

PIPELINE HEALTH LA MARKET MEMORIAL HOSPITAL OF GARDENA EAST L.A. DOCTORS HOSPITAL COMMUNITY HOSPITAL OF HUNTINGTON PARK COAST PLAZA HOSPITAL POLICY AND PROCEDURE	Subject: CHARITY CARE POLICY; DISCOUNT PAYMENT POLICY; RELATED ELIGIBILITY PROCEDURES AND REVIEW PROCESS; AND RELATED APPLICATION FORMS	Item No.
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I. POLICY/PURPOSE STATEMENT

Pipeline Health LA Market, (Memorial Hospital of Gardena, East Los Angeles Doctors Hospital, Community Hospital of Huntington Park, and Coast Plaza Hospital) (collectively “**LA Market**”) is committed to providing high quality, comprehensive health care services to patients regardless of their ability to pay. Pipeline LA Market strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with Pipeline LA Market’s procedures for obtaining financial assistance and to contribute to the cost of Pipeline LA Market’s care, based on individual ability to pay.

General acute care hospitals must comply with the California Hospital Fair Pricing Act (codified in California’s Health & Safety Code sections 127400 *et seq.*) (“**HFPP**”) requiring written policies providing discounts and charity care to financially qualified patients. Accordingly, these written charity care and discounted care financial assistance policies (the “**Policies**”):

- Include eligibility criteria and the process for determining who is eligible for financial assistance – free and discounted care;
- Describe the basis for calculating amounts charged to patients eligible for financial assistance under these Policies;
- Describe the method by which patients may apply for financial assistance, the approval process, and how patients can pay any remaining amounts via payment plan;
- Describe the required billing statement and notice prior to commencing collection activities that Pipeline LA Market must provide;

- Describe the permitted debt collection activities that may be performed by Pipeline LA Market and/or any entity with which it contracts for debt collection;
- Describe how the hospital will provide notice of the Policies to patients, the public, and to the Office of Statewide Health Planning and Development (“OSHPD”); and
- Describe how overcharges are reimbursed to patients under the HFPP laws.

It is the responsibility of the Centralized Business Office Director (“**CBO Director**”) and the Admitting Managers to ensure that appropriate procedures, as described below, are in place and followed to ensure appropriate action is taken. This includes handling of patient accounting transactions in a manner that supports the mission and values of Pipeline LA Market. Designated management will review individual cases to determine a patient’s eligibility for financial assistance and determine the discount for which the patient qualifies. All requests for financial assistance from patients, patient families, physicians or hospital staff shall be addressed in accordance with these Policies.

These Policies apply to Hospital charges only. They do not apply to fees billed by physicians and other allied professionals. While these Policies do not apply to physician services, patients should be aware that an emergency physician who provides emergency medical services in a hospital that provides emergency care is also required by law to provide discounted care for Uninsured Patients or patients with High Medical Costs and who have family Income at or below 400 percent of the Federal Poverty Level (“**FPL**”), consistent with California’s Emergency Physician Fair Pricing Policies law (codified in California’s Health & Safety Code sections 127450 *et seq.*). This statement shall not be construed to impose any additional responsibilities upon Pipeline LA Market.

II. DEFINITIONS

Bad Debt: Medicare Bad Debts are amounts considered to be uncollectible from accounts and notes receivable that were created or acquired in providing services. For Pipeline LA Market to be able to treat a patient as medically indigent for purposes of claiming Medicare Bad Debt pursuant to Medicare Provider Reimbursement Manual – Part 1, Chapter 3, the following requirements must be met:

1. The patient’s indigence must be determined by the provider, not by the patient. A patient’s signed declaration of his inability to pay his medical is not proof of indigency.
2. The provider should take into account a patient’s total resources which would include, but are not limited to, an analysis of assets (only those convertible to cash and unnecessary for the patient’s daily living), liabilities, and income and expenses. In making this analysis the provider should take into account any extenuating circumstances that would affect the determination of the patient’s indigence.
3. The provider must determine that no source other than the patient would be legally responsible for the patient’s medical bill.

4. The patient's file should contain documentation of the method by which indigence was determined in addition to all backup information to substantiate the determination.

Essential Living Expenses: 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 automobile expenses (including insurance, fuel and repairs), installment payments, laundry and cleaning expenses, and other extraordinary expenses.

Financially Qualified Patient: A patient who is both of the following:

1. A patient who is an Uninsured Patient or a patient with High Medical Costs.
2. A patient who has a family Income that does not exceed 400 percent of FPL.

Federal Poverty Level or FPL: The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

Full Charity: A discount representing 100% of a patient's liability. A full charity discount is equivalent to 100% of billed charges when the patient is Uninsured and equivalent to the patient's unmet deductible, coinsurance and/or copay when the patient is insured.

