ASSISTING LOW-INCOME UNINSURED PATIENTS:
A SURVEY OF CALIFORNIA HOSPITALS
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INTRODUCTION

Every hour of every day, medical miracles occur in hospitals throughout California. Whether it’s life-saving trauma care for the victim of a violent act or the joy of a precious newborn taking its first breath, hospitals are the cornerstones of our communities.

For the vast majority of Californians—the more than 80 percent who have some form of governmental or private health insurance coverage—the sophisticated technologies of a modern hospital are often taken for granted. But for a patient who is uninsured and at the lower end of the economic scale, what was once a miraculous occasion can turn into a financial quagmire.

A hospital’s job—first and foremost—is to provide care to all patients. California hospitals fulfill this mission every day. Hospitals are the providers of health care, not the financiers. However, because we take our mission to serve seriously, California hospitals also are committed to assisting those patients who truly cannot afford the health care they need.

This report, as promised to the administration of Governor Arnold Schwarzenegger, the Legislature and other key policymakers, offers a quantitative insight into the recent efforts by California’s hospital community to apply meaningful financial assistance policies to low-income uninsured patients.

BROKEN HEALTH CARE SYSTEM

A key element being overlooked in the public debate about hospital charity care is the underlying cause of the problem: a broken health care system that has left nearly 7 million people—one out of five Californians—with no health insurance. The unrelenting number of uninsured patients is the single biggest pressure point on hospitals, costing California hospitals more than $6.5 billion a year in uncompensated care.

This report offers quantitative insight into the efforts by California’s hospital community to apply meaningful financial assistance policies to low-income uninsured patients.
In the absence of a comprehensive health care coverage solution, some lawmakers over the past few years have attempted to shift the responsibility onto hospitals through rigid and excessive legislative proposals requiring charity care. With 56 percent of California hospitals currently operating in the red, it’s clear this is not a real solution to the problem of who should pay for the health care of the uninsured.

Legislative proposals requiring hospitals to provide charity care that far exceeds their ability to do so will only hamper access to care. Hospital charity care policies need to be flexible in order to meet the needs of the diverse communities they serve.

As shown in this report, hospitals are adhering to the intent of providing appropriate levels of charity care for each community, without greatly diverting scarce resources.
Working together, hospitals and patients can successfully navigate the complex and sensitive issues surrounding the payment for hospital care.

**COMMITMENT TO CHARITY CARE PRINCIPLES AND GUIDELINES**

Most California hospitals have been using responsible guidelines for years as they work with uninsured patients who have limited financial resources. However, in February 2004, the California Hospital Association’s (CHA) Board of Trustees reaffirmed its commitment to providing financial assistance to those truly in need through a comprehensive set of **Voluntary Principles and Guidelines** for billing and collecting from low-income uninsured patients.

“Often, low-income patients qualify for government aid or other discount options but aren’t aware of the resources available to them.”

**CALIFORNIA HOSPITAL ASSOCIATION’S VOLUNTARY PRINCIPLES AND GUIDELINES FOR ASSISTING LOW-INCOME UNINSURED PATIENTS**

- Recommends patients at or below 300 percent of the federal poverty level—$58,050 for a family of four in 2005—be eligible to apply for charity care or discount payment programs.

- Encourages hospitals to limit the expected payment from a low-income uninsured patient to no more than what the hospital would receive from Medicare or other government-sponsored health programs, or as otherwise deemed appropriate by the hospital.

- Urges hospitals to ensure that their collection practices—including the use of external collection agencies—are consistent with their mission and values.

- Suggests hospitals prevent wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills from low-income uninsured patients.

**NOTE:**
For full description of guidelines, see page 15
HELPING HOSPITALS DEVELOP AND IMPLEMENT CHARITY CARE POLICIES

As noteworthy as the Voluntary Principles and Guidelines are, CHA understands that the effort will ultimately be meaningless unless hospitals take direct action to implement policies that reflect the unique needs of the communities they serve.

Immediately upon the adoption of the Voluntary Principles and Guidelines last year, CHA embarked on an extensive educational program to urge hospitals to quickly implement the Voluntary Principles and Guidelines.

The underpinning of CHA’s educational campaign was the publication of a comprehensive guidebook provided to every California hospital. The guidebook, which already has been revised to ensure hospitals are implementing the latest best practices, is available online to ensure all hospital front-line staff have easy access to the most current information. Accompanying the guidebook was a web-based seminar held in June 2004, at which more than 500 hospital leaders participated.

CHA also is making implementation a high priority by routinely including it on the agendas of the CHA Board of Trustees, meetings of CHA’s Regional Associations (Hospital Council of Northern and Central California, Hospital Association of Southern California and Hospital Association of San Diego and Imperial Counties) and as a part of all public policy development efforts. CHA members also receive frequent written communications in the form of alerts and newsletters.

Educational activities are underway at nearly all hospitals across the state. Employees who work in hospital admissions, registration, and billing and collection departments as well as other employees who interact regularly with patients—including direct caregivers—are being trained to effectively communicate hospital charity care policies and help patients obtain financial assistance.

Hospitals are posting signage in multiple languages in all key areas and are working with local media and community organizations to publicize the availability of financial assistance when needed.

To monitor implementation progress, some hospitals are conducting their own “secret shopper” audits to ensure patients are being properly informed about the availability of financial assistance programs.
PATIENT COOPERATION:
AN ESSENTIAL ELEMENT TO A HOSPITAL’S CHARITY CARE PROGRAM

Hospitals across California are investing enormous amounts of time, money and resources into refining and updating their charity care programs. An essential component to the success of these programs is the cooperation of the patient.

Nearly all low-income assistance programs, whether hospital- or government-based, involve an application process. The process to determine a patient’s eligibility requires the patient to submit personal financial information.

Getting patients to submit the necessary information is often very difficult. When a patient fails to cooperate with a government-sponsored program, he/she is disqualified from participation.

