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Owner Kimberly Dillard:  
Director, Revenue  
Cycle

Policy Area Administrative -  
Fiscal

## 110.032 Discount Payment Program Policy

### PURPOSE:

The Ventura County Health Care Agency (HCA), including Ventura County Medical Center (VCMC)/Santa Paula Hospital (SPH) and hospital clinics strive to provide compassionate, quality patient care for the community we serve. This policy demonstrates HCA's commitment to our mission and vision by helping meet the needs of low income and uninsured patients in our community. The purpose of this policy is to provide criteria to use when determining patient eligibility for HCA discounted payment program in compliance with applicable federal and state law.

### POLICY:

VCMC, SPH, its outpatient locations and clinics offer a Discount Payment Program for hospital and hospital clinic services to patients who meet the eligibility criteria described below, pursuant to Health & Safety Code sections 127400 through 127446. All medically necessary services provided by the HCA are eligible for the Discount Payment Program (DPP), and an application can be submitted at any time. Services performed within the HCA are presumed to be medically necessary unless HCA provides an attestation in advance that services are not medically necessary.

### PROCEDURE:

#### Eligibility for Participation in the Discount Payment Program

##### Financially Qualified Patient

A patient who satisfies the following is found to be a financially qualified patient, and eligible for participation in the DPP.

1. A patient who is self-pay; or
2. A patient with high medical costs; or
3. A patient who has a family income that does not exceed 400 percent of the federal poverty level.

Additionally, HCA may choose to grant eligibility for this discount payment policy or charity care policies to patients with incomes over 400 percent of the federal poverty level when the process for determination is stated and consistently applied, therefore insured and underinsured patients may likewise qualify for the discount payment program.

### **Self-Pay Patients**

A patient who does not have third party coverage from a health insurer, health care service plan, Medicare, or Medi-Cal or whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by HCA. Self-pay patients may include charity care patients.

### **High Medical Costs**

A patient with high medical costs is a person whose family income does not exceed 400 percent of the federal poverty level and any of the following

- A. A patient whose annual out-of-pocket costs incurred by the individual at the hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months.
- B. A patient whose 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.
- C. A patient who is eligible for a lower-level determination in accordance with HCA charity care policy.

### **Insured and Underinsured Patients**

HCA additionally will consider a patient to have high medical costs if a patient has third party coverage or whose injury is a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by HCA staff may qualify for the Discount Payment Program (for co-pays, coinsurances, and deductibles) if both of the following conditions are met:

- (1) The patient does not receive a discount rate from HCA because of his or her third party coverage. AND (2) either a. or b. as stated above are satisfied.

### **Family Income and Federal Poverty Level (FPL)**

HCA will use reference to the most up-to- date Department of Health and Human Services (HHS) poverty guidelines for the number of persons in the patient's family or household. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

For those patients who do not qualify for charity care but qualify to participate in the DPP, the amount of the discount is determined by the Discount Payment Rate Schedule. The expected payment for services HCA provides (to any patient who is eligible under the DPP) shall not exceed one hundred percent (100%) of the greatest amount of payment HCA would receive from Medicare, Medi-Cal, or any other government sponsored health program of health benefits, in which HCA participates (based on the fee schedule of such payor). This will be determined on a case-by-case basis.

### **Additional Considerations**

#### **Patient Insurance Status Unknown**

HCA staff shall make reasonable efforts to obtain from the patient, or his or her representative, information about whether private or public health insurance, including eligibility for the California Health Benefit Exchange, may fully or partially cover the charges for care. If the patient does not have proof of third party coverage, HCA staff shall provide the patient with application forms and other information explaining how the patient may be eligible for specified health coverage programs, including, but not limited to, Medi-Cal, Presumptive Medi-Cal, California Children's Services, the California Health Benefit Exchange, or other government funded health care programs. The fact that a patient is being screened for or applying for any of the above-described health care coverage, shall not preclude such patient from applying for or qualifying for the DPP.

#### **Cash Pay Patients**

A patient who elects not to complete the DPP application shall be eligible for the DPP Cash-Pay Patient rate of fifty percent (50%) of billed charges upon request.

**Definition of Patient's Family & Determination of Family Income:** The 'patient's family' is defined as the following:

1. For persons eighteen (18) years of age and older, A spouse, domestic partner and dependent children under twenty-one (21) years of age, and dependent children of any age if those children are disabled whether living at home or not;
2. For dependent persons
  - a. Under eighteen (18)
  - b. Between eighteen (18) to twenty (20) years of age,
    - i. Parents, caretaker relatives and other children, and dependent children of the parents or caretaker relatives of any age if those children are disabled

HCA will limit the documentation requirements of family income to recent pay stubs or tax returns. Recent tax returns are tax return(s) which document a patient's income for the year in which the patient was first billed or twelve (12) months prior to when the patient was first billed. Recent paystubs are paystubs within a six (6) month period before or after the patient is first billed by HCA, or in the case of preservice, when the application is submitted. HCA may accept other forms of documentation of income but shall not require such other forms. The patient's assets or the assets of the patient's family are not considered when calculating family income.