High Medical Costs: Means either: (1) annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the Patient's Family Income in the prior 12 months or (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. A patient may be considered to have High Medical Costs even if the patient receives a discounted rate as a result of third party coverage.

Income: The sum of all the wages, salaries, profits, interests payments, rents and other forms of earnings received by all members of a Patient's Family during a one year period of time. This includes gross receipts less cost of goods sold for self-employed family members.

Medicare Rate: The average amount of payment the hospital would receive from Medicare for providing services. This rate is service-specific, hospital-specific, and updated periodically. This rate may include all aspects of Medicare payment for a service, including, but not limited to, any disproportionate share adjustment, any direct or indirect medical education adjustments, and any outlier payments.

Monetary Assets: Assets that are readily convertible to cash, such as bank accounts and publicly traded stock but not assets that are illiquid, such as real property. Monetary Assets also do not include: (1) retirement or deferred compensation plans qualified under the Internal Revenue Code and (2) nonqualified deferred compensation plans. Furthermore, the first \$10,000 of a patient's Monetary Assets shall not be counted in determining

eligibility, nor shall 50 percent of a patient's Monetary Assets over the first \$10,000 be counted in determining eligibility.

Partial Charity Discount: A discount available to an Uninsured Patient or an insured patient with High Medical Costs, that reduces an eligible Uninsured Patient's balance to an amount not to exceed the amount Medicare would have paid if Medicare was the primary payer or that limits an eligible insured patient's balance to the applicable Medicare inpatient deductible or outpatient coinsurance.

Patient's Family:

1. For patients 18 years of age and older, the Patient's Family includes the patient's spouse, registered domestic partner, and dependent children under 21 years of age, whether living at home or not.
2. For patients under 18 years of age, the Patient's Family includes the patient's parent(s), caretaker relatives, and other children of the parent or caretaker relative younger than 21 years of age.

Uninsured or Uninsured Patient: A patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by Pipeline LA Market. Additionally, a patient who has charges for services not covered by his or her health care coverage, will be considered to be Uninsured only in regard to those non-covered services.

III. ELIGIBILITY CRITERIA AND GENERAL PROCESS FOR FULL CHARITY OR PARTIAL CHARITY DISCOUNTS

Eligibility for Full Charity care and Partial Charity Discounts (collectively "**Charity Care**") are based upon the patient's ability to pay as determined by the Patient's Family Income relative to the current FPL, and for Full Charity care, eligibility is also based on the Patient's Family's Monetary Assets. Financial eligibility for Charity Care will be considered for those patients with a family Income of equal to or less than 400 percent of FPL and who are either Uninsured or an insured patient who has High Medical Costs.

The following conditions must also be satisfied in order for a patient to be eligible for Full Charity care or Partial Charity Discounts: (1) if the patient is insured, the patient's liability is NOT a Medicaid share of cost or unmet deductible, coinsurance and/or copay related to subsidized coverage provided through a California Health Benefit Exchange ("**Covered California**") qualified health plan or similar plan; (2) the patient does not qualify for other income-based/means tested government-sponsored coverage, such as Healthy Families Program, California Children's

Services Program, or other state- or county-funded health coverage;¹ (3) the patient completes and submits a financial assistance application (attached as Exhibit A), unless none is required under the terms of these Policies; and (4) the patient submits required and requested documents and responds to questions that arise from the financial assistance application.

IV. ELIGIBILITY CRITERIA FOR FULL CHARITY CARE

Full Charity care is available to patients that: (1) have a Patient’s Family Income of less than or equal to 200 percent of the FPL; (2) have fewer than \$10,000 in Monetary Assets²; and (3) are either Uninsured or insured with High Medical Costs. The following chart summarizes the criteria that must be satisfied for a patient to qualify for Full Charity care:

ELIGIBILITY CATEGORY	INCOME	ASSETS
Uninsured	≤200% FPL	<\$10,000
Insured with High Medical Costs	≤200% FPL	<\$10,000

To qualify for Full Charity care, the patient will apply for and submit the documentation required, as set forth in these Policies. Full Charity care is only available to cover necessary services. Procedures or services for patient comfort and/or convenience are not necessary services, nor are elective procedures or services that are characterized by available funding sources as not medically necessary.

V. ELIGIBILITY CRITERIA AND AMOUNTS CHARGED TO PATIENTS FOR PARTIAL CHARITY DISCOUNTS

If a patient does not qualify for Full Charity care based on the criteria above, the patient may qualify for a Partial Charity Discount. Monetary Assets are not considered as criteria used to determine a Partial Charity Discount.

