be available at <https://www.nih.org/help-paying-my-bill/>.
- c. **Applications Provided at Discharge:** If not previously provided, NIHD shall provide uninsured Patients with applications for Medi-Cal, County Medical Services Program, California Children's Services, and/or Covered California.
- d. **Notification to Uninsured Patients of Estimated Financial Responsibility:** Except in the case of emergency services, NIHD is required by law to provide all Uninsured Patients a good faith estimate of financial responsibility for hospital services. Estimates shall be written and provided during regular business hours. Estimates shall provide the patient with an estimate of the amount the NIHD will require the patient to pay for the health care services, procedures, and supplies that are reasonably expected to be provided to the patient by the hospital, based upon the average length of stay and services provided for the patient's diagnosis.
- e. **Reimbursement of Excess Payment:** The hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due including interest. Interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure (7% for a Local Government Entity) beginning on the date payment by the patient is received by the hospital. However, a hospital is not required to reimburse the patient or pay interest if the amount due is less than five dollars (\$5.00). The hospital shall refund the patient within 30 days.

E. Other:

- a. **Billing and Collections Policy:** A separate Billing and Collections Policy describes actions NIHD may take in the event of nonpayment.
- b. **Where to Obtain Copies:** This Financial Assistance Policy, the Financial Assistance application, and the Billing and Collections Policy are available by calling Patient Financial Services at (760) 873-2097 and requesting a copy by mail or email, or for downloading online at <https://www.nih.org/help-paying-my-bill/>. Copies of policies and the application are also available in the Admissions areas and the Credit and Billing Office of Northern Inyo Healthcare District. English and Spanish translations are available at all locations.
- c. **Languages:** All notices and communications provided shall be available in English and any other language representative of 5% of the service population and a manner consistent with all applicable federal and state laws and regulations.
- d. **Recordkeeping:** Records relating to financial assistance must be readily accessible. NIHD must maintain information regarding the number of uninsured patients who have received service, the number of financial assistance applications completed, the number approved, the estimated dollar value of the benefits provided, the number denied, and

the reasons for the denial. In addition, notes relating to each financial assistance application and approval or denial should be entered into the patient's account.

- e. **No Misrepresentation:** NIHD or its agents shall not misrepresent this policy to its patients or its patients' guarantors in any way.
- f. **Emergency Physicians:** An emergency physician, as defined in California Health and Safety Code §127450, who provides emergency medical services at NIHD is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level.
- g. **Submission to HCAI:** NIHD shall upload copies of this Financial Assistance Policy to the Department of Health Care Access and Information, or "HCAI." The policy shall be submitted in the manner and frequency prescribed by HCAI.
- h. **Patient Confidentiality:** All patient financial information obtained for the purposes of determining charity care, patient discounts, and billing and collections are required to be kept in strict confidence. Disclosure of such information is limited to those participating in the evaluation of a patient's eligibility for financial assistance. Unauthorized disclosure of a patient's confidential financial information is strictly prohibited and subject to disciplinary action to be determined by the CFO.
- i. **Contact for Information and Assistance:** Additional information from the Credit and Billing Department by:
 - Calling (760) 873-2097
 - Emailing Credit.Billing@nih.org
 - Visiting the Credit and Billing Information Office at Northern Inyo Hospital at 150 Pioneer Lane, Bishop, CA 93514
- j. **Shoppable Services.** The link to our Patient Price Estimator can be found at <https://nih.patientsimple.com/guest/#/index>
- k. **Hospital Bill Complaint Program.** The patient or patient's authorized representative may file a complaint through the Department's Hospital Bill Complaint Program online patient complaint portal by visiting the Department's website at HospitalBillComplaintProgram.hcai.ca.gov, or by mail to the Department of Health Care Access and Information, Hospital Bill Complaint Program, located at 2020 West El Camino Avenue, Suite 1101, Sacramento, CA 95833.
- l. **Help Paying Your Bill.** There are free consumer advocacy organizations that will help you understand the billing and payment process. Call the Health Consumer Alliance at (888) 804-3536 or go to healthconsumer.org for more information.
- m. **Help in Your Language.** If you need help in your language, please call (760) 873-2097, email Credit.Billing@nih.org, or visit the Credit and Billing Information Office at Northern Inyo Hospital. The office is open 8:30 a.m. – 4 p.m. at 150 Pioneer Lane in Bishop. Aids and services for people with disabilities, like documents in braille, large print, audio, and other accessible electronic formats, are also available. These services are free.
- n. **Postings.** A posting titled "Help Paying Your Bill" shall be updated annually with eligibility for discounts, the current FPL and discounts, "How to Apply" notice, "Hospital

Bill Complaint Program” required statement, as section titled “More Help” with information about the Health Consumer Alliance, and information on how a patient with a disability may access the notice in an accessible alternative format.

Responsible Department

Implementation, training, and monitoring compliance with this policy and procedure are the responsibilities of Revenue Cycle.

Renewal/Review

This policy and procedure shall be reviewed at planned intervals and evaluated as necessary, but at least every two years, to determine whether they comply with current recommendations, guidelines, mandates, statutes, practices, and NIHD operations. If changes are required, they will be updated as needed.

A copy of the published Financial Assistance Policy and all amended or revised Policies shall be provided to the State of California Department of Health Care Access and Information or “HCAI” (f/k/a the Office of Statewide Health Planning and Development) in accordance with HCAI state filing procedures.

REFERENCE:

1. California Health and Safety Code Section 127400-127446.
1. CA AB 1020
2. Title 22 of the California Code of Regulations (CCR) section 96040-96051.37, et seq.)
3. IRC 501-R
4. California Senate Bill 1061 (SB 1061)
5. Hospital Fair Pricing Act (AB 774)
6. Fair Debt Collection Practices Act (FDCPA)
7. Fair Credit Reporting Act (FCRA)
8. No Surprises Act
9. Medicare CMS Manual 15: The Provider Reimbursement Manual.

RECORD RETENTION AND DESTRUCTION:

Maintain all patient accounting files for fifteen (15) years.

CROSS REFERENCE POLICIES AND PROCEDURES:

1. Billing and Collections
2. Price Transparency
3. Credit Balance Refund Processing
4. Prompt Pay Discounts
5. InQuiseek - #600 Financial Policies