#### **Emergency Physicians**

The VCMC and SPH contracted Emergency Department physicians will offer DPP. HCA staff will ensure

patients are notified of the availability of such programs, as provided in the "Notice of Discount Payment Program" section of this policy.

### **Extended Payment Plans**

HCA will offer extended payment plans where patients who are eligible to participate in the DPP shall be offered an extended payment plan for the discounted amount, with no interest accruing or being charged. Monthly payments pursuant to any repayment plan negotiated with a patient (pursuant to the Discount Payment Program), shall not exceed ten percent (10%) of the patient's income, excluding deductions for essential living expenses.

"Essential living expenses" shall mean expenses incurred by the patient for any of the following:

- Rent or house payments (including maintenance expenses),
- Food and household supplies,
- Utilities and phone,
- Clothing,
- Medical and dental payments,
- Insurance,
- School and childcare,
- Child and spousal support,
- Transportation and automobile expenses (including insurance, fuel and repairs),
- Installment payments,
- Laundry and cleaning expenses,
- Other extraordinary expenses.

HCA staff shall request that the patient provide details supporting the essential living expenses that should be considered in determining a reasonable payment plan for the patient.

### **Resolution of Disputes**

Any disputes regarding a patient's eligibility to participate in the DPP, shall be directed to and resolved by the HCA Chief Financial Officer.

### **NOTICE of Discount Payment Program**

To ensure patients are aware of the existence of the DPP HCA will take the following actions:

#### **Provide Written Notice to Patients**

HCA staff will provide each patient who is seen, whether admitted or not, a copy of the notice attached hereto as Exhibit I. The notice shall be provided in the English and non-English languages spoken by a substantial number of the patients served by HCA.

HCA will post the Notice, (Exhibit I), in locations that are visible to patients in the following areas:

1. Emergency Department;
2. Billing Office;

3. Admissions Office;
4. Other outpatient settings;
5. Prominently displayed on the hospital's internet website with a link to the DPP.

### **Notice to Accompany Bills to Potentially Eligible Patients**

Each bill that is sent to a patient, who has not provided proof of coverage by a third party at the time care is provided or upon discharge, will include a statement of charges for services rendered by HCA and the notice attached hereto as Exhibit 2. The notice shall be provided in the English and non-English languages spoken by a substantial number of the patients served by HCA.

### **Collection Activities**

HCA may use the services of an external collection agency for the collection of patient debt. No debt shall be assigned for collection until the HCA Director or his/her designee has reviewed the account, and either 1) the patient has been found to be ineligible for financial assistance, or 2) the patient has not responded to any attempts to bill or offer financial assistance for one hundred eighty (180) days. The notice attached hereto as Exhibit 3, will be provided to the patient prior to an account being assigned to an external collection agency.

HCA shall obtain an agreement from each collection agency that it utilizes to collect patient debt that the collection agency shall comply with the requirements of Health & Safety Code, Sections 127405, 127425, 127426 and 127430, Civil Code Section 1785.27 and the Discount Payment Program.

Neither the HCA, nor any collection agency utilized by the HCA, shall report adverse information to a consumer credit reporting agency. HCA will not commence civil action against the patient for nonpayment at any time prior to one hundred eighty (180) days after the initial billing period if the patient lacks third party coverage, if the patient provides information that he or she may qualify for the Discount Payment Program or if the patient provides information that he or she may incur high medical costs. For purpose of determining whether a patient has high medical costs, "out of pocket costs and expenses" mean any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.

In addition, if a patient is attempting to qualify for eligibility under the Charity Care Program or DPP and is attempting in good faith to settle an outstanding bill with HCA, by negotiating a reasonable payment plan or making regular partial payments of a reasonable amount, the HCA shall not send the unpaid bill to any collection agency unless that entity has agreed to comply with Health & Safety Code Sections 127405, 127425, 127426 and 127430, Civil Code Section 1785.27 and the Discount Payment Program.

HCA will ensure that collection agencies it engages with comply with any payment plan entered into between a patient and HCA.

HCA shall not, in dealing with patients eligible under the Charity Care Program or DPP, use wage garnishments or liens on real property as a means of collecting unpaid HCA bills.