Pipeline LA Market adheres to the principles on limitations on patient liability set forth in Health & Safety Code section 127405(d), whereby Pipeline LA Market is limited to collecting from eligible patients the amount Pipeline LA Market would “expect, in good faith, to receive” for the same services from Medicare, Medi-Cal, Healthy Families, or another government-sponsored health program in which Pipeline LA Market participates, whichever is greatest. As a result, patient liability for a patient that receives a Partial Charity Discount will never be more than 100

¹ A pending application for another health coverage program shall not preclude eligibility for financial assistance under these Policies, however, final approval of financial assistance may be deferred until the pending application is processed and eligibility is determined.

² The first \$10,000 of a patient’s Monetary Assets shall not be counted in determining eligibility, nor shall 50 percent of a patient’s Monetary Assets over the first \$10,000 be counted in determining eligibility.

percent of the Medicare Rate. If Pipeline LA Market provides a service for which there is no established payment by Medicare or any other government-sponsored program, Pipeline LA Market will establish an appropriate discounted payment, as may be described and set forth on Exhibit B.

Partial Charity Discount

1. A Partial Charity Discount is available to patients that: (1) have a Patient’s Family Income of 200.01 percent to 400 percent of the FPL and (2) are either Uninsured or insured with High Medical Costs. A Partial Charity Discount is also available if a patient is either Uninsured or insured with High Medical Costs and has a Patient’s Family Income of less than or equal to 200 percent of the FPL, but fails to qualify for Full Charity care, due to having \$10,000 or more Monetary Assets.
2. For such an Uninsured Patient, the patient’s payment obligation will be limited to 100 percent of the Medicare Rate for such services.
3. For such an insured patient with High Medical Costs, the insured patient’s financial responsibility (e.g., copayments and deductibles) will be limited to the amount by which the Medicare Rate for such services exceeds the payment received from the third party payer.
4. Where the Medicare Rate cannot be determined, eligible patients will receive a discount from gross charges, as determined by Pipeline LA Market from time to time and as may be set forth on Exhibit B. Such discount may be amended by Pipeline LA Market from time to time in its discretion.

The following chart summarizes the criteria that must be satisfied for a patient to qualify for Partial Charity Discounts and the patient liability limit:

ELIGIBILITY CATEGORY	INCOME	DISCOUNTED BALANCE
Uninsured	200.01% to 400 % FPL	Medicare Rate
Insured with High Medical Costs	200.01% to 400 % FPL	Not to exceed Medicare Rate out-of-pocket expenses

VI. OTHER ELIGIBLE CIRCUMSTANCES

Medi-Cal Payment Denials

Pipeline LA Market deems those patients that are eligible for government-sponsored low-income assistance programs (e.g. Medi-Cal/Medicaid, Healthy Families, California Children’s

Services and any other applicable state or local low-income program) to be indigent. Therefore such patients are eligible to receive Charity Care or Partial Charity Discounts when payment is not made by the governmental program. For example, patients who qualify for Medi-Cal/Medicaid as well as other programs serving the needs of low-income patients (e.g. CHDP, Healthy Families, and CCS), where the program does not make payment for all services or days during a hospital stay, are eligible for Charity Care or Partial Charity Discounts, limited to the amount the payer denied instead of paid. Consistent with Medicare cost reporting guidance for the calculation of Pipeline LA Market's low income percentage for Medi-Cal Disproportionate Share Hospital program, non-covered services and all other denied services provided to eligible Medicaid beneficiaries will be reported as "Uncompensated Care" for cost reporting purposes without requiring a financial assistance application from each patient. Specifically included as Uncompensated Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request denials and any lack of payment for non-covered services provided to Medi-Cal/Medicaid and other patients covered by qualifying low-income programs, and other denials (e.g. restricted coverage) are to be classified as Charity Care.

A patient will NOT be eligible for financial assistance on any of the following: (1) patient's Medi-Cal share of cost; or (2) patient's subsidized or discounted out-of-pocket expenses determined by Covered California or any other state or federal government insurance exchange. A patient's unsubsidized out-of-pocket expense may qualify for a discount as defined within these Policies.

Medicare Deductibles and Coinsurance Denials

Patients whose primary coverage is Medicare and secondary coverage is Medi-Cal are eligible for financial assistance and may qualify for Full Charity. The amount qualifying for Full Charity is limited to the Medicare coinsurance and deductible amounts unreimbursed by any other payer including Medi-Cal/Medicaid, and which is not reimbursed by Medicare as a Bad Debt, if:

1. The patient is a beneficiary under Medi-Cal/Medicaid or another program serving the health care needs of low-income patients; or
2. The patient otherwise qualifies for financial assistance under these Policies and then only to the extent of the write-off provided for under these Policies.

