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Last Approved	11/2025
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Policy Area	Patient Accounting

## Charity Care Policy

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### POLICY

It is the policy of St. Rose Hospital to provide charity care, consistent with this policy, in the form of free Medically Necessary Care to eligible:

1. Self-Pay Patients (Charity Care); and
2. Patients with High Medical Costs (High Medical Cost Charity Care)

St. Rose Hospital also provides discounted care to eligible Self-Pay Patients who do not otherwise qualify for Charity Care and provides reasonable payment plans to patients. Further information about Charity Care, Discounted Care and St. Rose Hospital's policies can be found at: <https://www.StRoseHospital.org>

Any modification of this policy must be approved in writing by St. Rose Hospital's Board of Directors.

### PURPOSE

This policy is intended to:

1. Define the forms of available Charity Care and the associated eligibility criteria;
2. Establish the processes that patients shall follow in applying for Charity Care and the process St. Rose Hospital will follow in reviewing applications for Charity Care;

3. Provide a means of review in the event of a dispute over a Charity Care determination; and
4. Provide administrative and accounting guidelines to assist with identifying, classifying and reporting Charity Care.

This Charity Care Policy along with St. Rose Hospital's Discounted Care Policy and Debt Collection Policies is intended to comply with Section 501(r) of the Internal Revenue Code (IRC) as enacted by the Affordable Care Act, and the implementing regulations, effective for tax years beginning after December 29, 2015 as well as the State of California's Hospital Fair Pricing Policies (Health & Safety Code §§ 127400 to 127446), Emergency Physician Fair Pricing Policies (Health & Safety Code §§ 127450 to 127462), and the Consumer Credit Reporting Agencies Act, as applicable, and Office of Inspector General, Department of Health and Human Services (OIG) guidance regarding financial assistance to uninsured and under-insured patients.

This Charity Care Policy has been updated to implement the changes provided for by AB 2297 and SB 1061 and ensure compliance with all applicable laws.

## GENERAL INFORMATION

- A. **Scope of Policy:** This policy does not create an obligation for St. Rose Hospital to pay for charges of physicians or other medical providers including anesthesiologists, radiologists, emergency department physicians, pathologists, etc., not included in the hospital bill.
- B. **Emergency Department Physicians:** An emergency physician, as defined in California Health & Safety Code § 127450, who provides emergency medical services at St. Rose Hospital is also required by law to provide discounts to uninsured patients or patients with high medical costs who are at or below 400 percent of the federal poverty level. This statement shall not be construed to impose any additional responsibilities upon St. Rose Hospital.

## DEFINITIONS

- A. **Family Income:** The annual earnings of all members of the Patient Family from the prior twelve (12) months or prior tax year as shown by recent pay stubs or income tax returns, less payments made for alimony or child support. Family Income may be determined by annualizing year-to-date income, giving consideration for current earning rates and changes in circumstances. Except as may be required for waiver or reduction of Medicare or Medi-Cal cost sharing amounts, St. Rose Hospital shall not consider the monetary assets of the Patient Family when determining the Family Income or eligibility for Charity Care.
- B. **Federal Poverty Level:** means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. The Federal Poverty Level guidelines for 2024 are attached as **Exhibit A** and **Exhibit A** will be updated once the guidelines for 2025 are available.
- C. **Financially Qualified Patient:** A Financially Qualified Patient is a patient who is both of the following: (i) a Self-Pay Patient or a Patient with High Medical Costs; and (ii) a patient whose Family Income does not exceed 400% of the Federal Poverty Level.
- D. **Charity Care:** A complete (100%) write off of the gross billed/undiscounted charges for Medically Necessary Care provided by St. Rose Hospital for a Self-Pay Patient who is a Financially Qualified Patient.
- E. **High Medical Costs:** High Medical Costs means any of the following:
- I. Annual out-of-pocket costs incurred by the individual at St. Rose Hospital that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months. Out-of-pocket costs means ant expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.