But when a patient fails to provide the necessary information to a hospital, the hospital often finds itself in a no-win situation—repeatedly attempting to make contact with the patient, often to no avail. Then, when the hospital ultimately sends the patient’s account to a collection agency, the hospital is unduly criticized for “aggressive collection tactics.”

The problem is especially acute in hospital emergency departments. Uninsured patients who are treated and released often display no sense of responsibility when it comes to responding to a hospital’s follow-up inquiries regarding their eligibility for charity care or discounted payments.

Most hospitals find that the response rate to letters sent and phone calls made to emergency department patients following their release is very low. Unfortunately, it’s these patients who often end up being referred to collection agencies—an option of last resort.

THE BREAKDOWN IN COMMUNICATION

Who doesn’t communicate with hospitals? Some evidence suggests that young people between the ages of 18 and 30 are often negligent in responding to requests for information—even when it is to their advantage to do so. People who already have damaged credit also are among those who often fail to communicate with hospitals. They are frequently so overextended that one more creditor becomes overwhelming for them. And then there are the truly poor—patients who may believe there is nothing they can do, so they simply give up and do not respond to the hospital. Ironically, it’s these patients who often could benefit from a hospital’s charity care program if they would only communicate with the hospital.

Many uninsured patients also fail to make any effort to qualify for governmental health insurance programs (i.e., Medi-Cal, Healthy Families, etc.). Even though hospital personnel explain in detail the steps that must be taken for an uninsured patient to qualify for governmental coverage (e.g., an outpatient must go to a Medi-Cal office to apply for Medi-Cal eligibility), these patients often think they have done all they need to do by filling out a hospital’s financial screening form. Hospital officials estimate that about 25 percent of uninsured patients seen in emergency departments could qualify for Medi-Cal, but getting them to apply once they leave the hospital is extremely difficult.

WORKING TOGETHER

To address these problems, hospitals are working hard to improve proactive communications with patients. As discussed elsewhere in this report, many hospitals are now including on patient bills information about financial assistance programs for low-income uninsured individuals. Hospitals also are posting signage in visible locations throughout their facilities, and some organizations are producing patient information brochures that provide information on how to apply for hospital financial assistance programs.

At the end of the day, however, patients must be active participants in this process. If they can qualify for a government assistance program, they should do so. If they may be eligible for a hospital financial assistance program, they must provide the hospital with all necessary information. And patients who have the financial means must be required to pay for their hospital services.

Working together, hospitals and patients can successfully navigate the complex and sensitive issues surrounding the payment for hospital care.
As a further demonstration of its commitment, CHA recently completed a voluntary, comprehensive survey of hospitals designed to monitor the progress hospitals are making toward full implementation of these Voluntary Principles and Guidelines.

To the extent that changes are necessary, it understandably may take individual hospitals several months or longer to retool billing and information systems to be in compliance with the Voluntary Principles and Guidelines.

Nonetheless, California hospitals are committed to be in compliance with the Voluntary Principles and Guidelines.

(Note: For purposes of convenience, the terms “low-income assistance program” and “charity care” program are used synonymously throughout this report.)

CHA, with the assistance of the consulting firm of Clark, Koortbojian & Associates, conducted a survey of California hospitals to assess compliance with CHA’s Voluntary Principles and Guidelines. The survey was conducted in early 2005. A total of 347 of California’s full-service, acute-care hospitals were asked to respond to the written survey and disclose the status of their individual charity care activities. Of the 347 hospitals contacted, 159 responded—a 45.8 percent response rate.

CHA sent the survey, along with a cover letter, to hospital chief executive officers and chief financial officers and asked them to involve the director of patient financial services (or similar position) in the preparation of survey responses.

Responses were submitted via a secure Internet website, with access controlled by a website vendor to protect the confidentiality of all data. CHA did not have access to data submitted by individual hospitals.

All survey responses submitted online were forwarded from the website vendor to CHA’s external consultants for tabulation. Survey responses were aggregated for all hospitals and percentage totals were calculated.
SUMMARY OF FINDINGS

Charity Care Policies

Ninety-eight percent of responding hospitals indicated that their charity care policies were consistent with CHA’s Voluntary Principles and Guidelines:

- Eighty-one percent have implemented new or revised charity care policies since January 1, 2004.
- Of those hospitals that have not yet adopted new or revised charity care policies, 44 percent plan to present their hospital board of trustees with new or revised policies during 2005.

FINANCIAL ASSISTANCE FOR LOW-INCOME UNINSURED PATIENTS

California hospitals are responding to the needs of low-income uninsured and underinsured patients:

- Ninety-one percent of hospitals reported that they offer both full and partial charity care write-offs to eligible low-income patients, with eight percent of hospitals offering a 100 percent write-off. Only a very small number of hospitals (1.2 percent) offer only discount pricing to eligible low-income patients.
- Fifty percent of hospitals exceed CHA’s Voluntary Principles and Guidelines for offering financial assistance to patients whose income is at or below 300 percent of the federal poverty level. This means that many patients who cannot qualify for government programs can qualify for hospital-based low-income assistance programs.

Specifically, hospitals used the following federal poverty level (FPL) ranges in offering charity care:

- 100% – 199%: 9% of hospitals
- 200% – 299%: 36% of hospitals
- 300% – 399%: 17% of hospitals
- Greater than 400%: 33% of hospitals
- Not based on FPL: 5% of hospitals

Public Notification

More than 90 percent of hospitals are improving their efforts to inform the public about their charity care programs:

- Eighty percent of hospitals have posted signage regarding their charity care programs in the admitting, registration and emergency departments.
- Of the hospitals that have posted public notices, 74 percent have done so in multiple languages.
- Fifty-three percent of hospitals utilize patient billing statements to communicate the existence of financial assistance policies. Clearly, there is still room for improvement in this area, but the fact that more than half of the hospitals have begun utilizing patient billing statements in this manner shows progress in utilizing this channel of communication.