Catastrophic Medical Event

Any patient who experiences a catastrophic medical event may be eligible for financial assistance, if permitted by law. Patients who have high Income do not qualify for routine Full Charity care or Partial Charity Discounts. However, consideration as a catastrophic medical event may be made on a case-by-case basis. The determination of a catastrophic medical event shall be based upon the amount of the patient liability at billed charges, and consideration of the individual's Income and Monetary Assets as reported at the time of occurrence. As a general guideline, any account with a patient liability for services rendered that exceeds \$75,000 may be considered for eligibility as a catastrophic medical event.

Services Primarily Designed to Expand Access to Care

Any services primarily designed to expand access to care for the medically poor may be considered eligible for financial assistance when the following conditions are met:

1. The services are identified in the hospital community benefit plan;
2. The services are targeted at populations which would qualify for financial assistance as identified within the community benefit plan;
3. The services are recorded at full established hospital rates as gross patient revenue;
4. The services are provided by a licensed healthcare professional; and
5. The services are those medical diagnostic or therapeutic services for which a medical record is maintained.

Minimum payments may be accepted from patients to assist funding of access to care programs. Any or all self-pay patients may be offered a financial assistance screening form. However, any patient served through an access to care program shall be deemed as qualified without absolute requirement for submission of a financial assistance application.

Reassignment from Bad Debt to Charity Care

Any account returned to Pipeline LA Market from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, will be considered for financial assistance. Documentation of the patient or family representative's inability to pay for services will be maintained by the Centralized Business Office.

Criteria for Reassignment from Bad Debt to Charity Care

All outside collection agencies contracted with Pipeline LA Market to perform account follow-up and/or Bad Debt collection will utilize the following criteria to identify a status change from Bad Debt to Charity Care:

1. Patient accounts must have no applicable insurance (including governmental coverage programs or other third party payers);
2. The patient or family representative must have a credit score rating within the lowest 25th percentile of credit scores for any credit evaluation method used;
3. The patient or family representative has not made a payment within 150 days of assignment to the collection agency;
4. The collection agency has determined that the patient or family representative is unable to pay; and/or
5. The patient or family representative does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score.

All accounts returned from a collection agency for reassignment from Bad Debt to Charity Care will be evaluated by Pipeline LA Market personnel prior to any reclassification within the hospital accounting system and records.

VII. APPLICATION SUBMISSION & REVIEW PROCESS

Pipeline LA Market utilizes a single, unified patient application for both Full Charity and Partial Charity Discounts. The process to obtain assistance is designed to give each applicant an opportunity to receive the maximum financial assistance benefit for which they may qualify. The financial assistance application provides patient information necessary for Pipeline LA Market to determine patient eligibility and such information will be used to qualify the patient or family representative for maximum coverage under these Policies. The financial assistance application should be completed as soon as there is an indication that the patient may be in need of financial assistance. The application form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged.

These Policies rely upon the cooperation of individual patients who may be eligible for Full Charity or Partial Charity Discounts. To facilitate gathering accurate and timely patient financial information, a financial assistance application will be used. Pipeline LA Market will provide guidance and/or direct assistance to patients or their family representative as necessary to facilitate completion of the financial assistance application. Financial counselors, eligibility services liaisons and/or patient account representatives are available to provide guidance over the phone or meet in person. All patients will be offered information, applications, assistance, and referral, as appropriate to government-sponsored programs for which they may be eligible. Any patient who requests financial assistance will be afforded the opportunity to complete a financial assistance application and have it considered.

Eligible patients may qualify for Full Charity or Partial Charity Discounts under these Policies by following application instructions and making every reasonable effort to provide Pipeline LA Market with documentation of income and health benefits coverage, such that Pipeline LA Market may make a determination of the patient's qualification for coverage under these Policies. If the person requests Charity Care and fails to provide information that is reasonable and necessary for Pipeline LA Market to make a determination, Pipeline LA Market may consider that failure in making its determination. However, a completed financial assistance application is not required if the hospital determines it has sufficient patient financial information from which to make a financial assistance qualification decision.

Eligibility alone is not an entitlement to coverage under these Policies, but eligibility begins a process of evaluation to determine coverage before Full Charity or Partial Charity Discounts may be granted. Access to necessary care shall in no way be affected by whether financial assistance eligibility under these Policies exists, as medically necessary care will always be provided to the extent Pipeline LA Market can reasonably do so.