2. Annual out-of-pocket expenses that exceed 10% of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months. Out-of-pocket expenses means any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing
- F. **High Medical Cost Charity Care:** A complete (100%) write off of any remaining balance of St. Rose Hospital's gross billed/undiscounted charges for Medically Necessary Care for a Patient with High Medical Costs after application of any payments made by any other third-party source of payment. High Medical Costs Charity Care may also include the waiver of Medicare and Medi-Cal cost sharing amounts.
- G. **Medical Necessary Care:** Services, treatment, and/or care that is necessary and clinically appropriate to evaluate, diagnose, and treat a patient's medical condition in accordance with generally accepted standards of medical practice and are not primarily for the convenience of the patient or provider. Services, treatment, and/or care that is provided within St. Rose Hospital are presumed to be medically necessary.
- H. **Patient Family:** For patients 18 years of age and older, the Patient Family includes the patient, the patient's spouse, domestic partner (as defined in Section 297 of the Family Code), and dependent children under 21 years of age, or of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act, whether living at home or not. For patients under 18 years of age or for a dependent child 18 to 20 years of age, the Patient Family includes the patient, the patient's parent(s) or caretaker relatives, other dependent children under 21 years of age, or of any age if disabled, consistent with Section 1614(a) of Part A of Title XVI of the Social Security Act, whether living at home or not.
- I. **Patient with High Medical Costs:** A patient with High Medical Costs whose family Income does not exceed 400% of the Federal Poverty Level.

- J. **Primary Language:** A language is a primary language of St. Rose Hospital's service area if 5% or more of St. Rose Hospital's local population speaks the language.
- K. **Self-Pay Patient:** A patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid (Medi-Cal), and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by St. Rose Hospital. Self-Pay Patients may include patients who qualify for charity care.

## ELIGIBILITY

The following types of Charity Care are available to eligible patients who receive Medically Necessary Care from St. Rose Hospital and who follow applicable procedures (such as completing applications and providing required information).

- A. **Charity Care.** A patient is eligible for a complete (100%) write-off of St. Rose Hospital's gross/ undiscounted charges for Medically Necessary Care if the patient completes the necessary applications and is:
  - 1. A Self-Pay Patient; and
  - 2. A Financially Qualified Patient.
- B. **High Medical Costs Charity Care.** A Patient with High Medical Costs who completes the application and provides documentation necessary to establish that the patient has High Medical Costs will be eligible for a complete (100%) write-off of the balance due to St. Rose Hospital, including cost sharing amounts, for Medically Necessary Care after application of any payments by third-party sources.
- C. **Medicare and Medi-Cal Cost Sharing Amounts.** St. Rose Hospital will waive the Medicare and Medi-Cal cost sharing amounts for Financially Qualified Patients who do not have a third-party source of payment for such amounts. In waiving or reducing Medicare cost-sharing amounts, St. Rose Hospital may consider the patient's monetary assets to the extent required for the hospital to be reimbursed under the Medicare program for Medicare bad debt

without seeking to collect cost-sharing amounts from the patient as required by federal law, including, but not limited to, Section 413.89 of Title 413.89 of Title 42 of the Code of Federal Regulations. Monetary assets include only assets that are convertible to cash and do not include retirement or deferred compensation plans qualified under the Internal Revenue Code, nonqualified deferred compensation plans, or assets below the maximum community spouse resource allowance under Section 1396r-5(d) of Title 42 of the United States Code.

D. **Presumptive Eligibility.** St. Rose Hospital understands that certain patients may be unable to complete the application necessary for charity care, comply with requests for documentation, or are otherwise non-responsive to the application process. As a result, there may be circumstances under which a patient's qualification for Charity Care or High Medical Costs Charity Care may be established without completing the formal assistance application. Under these circumstances, St. Rose Hospital may utilize other sources of information to make an individual assessment of financial need to determine whether the individual is eligible for Charity Care or High Medical Costs Charity Care. This information will enable St. Rose Hospital to make an informed decision on the financial need of non-responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. In particular, presumptive eligibility for Charity Care or High Medical Costs Charity Care may be determined on the basis of individual life circumstances that may include:

- Unhoused or receipt of care from a homeless clinic/shelter;
- Lack of a mailing address or residence;
- Participation in the Women, Infants and Children (WIC) program;
- Eligibility for food stamps;
- Eligibility for school lunch programs;
- In bankruptcy or recently completed bankruptcy;
- Living in low-income or subsidized housing: and/or

- The patient is deceased with no estate.

Upon a determination that a Self-Pay Patient is presumptively eligible for Charity Care or High Medical Costs Charity Care, the patient will be eligible for the charity care provided for in this policy.

If a patient does not qualify for Charity Care under the presumptive eligibility procedures described above, the patient may still provide the required information and be considered under the eligibility and application process set forth above.