Internal Training

An important component in implementing a hospital’s charity care program is the training of key hospital staff:

- Eighty-four percent of hospitals have provided specialized employee training. Included in these educational efforts have been employees working in registration and admitting, financial counseling, billing and collection, accounting, discharge planning, and senior management.
Collection Practices

California hospitals are working to implement responsible collection practices:

- More than 90 percent of hospitals do not send patient accounts to a collection agency during the time that eligibility for either a governmental program or the hospital's own internal charity care program is being determined.

- Nearly 80 percent have taken the important step of communicating their mission and charity care policies to collection agencies.

- Sixty-three percent of hospitals have created contractual obligations for collection agencies to adhere to, based on the hospital's mission, charity care policies and practices. However, more work is needed to ensure that collection agencies are contractually obligated to follow these guidelines.

More than 85 percent of hospitals do not use liens on primary residences or wage garnishments as a means of collecting from low-income patients.

WHEN LIFE THROWS A CURVE BALL

Former nurse and real estate agent, Gayle Laval, never had to worry about being without medical insurance. Aside from routine doctor visits, she was healthy and rarely needed medical attention.

A devastating divorce changed everything. Suddenly, the 55-year-old Sebastopol resident was faced with extra bills, a mortgage payment—and no health insurance. Self-employed, she struggled to make ends meet.

“I was very worried about how I was going to pay for the surgery. ...Suddenly I found myself as one of those people who falls through the cracks.”

Months after her divorce, Gayle started having unusual coughing and choking episodes. Seeking care at a local clinic, she underwent a series of tests. That’s when she discovered that she had multiple tumors constricting her esophagus and windpipe and needed surgery.

“I was very worried about how I was going to pay for the surgery. For most of my life, I paid into the system, and suddenly I found myself as one of those people who falls through the cracks.”

After her diagnosis, Gayle wrote a letter to Sutter Medical Center of Santa Rosa, where the procedure would be performed.

“I wanted to let them know about my situation. I was uninsured and was also helping to support my daughter and grandchild. I simply could not afford a pricey hospital bill, but desperately needed this surgery.”

Through the Sutter Medical Center of Santa Rosa’s charity care program, the hospital covered the majority of her $36,000 medical bill. Today, after a successful surgery, Gayle has regained her health.

“I am so incredibly thankful for the financial support and the good care I received at Sutter Santa Rosa. This was a blessing. It restored my hope and, more importantly, made me healthy.”
Hospitals nationwide are being asked to increase the amount of free or reduced-price care they offer to uninsured patients. Most hospitals have had charity care and sliding-scale payment policies in place for decades, but many hospitals are now taking a fresh look at their charity care policies to ensure that they meet the heightened expectations of the public.

A case in point is Loma Linda University Medical Center in San Bernardino County. Loma Linda is a 789-bed research and academic medical center affiliated with the Adventist Health System. The hospital’s mission to “continue the healing ministry of Jesus Christ and to make man whole” is the guiding principle underlying its policies to help uninsured and underinsured patients pay for their care.

Although Loma Linda has had financial assistance policies in place for years, in April 2004 the hospital undertook a comprehensive, year-long process of re-evaluating its policies and procedures for assisting low-income uninsured patients. Central to Loma Linda’s evaluation process was the goal of incorporating the California Hospital Association’s (CHA) Voluntary Principles and Guidelines for Assisting Low-Income Uninsured Patients.

Loma Linda hired an outside consulting firm to review the hospital’s existing procedures and to draft a new policy with related application forms and an implementation plan. Loma Linda officials then began an exhaustive effort to overhaul the hospital’s registration and billing and collection procedures.

The hospital built a new computer database to automate the determination of charity care eligibility and keep statistics. The hospital also created new signage promoting the hospital’s charity care policy. The signs are in both English and Spanish, and are on display in all 19 registration areas throughout the hospital campus.

Hospital personnel spent more than 400 hours drafting Loma Linda’s updated charity care policy, using the consultant’s recommendations as a starting point. This work included developing a self-pay discount policy and rate schedules. To ensure that Loma Linda can continue to meet its mission and continue serving the needs of its community, the hospital adopted CHA’s recommended policy of providing charity care or discounted self-pay care for those individuals whose income is at 300 percent of the federal poverty level (FPL) or below.

Loma Linda officials then embarked on a comprehensive training program for all hospital staff involved in discussing financial arrangements with patients. All registration and billing and collection employees were put through this training, as were case management personnel, social services staff, patient relations employees and home care workers.
Loma Linda has estimated that it cost the hospital approximately $1 million in start-up costs to implement the revised charity care program. The hospital has hired eight new full-time employees in the hospital’s financial assistance department and reassigned three other staffers from within the hospital, bringing the total number of employees who process applications and communicate with patients to 13. Additionally, the hospital has placed six new financial assistance employees in the emergency department to assist patients after treatment is completed, one new worker in the admitting office and one new staff member in the business office.

The hospital is now in the process of developing new contracts with its outside collection agencies. These new contracts will incorporate Loma Linda’s revised charity care and self-pay policies and recommendations from CHA’s Voluntary Principles and Guidelines. This includes formalizing an existing ban on placing liens on primary residences for unpaid hospital bills.

Loma Linda also will not knowingly authorize a collection agency to garnish a patient’s wages unless there is clear documentation that the patient has the financial means to pay for his/her care and has simply chosen not to do so.

CONTINUING A TREND

The efforts undertaken in the past year by Loma Linda University Medical Center are not unique. Hospitals large and small across California have been evaluating and updating their charity care and discount payment policies. They are investing large amounts of time, money and resources to balance the needs of patients who truly cannot afford to pay for their care with the hospital’s ability to stay solvent and continue caring for all patients in the community.