### **Disqualification after Qualification**

If a patient qualifies for the Charity Care/DPP(s), qualification is valid going forward for twelve (12) months or until the patient's financial condition changes and is no longer eligible/eligible for the current Program. If a patient does not submit an application or documentation of income, HCA may

Presumptively determine that a patient is eligible for the Charity Care or DPP based on information other than that provided by the patient or based on a prior eligibility determination.

HCA may require a patient or guarantor to pay the entire amount of any reimbursement sent directly to the patient or guarantor by a third-party payer for HCA services. If a patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for health care services or medical care related to the injury, HCA may require the patient or guarantor to reimburse HCA for the related health care services rendered up to the amount reasonably awarded for that purpose.

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## Exhibit I

### Charity Care & Discounted Payment Program

Patients who lack insurance, have inadequate insurance, or high medical costs and meet certain low and moderate income requirements, may qualify for discounted payments or charity care. Patients should contact the Ventura County Health Care Agency at **805-648-9553**, [vchca.org](http://vchca.org) or [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) to obtain further information. Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment program. Please contact **626-447-0296** for further information.

There are organizations that will help patients understand the billing and payment process. For assistance, patients may contact the Health Consumer Alliance (<https://healthconsumer.org>).

For information and eligibility for Covered California, please visit [www.coveredca.com](http://www.coveredca.com).

For Medi-Cal eligibility, please visit [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov).

For a list of the hospital's shoppable services, please visit [https://apps.para-hcfs.com/PTT/FinalLinks/Ventura\\_V3.aspx](https://apps.para-hcfs.com/PTT/FinalLinks/Ventura_V3.aspx).

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## Exhibit 2

### Notice to Accompany Bills to Potentially Eligible Patients

Our records indicate that you do not have health insurance coverage or coverage under Medicare, Medi-Cal, or other similar government or non-government programs. If you have such coverage, please contact our office at **805-648-9553** as soon as possible, so the information can be obtained and the appropriate entity billed.

If you do not have health insurance coverage, or have high medical costs, you may be eligible for Medicare, Medi-Cal, the Ventura County Health Care Agency's Discounted Payment Program, or the Charity Care Program. For more information about how to apply for Medicare, Medi-Cal, Presumptive Medi-Cal, the California Health Benefit Exchange, or other similar programs, please contact the Ventura County Health Care Agency by telephone at **805-648-9553**, the internet at [vchca.org](http://vchca.org) or via email at [VCHCA.PatientAssistance@ventura.org](mailto:VCHCA.PatientAssistance@ventura.org) and speak to a representative who will be able to answer questions and provide you with applications for these programs. An application for the Discount Payment Program is enclosed.

Emergency Department physicians, who are not employees of the hospital, must also provide a discounted payment program. Please contact **626-447-0296** for further information.

For additional assistance, patients may contact the Ventura County consumer assistance center toll free at **866-904-9362** or visit the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).

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### Exhibit 3

#### Notice of Commencement of Collection Activities

John Doe  
123 Main Street  
Ventura, CA 93001  
Re: Encounter #: 2000000001  
Balance: \$100.00

Dear Mr. Doe,

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 a.m. or after 9 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.

Before assigning your account to a collection agency, a California law requires that HCA notify you of the following information:

The date or dates of service of this account: XX/XX/XXXX  
The name of the company your account will be assigned to: California Business Bureau  
How you can obtain an itemized bill from us: Please call 805-648-9553 for an itemized bill  
The name and type of health care coverage on record at the time of services or a statement that the hospital does not have that information  
Applications for our Charity Care and Discount Payment Policies: See attached applications  
The date(s) you were originally sent a notice about applying for financial assistance: XX/XX/XXXX  
The date(s) you were sent a financial assistance application: XX/XX/XXXX  
The date a decision was made on the application, if submitted: XX/XX/XXXX

Please contact us at (805-648-9553/business office) if you have any questions about this letter, or about your account/bill with us.

Respectfully

HCA

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For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-382-4357 or online at [www.ftc.gov](http://www.ftc.gov). Patients may also contact the Ventura County consumer assistance center toll free at **866-904-9362** or visit the Ventura County Human Services Agency website at [www.vchsa.org](http://www.vchsa.org).

## All Revision Dates

12/17/2024, 5/3/2023, 4/14/2023, 7/30/2019, 6/6/2019, 8/1/2017

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## Attachments

[Discount Program Application \[English\]](#)

[Discount Program Application \[Spanish\]](#)

[Discount Rate Schedule and Service Schedule.pdf](#)

## Approval Signatures

Step Description	Approver	Date
Health Care Agency Finance	Michael Taylor: Chief Financial Officer, Health Care Agency	12/17/2024
Hospital Finance	Jill Ward: Chief Financial Officer, VCMC & SPH	12/17/2024
Revenue Cycle	Kimberly Dillard, Director Revenue Cycle	12/17/2024