- E. **Eligibility Period.** The eligibility period for Charity Care is six (6) months beginning on the date the individual is determined to be eligible for Charity Care. All open accounts for services provided to individuals prior to a determination of eligibility for Charity Care will be discounted pursuant to this policy. Any eligible patient who was approved for Charity Care and receives Medically Necessary Care during the six (6) month eligibility period will be eligible for Charity Care unless there has been a material change of circumstances, including qualification for third-party coverage or a material change in the Family Income of the patient during the eligibility period

## PROCEDURES

### A. Applications

1. A Self-Pay Patient who indicates the financial inability to pay a bill for Medically Necessary Care shall be evaluated for Charity Care. In order to qualify as a Self- Pay Patient, the patient or the patient's guarantor must verify that he or she is not aware of any right to insurance or government program benefits that would cover or discount the bill.
2. The "Charity Care Application Form," (**Exhibit B**), shall be used to document the Patient Family Income for each applicant. This application shall be available in the Primary Language(s) for St. Rose Hospital's service area. Except as may be required for waiver or reduction of Medicare or Medi-Cal cost sharing amounts, St. Rose

Hospital shall not consider the monetary assets of the Patient Family when determining the Family Income or eligibility for Charity Care.

3. There is no time limit for applying for Charity Care under this Charity Care Policy and St. Rose Hospital shall not deny eligibility based on the timing of a patient's application.

## **B. Financial Assistance Determination and Notice**

### **I. Determination:**

- a. St. Rose Hospital will consider each applicant's application and grant assistance where the patient meets eligibility requirements and has received (or will receive) Medically Necessary Care.
- b. Except as may be required for waiver or reduction of Medicare or Medi-Cal cost sharing amounts, St. Rose Hospital shall not consider the monetary assets of the Patient Family when determining the Family Income or eligibility for Charity Care.
- c. St. Rose Hospital will not make approval for Charity Care contingent upon a patient applying for governmental program assistance.
- d. In determining whether each individual qualifies for Charity Care, other county or governmental assistance programs should also be considered. Many applicants are not aware that they may be eligible for assistance such as Medi-Cal, Victims of Crime, or California Children Services.
- e. St. Rose Hospital should assist the individual in determining if they are eligible for any governmental or other assistance and provide applications as requested.
- f. Where administrative approval is required, St. Rose Hospital will consider the request for service in a timely fashion and

provide a response to the request in writing.

**2. Notice**

- a. While it is desirable to determine the patient's eligibility for Charity Care as close to the time of service as possible, there is no rigid limit on the time when the determination is made. In some cases, eligibility is readily apparent while in other cases further investigation is required to determine eligibility. In some cases, a patient eligible for Charity Care may not have been identified prior to initiating external collection action. St. Rose Hospital's collection agencies shall be made aware of this policy so that the agencies know to refer back to St. Rose Hospital patient accounts that may be eligible for Charity Care.
- b. Once a determination has been made a "Notification Form" (**Exhibit C**) will be sent to each applicant advising them of the St. Rose Hospital's decision.

3. **Dispute Resolution.** In the event of a dispute over the application of this policy, a patient may seek review by notifying St. Rose Hospital's Chief Financial Officer of the basis of any dispute and the desired relief. Written communication should be submitted within thirty (30) days of the patient's knowledge of the circumstances giving rise to the dispute. The Chief Financial Officer or designee shall review the concerns and inform the patient of any decision on writing.
4. **Recordkeeping.** Records related to assistance provided under this Charity Care Policy must be readily accessible.
5. **Third Party Liens.** St. Rose Hospital may assert lien the tort recoveries of Self-Pay Patients in a manner consistent with applicable law. If a Self-Pay Patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for healthcare services or medical care provided by St.

Rose Hospital related to the injury, St. Rose Hospital may require the patient or guarantor to reimburse St. Rose Hospital for the related health care services rendered up to the amount reasonably awarded for that purpose.

6. **Submission to HCAI.** St. Rose Hospital's will provide this policy and any amendments or modifications thereto to the Department of Health Care Access and Information ("HCAI") in the time and manner prescribed by HCAI.
7. **Submission to CDPH:** St. Rose Hospital will provide this policy and any amendments or modifications thereto to the California Department of Public Health in a manner described by the California Department of Public Health.

### Attachments

- A. 2024/2025 Federal Poverty Guidelines
- B: Application for Charity Care - English
- B: Application for Charity Care - Spanish
- C: Notification Form Eligibility for Charity Care
- D: Help Paying my Bill Discharge Notice

### APPROVALS

Step Description	Approver	Date
Governing Board	Patricia Madueno: Executive Assistant	11/2025
Executive Committee	Mario Harding: Chief Administrative Officer [PM]	11/2025
Legal/Compliance Executive Committee	Michael Sarrao: General Counsel Renee Frey: Patient Financial Services Director	11/2025 11/2025