A hospital’s job—first and foremost—is to provide care to anyone who needs it. Loma Linda University Medical Center is but one example of a hospital balancing its mission and its financial needs to serve those who seek care.
CONCLUSION

California hospitals exist, first and foremost, to care for patients in times of need. They provide charity care as a benefit to their communities. Hospitals take seriously their mission and their values as they seek to improve the billing and collection procedures utilized for low-income uninsured patients.

CHA’s Voluntary Principles and Guidelines are being implemented at hospitals across the state to address the needs of the most vulnerable patients in our society. These steps include:

- Prohibiting wage garnishments and liens on primary residences;
- Working respectfully with patients to determine eligibility for financial assistance;
- Offering full and partial charity care write-offs; and
- Providing eligibility programs more generous than governmental programs.

Most hospitals adhere to charity care guidelines that best meet local needs. More can and must still be accomplished in the areas of internal training and awareness, as well as better communication with patients.

As California’s hospitals strain daily to care for the 10 million uninsured or underinsured, charity care cannot be addressed separately from the other issues facing the state’s health care system.

In the meantime, CHA and its member hospitals remain committed to assisting low-income uninsured patients through well-communicated and appropriately implemented discount payment and charity care programs.
VOLUNTARY PRINCIPLES AND GUIDELINES FOR ASSISTING LOW-INCOME UNINSURED PATIENTS
CALIFORNIA HOSPITAL
BILLING AND COLLECTION PRACTICES

Voluntary Principles and Guidelines for Assisting Low-Income Uninsured Patients

Adopted by the CHA Board of Trustees on February 6, 2004

California hospitals are on the front lines—delivering high-quality health care to millions of people every day. They operate around-the-clock emergency rooms and trauma centers, offer the latest medical technologies and save lives every hour of every day. By mission and by law, hospitals provide care to anyone who needs help, regardless of their ability to pay.

Unfortunately, California’s health care system is fragmented—with millions of people unable to afford the health care services they need. Nearly 7 million Californians—one out of every five people—have no health insurance, and another 3 million residents are underinsured. California hospitals provide nearly $4 billion annually in uncompensated care.¹

While some uninsured individuals have the financial resources to pay for the health care services they need, many do not. The financial challenges faced by the growing number of low-income uninsured are real. Ultimately, the only true solution to this problem is for all Californians to have a basic level of health insurance coverage available to them, and for governmental and private payers to pay hospitals the true cost of providing care.

In the absence of universal health care coverage and adequate funding, California hospitals must find the financial resources to serve low-income uninsured patients. Unfortunately, a confusing array of governmental laws, rules and regulations currently make it difficult for hospitals to respond to the needs of those patients who truly cannot afford the health care services they receive.

Regulatory reform is needed to enable hospitals to effectively respond to the individual needs of low-income uninsured patients. CHA anticipates that the U.S. Department of Health and Human Services will shortly provide guidance on how hospitals across the country can appropriately bill the uninsured.² CHA will provide further information as it becomes available, and will make any revisions that may be necessary to these Voluntary Principles and Guidelines.

In the meantime, CHA urges its member hospitals to adopt the following principles and guidelines to better meet the needs of those patients who truly cannot afford the health care services they receive.

¹ At the end of 2004, the amount of uncompensated care provided by California hospitals had risen to more than $6.5 billion.
² On February 19, 2004, the U.S. Department of Health and Human Services issued guidance to hospitals allowing them to provide discounts to uninsured and underinsured patients without violating federal anti-kickback statutes.
PRINCIPLES

California hospitals are united in providing care based on the following principles:

- Fear of a hospital bill should never prevent any Californian from seeking emergency health care services.

- Each hospital should have financial assistance policies that are consistent with the mission and values of the hospital. These policies, which should be broadly communicated, should reflect a commitment to provide financial assistance to patients who cannot pay for part or all of the care they receive.

- Financial assistance policies must balance a patient’s need for financial assistance with the hospital’s broader fiscal responsibilities.

- All patients should be treated fairly, with dignity, compassion and respect.

- Debt collection policies—by both the hospital and its external collections agencies—must reflect the mission and values of the hospital.

- Financial assistance provided by the hospital is not a substitute for personal responsibility. All patients should be expected to contribute to the cost of their care, based upon their individual ability to pay.

GUIDELINES

Financial Assistance Policies for Low-Income Uninsured Patients

- Each hospital should maintain understandable, written financial assistance policies for low-income uninsured patients, addressing both the hospital’s charity care policy, as well as its discount payment policy for the low-income uninsured.

- Each hospital’s financial assistance policies should clearly state the eligibility criteria (i.e., income, assets) and the process used by the hospital to determine whether a patient is eligible for financial assistance. Such process should take into account where and how far a particular patient falls relative to existing federal poverty levels (FPL).

- Patients who are at or below 300 percent of the FPL are eligible to apply for financial assistance under each hospital’s charity care policy or discount payment policy.

- Absent any regulatory prohibition, each hospital should limit expected payments from these patients eligible for financial assistance to amounts that do not exceed the payment the hospital would receive from Medicare, other government sponsored health programs, or as otherwise deemed appropriate by the hospital.

3 “Low-income uninsured patient” is defined as a patient who is at or below 300 percent of the federal poverty level (FPL). In 2005, 300 percent of FPL was $58,050 for a family of four.
Hospitals should use their best efforts to ensure all financial assistance policies are applied consistently.

In determining a patient’s eligibility for financial assistance, hospitals should assist the patient in determining if he/she is eligible for government-sponsored programs.

**Communication of Financial Assistance Policies with Patients and the Public**

- Each hospital should post notices regarding the availability of financial assistance to low-income uninsured patients. These notices should be posted in visible locations throughout the hospital such as admitting/registration, billing office, emergency department and other outpatient settings.

- Every posted notice regarding financial assistance policies should contain brief instructions on how to apply for charity care or a discounted payment. The notices also should include a contact telephone number that a patient or family member can call to obtain more information.