Required Documentation

To determine eligibility and to maximize the Charity Care amount for which a patient may qualify, the following documentation is required within 150 days after initial patient billing, if applicable:

1. Completed and signed financial assistance application;
2. Documentation of Income:
 - a. The patient's federal income tax return (Form 1040), including all schedules and attachments as submitted to the Internal Revenue Service, from the most recent year.
 - b. If the patient did not file a federal income tax return in the most recent year, the patient must provide his or her two (2) most recent paycheck stubs and such pay stubs from relevant family members.
 - c. If the patient did not have either recent pay stubs or income tax returns, the patient should provide a letter explaining how he or she supports him or herself/family and should attach such relevant documentation to that letter.
3. Documentation of Monetary Assets, for Full Charity only:
 - a. The last two months' bank, brokerage, and investment account statements, if applicable;
 - b. Copies of the most recent year's Form 1099 for interest income, dividends, capitals gains, if applicable;
 - c. Proof of stocks and bonds owned, if applicable.
4. For a patient asserting that he or she has High Medical Costs, such patient will be required to supply proof of his or her annual out-of-pocket costs incurred at the hospital within the twelve (12) months immediately preceding discharge and/or his or her out-of-pocket medical expenses paid by him or herself or his or her family within the twelve (12) months immediately preceding discharge.

Pipeline LA Market will make reasonable efforts to verify the financial data provided. As such, Pipeline LA Market may require waivers or releases from the patient or the Patient's Family authorizing Pipeline LA Market to obtain account information from financial or commercial institutions or other entities including but not limited to credit reporting entities that hold or maintain the Monetary Assets, in an attempt to verify information the patient has provided on the financial assistance application.

All financial information provided as part of the financial assistance application will be considered confidential and staff will respect each circumstance with dignity. None of the information provided for determining financial eligibility for Charity Care will be used by Pipeline

LA Market or its agents to attempt collection of any debts due Pipeline LA Market. However, this does not prohibit the use of such information by Pipeline LA Market, a collection agency, or an assignee, where such information is obtained independently of the eligibility process.

Approval Process

The patient or patient's representative shall submit the financial assistance application and required supplemental documents to the Patient Access Department or the Centralized Business Office at Pipeline LA Market. The relevant office's contact information shall be clearly identified in the application instructions.

Pipeline LA Market will provide personnel who have been trained to review financial assistance applications for completeness and accuracy. Application reviews will be completed as quickly as possible considering the patient's need for a timely response. A financial assistance determination will be made only by approved hospital management personnel according to the eligibility criteria set forth herein. Qualification for Full Charity or Partial Charity Discounts shall be determined without discrimination based in any way on race, color, age, sex, sexual orientation, national origin, veteran status, disability, religion, or any other classification protected by federal, state or local laws. While financial assistance shall not be provided on a discriminatory or arbitrary basis, Pipeline LA Market retains full discretion, consistent with laws and regulations, to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance.

Pipeline LA Market's designee authorized to approve financial assistance applications is based on the amount of the financial assistance sought. Larger discounts require a higher level of approval as indicated below:

- Discounts less than \$100,000: CBO Director
- Discounts greater than \$100,000: System Revenue Cycle Director

Factors Pipeline LA Market will consider for determining financial need may include but are not limited to family income, family size, scope and extent of patient's medical bills, and employment status.

Eligibility for Full Charity or Partial Charity Discounts may be determined at any time Pipeline LA Market is in receipt of the required documentation specified herein and on the financial assistance application. When Pipeline LA Market determines that a patient qualifies for Charity Care, that determination will apply to the specific services and service dates for which the patient or the Patient's Family representative submitted the application. In cases of continuing care relating to a patient diagnosis that requires ongoing, related services, Pipeline LA Market may, at its sole discretion, treat continuing care as a single case for which qualification applies to all related ongoing services provided by Pipeline LA Market. Pipeline LA Market may, based on its review, determine that other pre-existing patient account balances outstanding at the time of qualification may be eligible for write-off or discount. However, such pre-existing account will be separately considered and may not be subject to a qualified discount.

Pipeline LA Market has the discretion not to require further application(s) for subsequent services following an initial application approval. However, a patient should re-apply for financial assistance eligibility when his or her financial situation changes.

At any given time a patient's financial status changes, such patient can be re-reviewed for financial assistance as long as all required documentation is received validating the change in financial status. Pipeline LA Market will make a final determination of status upon receipt and review of the new documentation.

A pending application for another health coverage program shall not preclude eligibility for financial assistance under these Policies. However, final approval of financial assistance may be deferred until the pending application is processed and eligibility is determined.

The hospital shall reimburse the patient any amount actually paid in excess of the amount due, including interest on amounts greater than \$5.00 within 30 days of the discount/charity approval; interest to be calculated from the date of the original payment.