- Hospitals should ensure that appropriate staff members are knowledgeable about the existence of the hospital’s financial assistance policies. Training should be provided to staff members (i.e., billing office, financial department, etc.) who directly interact with patients regarding their hospital bills.

- When communicating to patients regarding their financial assistance policies, hospitals should attempt to do so in the primary language of the patient, or his/her family, if reasonably possible, and in a manner consistent with all applicable federal and state laws and regulations.

- Hospitals should share their financial assistance policies with appropriate community health and human services agencies and other organizations that assist such patients.

**Billing and Collection Practices**

- Hospitals should have written policies about when and under whose authority patient debt is advanced for collection, and should use their best efforts to ensure that patient accounts are processed fairly and consistently.

- Hospitals should define the standards and scope of practices to be used by their outside (non-hospital) collection agencies, and should obtain written agreements from such agencies that they will adhere to such standards and scope of practices.
At time of billing, hospitals shall provide to all low-income uninsured patients the same information concerning services and charges provided to all other patients who receive care at the hospital.

When sending a bill to a patient, hospitals should include a) a statement that indicates that if the patient meets certain income requirements the patient may be eligible for a government-sponsored program or for financial assistance from the hospital; and b) a statement that provides the patient with the name and telephone number of a hospital employee or office from whom or which the patient may obtain information about the hospital's financial assistance policies for patients and how to apply for such assistance.

Any patient seeking financial assistance from the hospital (or the patient's legal representative) shall provide the hospital with information concerning health benefits coverage, financial status and any other information that is necessary for the hospital to make a determination regarding the patient's status relative to the hospital's charity care policy, discounted payment policy, or eligibility for government-sponsored programs.

For patients who have an application pending for either government-sponsored coverage or for the hospital's own charity care and financial assistance program, a hospital should not knowingly send that patient's bill to a collection agency prior to 120 days from time of initial billing.

If a patient qualifies for assistance under the hospital's financial assistance policy and is reasonably cooperating with the hospital in an effort to settle an outstanding bill, the hospital should not send the unpaid bill to any outside collection agency if the hospital knows that doing so may negatively impact a patient's credit.

The hospital or outside collection agency operating on behalf of the hospital shall not, in dealing with low-income uninsured patients, use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills. This requirement does not preclude hospitals from pursuing reimbursement from third party liability settlements or tortfeasors or other legally responsible parties.

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4 "Collection agency" is defined as an outside, non-hospital agency engaging in bad-debt collection activities as opposed to an outside agency simply carrying out the hospital's normal billing function.
Eligibility for charity care and discount payments may be determined at any time the hospital is in receipt of all the information needed to determine the patient's eligibility for its financial assistance policies.

Any extended payment plans offered by a hospital to assist low-income uninsured patients in settling past due outstanding hospital bills shall be interest-free.

**Implementation of Voluntary Principles and Guidelines**

Most California hospitals have been using responsible guidelines for years as they work with uninsured patients who have limited financial resources. To the extent that changes are necessary, however, it understandably may take several months to retool billing and information systems to be in full compliance with these guidelines. Nonetheless, California hospitals are committed to be in full compliance with these Voluntary Principles and Guidelines by the end of 2004.
APPENDIX
SURVEY RESULTS
SURVEY RESULTS

1. Has your hospital board of directors adopted a new or revised policy for assisting the low-income uninsured since January 1, 2004?
   
   YES......129       NO......24       N/A...........6

1A. If the answer to the question above is YES, is the new or revised policy for assisting the low-income uninsured consistent with the CHA Principles and Guidelines for charity care?
   
   YES......126       NO.........2       N/A...........1

1B. If the answer to the question above is NO, is hospital management planning on presenting the hospital board of directors with a new or revised policy for assisting the low-income uninsured during 2005?
   
   YES.......11        NO......14        N/A......134

   Note that Question 1B had a combined total of 25 YES and NO responses. This total differs from the number of NO responses in Question 1 by one additional response. This difference was likely due to respondent error.

2. What kind of assistance is provided by the hospital’s policy for assisting the low-income uninsured?

   Charity care (write-off 100% of charges)..........................13
   Discounted charges (write-off a percentage of charges).........2
   Both charity care and discounted charges.........................144
   Do not provide charity care or discounted charges..............0
3. If your hospital’s policy for assisting the low-income uninsured uses the federal poverty level (FPL) guidelines as a standard for patient eligibility, please indicate the level used for basic qualification:

- 100% – 199% ........... 14
- 200% – 299% ........... 56
- 300% – 399% ........... 27
- Greater than 400% ..... 51
- Not based on FPL ...... 8
- No Response ........... 3

4. Does your hospital inform the public about its program for assisting low-income uninsured patients?

- YES......147  NO......9  N/A......3

5. If the hospital does inform the public about its program for assisting low-income uninsured patients, which of the following methods are used?

The number of hospitals indicating the use of each means is identified in association with each method below. Please note that 147 hospitals indicated that they do inform the public about programs for assisting low-income uninsured patients.

- Upon patient request....................................................................................137
- Written materials provided to all patients upon registration .................... 80
- Public notice postings in the admitting area.............................................118
- Public notice postings in the emergency room.........................................116
- Public notice postings in hospital on-site outpatient registration areas..........................................................100
- Public notice postings in hospital off-site outpatient registration areas.............................................................................43
- Public notice postings at community-based organization locations .......... 4
- Public service announcements in local media.................................................4
- Through public speaking engagements to service groups or community-based organizations.........................................................20
- Other methods ...............................................................................................49
6. If public notices are utilized, are they provided in multiple languages?

   YES......118  NO......10  N/A......31

6A. If the answer to the question above is YES, please specify the languages in which postings are available:

   The number of hospitals indicating the use of each language is identified in association with each one below. Please note that there were 118 respondents to Question 6 that indicated notices are posted in multiple languages.