Application Exceptions

A completed financial assistance application may not be required in certain circumstances. These circumstances are limited to situations when Pipeline LA Market determines it has sufficient patient financial information from which to make a financial assistance eligibility and qualification decision. Examples of circumstances not requiring a financial assistance application include, but are not necessarily limited to:

1. Patient is homeless;
2. Patient is a resident at a local homeless shelter;
3. Patient's address is the address for the Department of Public Social Services; and
4. Patient is unknown.

Dispute Resolution

In the event that a dispute arises regarding denial of eligibility for Full Charity care or Partial Charity Discounts, the patient may file a written appeal for reconsideration with a complete explanation of the patient's dispute and rationale for reconsideration. Any or all additional relevant documentation to support the patient's claim should be attached to the written appeal. Such appeal must be filed in writing within 60 days from the date of notice of denial of eligibility. The appeal must be sent to the CBO Director at: Pipeline LA Market Central Business Office 12940 Telegraph road Santa Fe Springs, CA 90670.

All appeals will be initially reviewed by the CBO Director or his or her designee. Such individual shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the CBO Director shall provide the patient with a written explanation of findings and determination.

In the event that the patient believes a dispute remains after consideration of the appeal by the CBO Director, the patient may request in writing, a review by the hospital's Administration Department. Administration shall review the patient's written appeal and documentation, as well as the findings of the CBO Director. The Administrative officer shall make a determination and provide a written explanation of findings to the patient. All determinations by the Administration Department shall be final and there are no further appeals.

VIII. PATIENT PAYMENT PLANS

When Pipeline LA Market determines that a patient qualifies for Partial Charity Discounts, the patient shall have the option to pay any or all outstanding amounts due in one lump sum payment, or through an interest-free, extended payment plan in order to allow payment of the discounted price over time.

Pipeline LA Market will discuss payment plan options with each patient that requests to make arrangements for term payments. Pipeline LA Market and the patient must negotiate the terms of the extended payment plan and take into consideration the Patient's Family Income and Essential Living Expenses. Pipeline LA Market will negotiate the patient payment plan with these specific and objective criteria in mind:

1. Outstanding patient balance is to be paid in the most expeditious manner possible with a minimum monthly payment amount of \$25.00.
2. Patients with balances less than or equal to \$1,000 must be paid in full within one (1) year of establishment of the payment plan. Exceptions to these criteria must be approved by the CBO Director or Chief Financial Officer.
3. Requests for contractual terms exceeding one (1) year must be approved by the CBO Director and requests exceeding two (2) years must be approved by the Chief Financial Officer.

If the patient and Pipeline LA Market are unable to agree on negotiated payment terms, Pipeline LA Market shall offer the patient the default reasonable payment plan, set forth under California Health & Safety Code section 127400(i). Under the default reasonable payment plan, the patient's monthly payment shall not exceed 10% of the Patient's Family Income for one month, excluding deductions for Essential Living Expenses as defined above.

Pipeline LA Market has the discretion to declare an extended payment plan inoperative if the patient fails to make all consecutive payments due during a 90-day period. However, prior to declaring an extended payment plan inoperative, Pipeline LA Market, the collection agency, or assignee shall:

1. Attempt to contact the patient by telephone and, to give notice in writing, at the last known telephone number and address for the patient, that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan;

2. Attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient; and
3. Not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the extended payment plan is declared to be no longer operative.

IX. BILLING AND COLLECTION GUIDELINES

Billing Statements

Pipeline LA Market shall make all reasonable efforts to determine whether the patient has private or public health insurance or sponsorship that may fully or partially cover the charges for care rendered at Pipeline LA Market, including but not limited to private health insurance, including coverage offered through the California Health Benefit Exchange, Medicare, Medi-Cal, Healthy Families, California Children's Services Program, or other state-funded programs.

In accordance with Health & Safety Code section 127420, if Pipeline LA Market bills a patient who has not provided proof of coverage by a third party, Pipeline LA Market will include the following information in a clear and conspicuous notice as part of the billing:

1. A statement of charges for services rendered by the hospital.
2. A request that the patient inform the hospital if the patient has health insurance coverage, Medicare, the Healthy Families Program, Medi-Cal, or other coverage.
3. A statement that, if the consumer does not have health insurance coverage, the consumer may be eligible for coverage offered through Covered California, Medicare, the Healthy Families Program, Medi-Cal, California Children's Services Program, other state- or county-funded health coverage, or charity care.
4. A statement indicating how patients may obtain an application for the Medi-Cal program and the Healthy Families Program, coverage offered through Covered California, or other state- or county-funded health coverage programs and that the hospital will provide these applications. If the patient does not indicate coverage by a third-party payer, or requests a discounted price or charity care, then the hospital shall provide an application for the Medi-Cal program, the Healthy Families Program, or other state- or county-funded health coverage programs to the patient. The relevant applications shall be provided prior to discharge if the patient has been admitted or to patients receiving emergency or outpatient care. Pipeline LA Market shall also provide patients with a referral to a local consumer assistance center housed at legal services offices. The following local consumer assistance center is available for Pipeline LA Market patients: Neighborhood Legal Services of Los Angeles County – (800) 896-3203.
5. Information regarding the Financially Qualified Patient and charity care application, including the following:

- a. A statement that indicates that if the patient lacks, or has inadequate, insurance, and meets certain low- and moderate-income requirements, the patient may qualify for discounted payment or charity care.
- b. The name and telephone number of a hospital employee or office from whom or which the patient may obtain information about the hospital's discount payment and charity care policies, and how to apply for that assistance. The current employee and/or office to be contacted is the Financial Counselor in the Patient Access Department at the hospital – [Memorial Hospital of Gardena- 310-532-4200](#), [East Los Angeles Doctors Hospital 323-268-5514](#). [Community Hospital of Huntington Park – 323-583-1931](#), [Coast Plaza Hospital – 562-868-3751](#).
- c. If a patient applies, or has a pending application, for another health coverage program at the same time that he or she applies for a hospital charity care or discount payment program, neither application shall preclude eligibility for the other program.

Notice Prior to Commencing Collection Activities

Prior to commencing collection activities against a patient, Pipeline LA Market, any assignee of Pipeline LA Market, or any other owner of the patient's debt shall provide the patient with a clear and conspicuous written notice containing the following two statements:

1. State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov. The Federal Trade Commission enforces the federal Fair Debt Collection Practices Act.
2. Nonprofit credit counseling services may be available in the area.

This notice will accompany any document indicating that the commencement of collection activities may occur and this notice requirement applies to the entity engaged in the collection activities.

Debt Collection Policy

Pipeline LA Market has a written policy about when and under whose authority patient debt is advanced for collection, whether the collection activity is conducted by Pipeline LA

Market, an affiliate or subsidiary of Pipeline LA Market, or by an external collection agency. A patient's bill may be advanced for collection if not paid within 30 days of the initial bill, and such factors as lack of payment, failure to apply for available programs, or failure to contact the hospital in response to a bill may be considered in determining when the bill will be advanced for collection.

Pipeline LA Market has also established standards for the collection of debt. Should Pipeline LA Market decide to contract with a third-party billing agency or collection agency, Pipeline LA Market shall obtain a written agreement from any such agency that it will ensure full compliance with Pipeline LA Market's standards and scope of practices, these Policies, and all guidelines provided under HFPP and other applicable Federal and State laws.

Such agreement shall require the affiliate, subsidiary, or external collection agency of Pipeline LA Market that collects the debt to comply with Pipeline LA Market's definition and application of a reasonable payment plan. Moreover, the standards and practices for the collection of debt policy shall not conflict with other applicable laws.

At the time of billing, Pipeline LA Market shall provide a written summary consistent with Health & Safety Code section 127410, discussed below.³ If a patient is Uninsured or provides information that he or she may be a patient with High Medical Costs, Pipeline LA Market, any assignee of Pipeline LA Market, or any other owner of the patient's debt, shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 180 days after initial billing. This 180 -day period will be extended if the patient has a pending appeal for coverage of the services, until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with the hospital about the progress of any pending appeals. If the patient is attempting to qualify for Full Charity care or Partial Charity Discounts, hereunder, and is attempting in good faith to settle an outstanding bill with Pipeline LA Market by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, Pipeline LA Market shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with the HFPP law.

Where Pipeline LA Market has sent an account to a collection agency, and it receives proof of a patient's Medi-Cal eligibility, Pipeline LA Market must: notify the debt collector of the patient's Medi-Cal coverage, instruct the debt collector to cease collection efforts on the unpaid bill for covered services; and notify the patient that these two steps were taken. Pipeline LA Market will also ensure that information previously sent to a consumer-reporting agency by it or the debt collector will be corrected within 30 days.

In dealing with patients eligible for Full Charity care or Partial Charity Discounts under these Policies, Pipeline LA Market, or other assignee that is an affiliate or subsidiary of Pipeline LA Market, shall not use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills. Collection agencies or other assignee that is not a subsidiary or

³ All patient correspondence will be available in English and Spanish and any other languages that are representative of 5% or greater of patients in the hospital's service area.

affiliate of Pipeline LA Market shall not use, as a means of collecting unpaid hospital bills from any patient eligible under Pipeline LA Market's Charity Care Policies, the following:

1. A wage garnishment, except by order of the court upon noticed motion, supported by a declaration filed by the movant identifying the basis for which it believes that the patient has the ability to make payments on the judgment under the wage garnishment, which the court shall consider in light of the size of the judgment and additional information provided by the patient prior to, or at, the hearing concerning the patient's ability to pay, including information about probable future medical expenses based on the current condition of the patient and other obligations of the patient.
2. Notice or conduct a sale of the patient's primary residence during the life of the patient or his or her spouse, or during the period a child of the patient is a minor, or a child of the patient who has attained the age of majority is unable to take care of himself or herself and resides in the dwelling as his or her primary residence. In the event a person owns more than one dwelling, the primary residence shall be the dwelling that is the patient's current homestead, as defined in Section 704.710 of the California Code of Civil Procedure, or was the patient's homestead at the time of the death of a person other than the patient who is asserting the protections of this paragraph.

However, Pipeline LA Market, a collection agency, or other assignee is not precluded from pursuing reimbursement from third-party liability settlements, tortfeasors, or other legally responsible parties.

X. NOTICES

Patient Notice

Pipeline LA Market shall provide all patients, including those receiving outpatient and emergency care who are not admitted, with a written notice that contains information about availability of Pipeline LA Market's Full Charity or Partial Charity Discounts under these Policies. The written notice will at a minimum contain information about eligibility and contact information for an Pipeline LA Market office from which the patient may obtain further information about these Policies. In addition, the notice will state that emergency physicians providing emergency services at Pipeline LA Market are required to provide discounts to Uninsured and High Medical Costs patients whose Income is at or below 400 percent of FPL. This written notice of the financial assistance policies is in addition to any other obligations under Federal and State law (i.e., an estimate of charges under Health & Safety Code section 1339.585).

Under Health & Safety Code section 127410, this notice shall be provided in English, and in languages other than English. The other languages are to be determined in a manner similar to that required pursuant to California Insurance Code section 12693.30. This entails that the notice must be in a language other than English where a patient does not speak English or is unable to communicate effectively in English because it is not his or her native language, and the patient is

a member of a group that comprises 5% or more of the people served by the applicable hospital. Therefore, the patient notice will be provided in English, Spanish, and any other languages that are representative of 5% or greater of patients in the hospital's service area. Moreover, all written correspondence to a patient required by the HFPP laws must adhere to this standard.

Public Notice

Pipeline LA Market shall clearly and conspicuously post notices informing the public of the financial assistance policies available at Pipeline LA Market. Such notices shall be posted in high volume inpatient, areas and in outpatient service areas of Pipeline LA Market, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas, or other common patient waiting areas of the hospital. Notices shall also be posted at any location where a patient may pay his or her bill.

The posted notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance. These notices shall be posted in English and Spanish and any other languages that are representative of 5% or greater of patients in the hospital's service area. The notice shall state at least the following:

Pipeline LA Market provides financial assistance to our patients who qualify. Contact our Centralized Business Office at 562-968-5600 to speak with a representative to obtain more information.

XI. OSHPD REPORTING

Pipeline LA Market will report actual Full Charity care write-offs and Partial Charity Discounts provided in accordance with regulatory requirements of OSHPD as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. To comply with applicable regulations, Pipeline LA Market will maintain written documentation regarding its criteria and, for individual patients, written documentation regarding all eligibility determinations. As required by OSHPD, charity discounts provided to patients will be recorded on the basis of actual charges for services rendered.

Pipeline LA Market will provide OSHPD with a copy of these Policies which include the full and partial Charity Care policies within this single document. These Policies also contain: (1) all eligibility and patient qualification procedures; (2) the unified application for Full Charity and Partial Charity Discounts; and (3) the review process for both Full Charity care and Partial Charity Discounts. These documents shall be supplied to OSHPD every other year by January 1 of that year, or whenever a significant change is made to these Policies.

XII. RETURN OF OVERPAYMENT

If a Charity Care eligible and qualified patient is overcharged for services in excess of \$4.99, Pipeline LA Market will refund such overpayment, with interest from the date payment by the patient is received by Pipeline LA Market. Amounts of \$4.99 and below will be set up as a hospital credit for 60 days from the date the amount is due.

Overpayments will be subject to the payment of interest at rates established by California Code of Civil Procedure section 685.010, which currently are set at 10 percent annually.

XIII. GENERAL PROVISIONS

Confidentiality

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement these Policies should be guided by Pipeline LA Market values and strive for such interactions to be sacred encounters.

Good Faith Requirements

Pipeline LA Market makes arrangements for financial assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.

Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, or purposely inaccurate information has been provided by the patient or family representative. In addition, Pipeline LA Market reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order to qualify for Pipeline LA Market's financial assistance programs.

Exhibit A

Financial Assistance Application

See attached.

Exhibit B

No Established Payment by Medicare Discount

See attached.