   English............118  Tagalog......29
   Spanish...........116  Korean......32
   Chinese............34  Hmong......29
   Vietnamese.......32  Other..........33

7. Which of the following items are included in or on the patient's billing statement?

   The number of hospitals indicating the use of each statement message is identified in association with the specific statement language shown below. Please note that 159 hospitals responded to Question 7.

   A detailed statement of charges for services rendered .........................84
   A request that the patient inform the hospital if the patient has health insurance coverage or coverage under a government health program...........95
   A statement that informs patients that if they do not have health insurance coverage, they may be eligible for coverage under a government health program.........................................................66
   A statement that informs patients that if they do not have health insurance coverage, they may be eligible for coverage under the hospital's low-income uninsured assistance program.............................85
   A statement indicating how the patient may obtain the necessary information and/or forms for seeking eligibility for coverage under a government health program..................................................50
   A statement indicating how the patient may obtain the necessary information and/or forms for seeking eligibility for coverage under the hospital's low-income uninsured assistance program .....................78
   None of the above ......................................................................................11
8. Which types of services and patient accounts are covered by the hospital's low-income assistance program?

The number of hospitals indicating which types of services and patient accounts are identified in association with the specific service or account type shown below. Please note that 159 hospitals responded to Question 8.

- Inpatient Services (Yes) ............. 155
- Rehabilitation Services (Yes) .......... 67
- Outpatient Services (Yes) ............. 152
- Self-Pay/Private Accounts (Yes) ........ 151
- Psychiatric Services (Yes) ............. 88
- Co-Pay and Deductibles (Yes) ........... 106
- Skilled Nursing Services (Yes) .......... 53
- Denied Charges (Yes) ................. 73
- Home Health Services (Yes) .......... 50
- None of the Above. (Yes) ............. 0

9. Does the hospital send patient accounts to an outside collection agency when the patient’s account is pending a decision for coverage by a government-sponsored program?

YES ...... 14
NO ...... 143
N/A ...... 2

9A. If the answer to the previous question is YES, at what age of the account is it sent out for collection?

It should be noted that only 14 hospitals answered YES to Question 9. In addition, two hospitals did not indicate a response, bringing the total for answers other than NO to 16. However, a total of 17 hospitals responded to Question 9A. These responses are shown below.

Before 90 Days ........... 2
90 – 119 Days ........... 2
120 – 149 Days ........... 6
150 – 179 Days ........... 0
After 180 Days ........... 7

10. Does the hospital send patient accounts to an outside collection agency when the patient’s account is pending eligibility determination under the hospital’s low-income uninsured assistance program?

YES ........ 4
NO ...... 150
N/A ...... 5
10A. If the answer to the previous question is YES, at what age of the account is it sent out for collection?

It should be noted that only four hospitals answered YES to Question 10. In addition, five hospitals did not indicate a response, bringing the total for answers other than NO to nine. However, a total of seven hospitals responded to Question 10A. These responses are shown below.

Before 90 Days ............0
90 – 119 Days ............0
120 – 149 Days............4
150 – 179 Days............0
After 180 Days.........3

11. Has the hospital provided its collection agencies with its policy for assisting low-income uninsured patients, along with the hospital's mission statement that is to be used by the collection agencies when communicating with the hospital's patients?

YES......125       NO.......24       N/A......10

12. Have the hospital's outside collection agencies formally agreed to adhere to the hospital's policy for assisting low-income uninsured patients when carrying out its collection policies and practices as part of their contractual obligation to the hospital?

YES.......92        NO.......47        N/A......20

13. Does the hospital allow the use of wage garnishments when trying to collect bills from low-income uninsured patients?

YES.......14        NO.....138        N/A.....7

14. Does the hospital allow the use of liens on primary residences when trying to collect bills from low-income uninsured patients?

YES.......18        NO.....134        N/A.....7
15. Does the hospital’s low-income uninsured assistance program provide for an annual limit on the amount an eligible patient must pay for hospital care?

   YES......19   NO......134   N/A......6

16. Has the hospital provided special education or training to employees regarding the hospital’s low-income uninsured assistance program?

   YES......134   NO......20   N/A......5

17. If education has been provided, which employees have received such training? Please indicate all that may apply:

   The number and types of employees who received specialized training related to the low-income assistance program are listed by each employee type as shown below. Please note that 159 hospitals responded to Question 17.

   Registration/Admitting.............132
   Financial Counselor.................137
   Patient Advocate.....................76
   Interpreter................................21
   Accounting..............................67
   Billing.................................125
   Collections............................134
   Discharge Planning....................55
   Nursing.................................12
   Department Directors...............47
   Senior Management..................104
   Other Classes of Employees.......17
18. If training is provided, how frequently is training offered? Please indicate which answer is most representative:

- Annually........................................74
- Every Six Months...........................5
- New Employees............................16
- Other............................................ 43
- No Response.................................... 21

19. Does your hospital use an outside organization or collection agency to assist in determining eligibility for your hospital's financial assistance policies for the low-income uninsured?

- YES........86
- NO......68
- N/A......5

20. Are accounts written-off to bad debt when they are turned over to a collection agency?

- YES......143
- NO......13
- N/A.....3
The following California hospitals have signed the joint California Hospital Association (CHA) and American Hospital Association (AHA) “Commitment to Commitment” to assist low-income uninsured patients with hospital bills:

Adventist Health/Vallejo General Hospital
Adventist Health/Feather River Hospital
Adventist Health/Herford Community Medical Center
Adventist Health/Siskiyou Regional Community Hospital
Adventist Health/Stanford Hospital & Center for Behavioral Health
Adventist Health/San Joaquin Community Hospital
Adventist Health/Selma Community Hospital
Alamedia Hospital
Alhambra Hospital Medical Center
Alta Bates Summit Medical Center
Alta Bates Summit Medical Center — Summit Campus
Alvarado Hospital Medical Center
Anaheim Memorial Hospital
Antelope Valley Hospital
Arroyo Grande Community Hospital
Aurora Behavioral HealthCare—Center Oak
Bakersfield Memorial Hospital
Banner Lassen Medical Center
Barlow Respiratory Hospital
Barton Memorial Hospital
Brotman Medical Center
California Hospital Medical Center
California Pacific Medical Center
Catalina Island Medical Center
 Cedars-Sinai Medical Center
Centinela Freeman Regional Medical Center, Centinela
Centinela Freeman Regional Medical Center, Marina Campus
Centinela Freeman Regional Medical Center, Memorial Campus
Chapman Medical Center
Children’s Hospital and Health Center
Children’s Hospital and Research Center at Oakland
Children’s Hospital at Mission
Children’s Hospital Central California
Children’s Hospital Los Angeles
Children’s Hospital of Orange County
Chinese Hospital
Chino Valley Medical Center
Citrus Valley Medical Center
 — Inter-Community Campus
Citrus Valley Medical Center — Queen of the Valley Campus
City of Hope National Medical Center
Coalga Regional Medical Center
Coastal Communities Hospital
College of the Canyons Health Centers
College Hospital—Casa Mesta
Colorado River Medical Center
Colusa Regional Medical Center
Community Hospital of San Bernardino
Community and Mission Hospitals of Huntington Park
Community Hospital of Long Beach
Community Hospital of Los Gatos
Community Hospital of the Monterey Peninsula
Community Medical Centers—Clays
Community Medical Hospital of San Buenaventura
Community Regional Medical Center
Continental Rehabilitation Hospital of San Diego
Contra Costa Regional Medical Center
Corcoran District Hospital
Corona Regional Medical Center
Dameron Hospital
Delano Regional Medical Center
Desert Regional Medical Center
Doctors Hospital Medical Center of Montclair
Doctors Hospital of Manteca
Doctors Hospital Medical Center of Modesto
 Doctors Hospital Medical Center San Pablo/Pinole
Dominican Hospital
Eastern Plumas Healthcare District
Eden Medical Centers
Edgemoor Hospital
Eisenhower Medical Center and Betty Ford Center at Eisenhower
El Camino Hospital
El Centro Regional Medical Center
Emanuel Medical Center
Encino-Tarzana Regional Medical Center
Encino Campus
Encino-Tarzana Regional Medical Center, Tarzana Campus
Enloe Medical Center
Fairchild Medical Center
Foothill Presbyterian Hospital
Fountain Valley Regional Medical Center and Medical Center
Frank R. Howard Memorial Hospital/Adventist Fremont Medical Center
French Hospital Medical Center
Garden Grove Hospital Medical Center
Garfield Medical Center
Gateway Hospitals and Mental Health Center
Glendale Adventist Medical Center/Adventist Health
Glendale Memorial Hospital and Health Center
Glenn Medical Center
Goleta Valley Cottage Hospital
Good Samaritan Hospital—Bakersfield
Good Samaritan Hospital—Los Angeles
Good Samaritan Hospital—San Jose Greater El Monte Community Hospital
Healdsburg District Hospital
HEALTHSouth Bakersfield Rehabilitation Hospital
HEALTHSouth Tustin Rehabilitation Hospital
Hemet Valley Medical Center
Henry Mayo Newhall Memorial Hospital
Hi-Desert Medical Center
Hoag Memorial Hospital Presbyterian
Hollywood Presbyterian Medical Center
Huntington Beach Hospital
Huntington Memorial Hospital
Irvin Regional Hospital and Medical Center
Jerald Phelps Community Hospital
John F. Kennedy Medical Hospital
John Muir Medical Center
Kaiser Permanente Orange County
Kaiser Permanente Santa Teresa Medical Center
Kaiser Permanente Baldwin Park
Kaiser Permanente Bellflower
Kaiser Permanente Fontana
Kaiser Permanente Fresno Medical Center
Kaiser Permanente Hayward/Fremont Medical Center
Kaiser Permanente Los Angeles
Kaiser Permanente Manatee
Kaiser Permanente Medical Care Program San Diego
Kaiser Permanente Oakland/Richmond Medical Center
Kaiser Permanente Panorama City
Kaiser Permanente Redwood City Medical Center
Kaiser Permanente Riverside
Kaiser Permanente Sacramento/Roseville
Mercy Medical Center
Kaiser Permanente San Francisco Medical Center
Kaiser Permanente San Rafael Medical Center
Kaiser Permanente Santa Clara Medical Center
Kaiser Permanente Santa Rosa Medical Center
Kaiser Permanente Santa Teresa Medical Center
Kaiser Permanente South Bay
Kaiser Permanente South Sacramento Medical Center
Kaiser Permanente South San Francisco Medical Center
Kaiser Permanente Vallejo Medical Center
Kaiser Permanente Walnut Creek Medical Center
Kaiser Permanente West Los Angeles
Kaiser Permanente Woodland Hills
Kaweah Delta Health Care District
Kern Medical Center
Kern Valley Healthcare District
Kinder Medical Hospital—Ontario
Kinder Medical Hospital—San Francisco Bay Area
La Palma Intercommunity Hospital
Los Angeles County—Habor-UCLA Medical Center
Los Angeles County—King-Drew Medical Center
Los Angeles County—Olive View-UCLA Medical Center
Los Angeles County— USC Medical Center
Laguna Honda Hospital and Rehabilitation Center
Lakeview Regional Medical Center
Lodi Memorial Hospital
Loma Linda University Medical Center
Lompoc Healthcare District
Long Beach Memorial Medical Center
Los Amigos Medical Center
Los Robles Hospital Medical Center
Lucile Salter Packard Children's Hospital at Stanford
Marin Medical Center
Marin General Hospital
Mark Twain St. Joseph's Hospital
Marshall Medical Center
Memorial Hospital Los Banos
Memorial Medical Center
Menlocoast District Hospital
Menlo Medical Center
Mercy General Hospital, Sacramento
Mercy Hospital, Bakersfield
Mercy Hospital of Felton
Mercy Medical Center Merced—Community Campus
Mercy Medical Center Merced—Dominican Campus
Mercy Medical Center Mount Shasta
Mercy Medical Center Redding
Mercy San Juan Medical Center
Methodist Hospital of Sacramento
Methodist Hospital of Southern California
Miller Children’s Hospital
Millis-Peninsula Health Services
Mission Community Hospital-San Fernando Campus
Mission Hospital
Monterey Park Hospital
Moreno Valley Community Hospital
Mt. Diablo Medical Center
Mt. Diablo Medical Pavilion
Mountain Community Medical Services
Natividad Medical Center
NorthBay Medical Center
NorthBay Valley Healthcare
Northern Inyo Hospital
Northridge Hospital Medical Center
Norwalk Medical Center
Novato Community Hospital
Oak Valley Hospital District
O’Connor Hospital
Ojai Valley Hospital Community Hospital
Olympia Medical Center
Orange Coast Memorial Medical Center
Orville Hospital
Orthoopedic Hospital
Pacific Medical Center
Park Medical Center
Palm Desert Hospital
Palos Verdes Hospital
Palomar Medical Center
Paradise Valley Hospital/Adventist Health
Petaluma Valley Hospital
Pioneers Memorial Healthcare District
Placentia-Linda Hospital
Plumas District Hospital
Pomerado Hospital
Pomona Valley Hospital
Presbyterian Intercommunity Hospital
Promise Hospital of East Los Angeles,
Suburban Medical Center Campus
Province Holy Cross Medical Center
Province Saint Joseph Medical Center
Province—Little Company of Mary Service Area
Quail Valley Hospital
 Rancho Los Amigos National Rehabilitation Center
Redlands Community Hospital
Redwood Memorial Hospital
Regional Medical Center of San Jose
Rehabilitation Institute at Santa Barbara
Reideout Memorial Hospital
Ridgecrest Regional Hospital
Riverside Community Hospital
Riverside County Regional Medical Center
Saddleback Memorial Medical Center— Laguna Hills
San Joaquin Memorial Medical Center— San Clemente Campus
Saint Agnes Medical Center
Saint Bernardine Medical Center
St. Bonifacius Hospital
St. Elizabeth Community Hospital
St. Francis Medical Center
Saint Francis Memorial Hospital
Saint John’s Medical Center
St. John's Pleasant Valley Hospital
St. John’s Regional Medical Center
St. Joseph Hospital—Eureka
St. Joseph Hospital—Orange
St. Joseph's Behavioral Health Center
St. Joseph's Medical Center
St. Joseph Memorial Hospital
Saint Louise Regional Hospital
St. Luke's Hospital
St. Mary Medical Center—Apple Valley
St. Mary Medical Center—Long Beach
St. Mary’s Medical Center—San Francisco
St. Rose Hospital
St. Vincent Medical Center
Salinas Valley Memorial Healthcare System
San Diego Hospice & Palliative Care
San Diego Jewish Healthcare System
San Francisco General Hospital Medical Center
San Gabriel Valley Medical Center
San Gorgonio Memorial Hospital
San Joaquin Behavioral Health
San Joaquin Valley Rehabilitation Hospital
San Leandro Hospital
San Pedro Peninsula Hospital
San Ramon Regional Medical Center
Santa Barbara Cottage Hospital
Santa Clara Valley Medical Center
Santa Rosa Memorial Hospital
Santa Rosa Valley Cottage Hospital
Scrpps Green Hospital
Scrpps Memorial Hospital Encinitas
Scrpps Memorial Hospital La Jolla
Scrpps Mercy Hospital Chula Vista
Scrpps Mercy Hospital San Diego
Seneca Healthcare District
Sequoia Hospital
Seton Medical Center
Seton Medical Center—Coastside
Sharp Chula Vista Medical Center
Sharp Grossmont Hospital
Sharp Metropolitan Medical Center
Shasta Rehabilitation and Hospital
Sherman Oaks Hospital and Health Center
Sierra Nevada Memorial Hospital
Sierra View District Hospital
Sierra Vista Regional Medical Center
Sierra-Kings District Hospital
Simi Valley Hospital/Adventist Health
Sonoma Valley Hospital
Sonoma Regional Medical Center/Adventist Health
South Coast Medical Center/Adventist Health
Southern Inyo Healthcare District
Stanford Healthcare
Surprise Valley Health Care District
Sutter Amador Hospital
Sutter Auburn Faith Hospital
Sutter Butte Hospital
Sutter Coast Hospital
Sutter Davis Hospital
Sutter Delta Medical Center
Sutter Lake Tahoe Hospital
Sutter Maternity and Surgery Center of Santa Cruz
Sutter Medical Center of Santa Rosa
Sutter Medical Center—Sacramento
Sutter Roseville Medical Center
Sutter Solano Medical Center
Sutter Tracy Community Hospital
Tahoe Forest Hospital
Tehachapi Valley Healthcare District
Temple Community Hospital
Torrance Memorial Medical Center
Tri-City Medical Center
Tri-City Regional Medical Center
Tulare District Healthcare System
Turlock General Hospital
Tustin Hospital and Medical Center
Twin Cities Community Hospital
Ukiah Valley Medical Center/Adventist Health
University Medical Center (Fresno)
University of California Davis Medical Center
University of California Irvine Medical Center
University of California Los Angeles Medical Center
University of California Los Angeles Neuropsychiatric Institute & Hospital
University of California San Diego Healthcare
University of California—UCSF Medical Center
USC University Hospital
USC/Norris Comprehensive Cancer Center
Vanguard Medical Center
 Verdugo Hills Hospital
Washington Township Health Care District
West Anaheim Medical Center
West Hills Hospital and Medical Center
Western Medical Center—Anaheim
Western Medical Center—Santa Ana
White Memorial Medical Center/Adventist Health
Whiter Memorial Hospital Medical Center
Woodland Healthcare