SUBJECT: Patient Discounts

SCOPE: This policy applies to all patients of Mary Rutan Hospital ("Hospital"), including all inpatients, outpatients, and patients of ambulatory care clinics. This policy shall be implemented by all Hospital employees that conduct functions collecting patient liabilities, either as patient share portion of insurance (e.g. copays) or from self-pay patients.

PURPOSE: To define the amounts of and eligibility criteria for Hospital’s patient discount options.

DEFINITIONS: As used in this policy, the following terms shall have the meanings set forth below.

AGB: Amount Generally Billable is the discount to gross charge applied to all patient accounts potentially eligible for Charity Care or a Charity discount. See Hospital’s Financial Assistance (Hospital Charity) Policy

Patient Liability: The portion of a bill for healthcare services for which a patient is responsible, for example a deductible, co-insurance, or co-pay.

POLICY:

A. The AGB discount is applied to all uninsured patients and to any patients potentially eligible for financial assistance. See Financial Assistance (Hospital Charity) Policy. Additional discounts and assistance are also available under said policy.

B. A prompt pay discount is available to applicable patients, and is an additional 10% off of Patient Liability remaining after AGB or insurance contractual amount, or off of estimated liability if the patient is paying prior to service. Co-Pay amounts are not eligible for the prompt pay discount. Payment must be received in full no later than five (5) calendar days after discharge.

C. If a patient makes a good faith effort to pay in full toward estimated liability but the Patient Liability ends up being more than estimated, Hospital will recalculate the 10% to honor the spirit of the discount, presuming the patient pays in full at the time the final liability is determined. If the patient is unable to pay in full at that time, the original discount will be retained, but no further Prompt Pay Discount shall be applied.

D. Discounts from Patient Liability are available to individuals whose cost of care has impacted them in a catastrophic way. Hospital defines this as a patient or guarantor who:

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1. Has accumulated Patient Liabilities across one or multiple accounts in excess of $50,000.
2. Is not eligible for any other assistance program at Hospital.
3. Has no third party insurance or other governmental source of payment available to them

E. To apply for a catastrophic discount, the patient must complete and return a financial statement, provide a copy of the patient’s most recently filed tax return, and provide proof of income. Proof of income may be:

1. Pay check stubs
2. SSI statements or copy of check
3. Disability declarations
4. Bank deposit statements
5. Statements by employer (on letterhead)
6. Signed statement from Bishop or dedicated person
7. Any other means by which income is clearly defined

F. Documentation required under section E, above must be provided within 30 days of the patient’s request for assistance, and patient accounts will continue in the billing process unless otherwise on hold for Financial Assistance determination. See Hospital’s Bad Debt/Collections policy.

G. Catastrophic discounts will vary based upon their household’s percentage of the federal poverty guidelines, and determined through their application information on the HCAP or financial statement form. The sliding scale for assistance and the relationship to federal poverty level (FPL) are shown on the table below:

<table>
<thead>
<tr>
<th>Household Income Percentage of FPL</th>
<th>Discount from Patient Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>201%-300%</td>
<td>90%</td>
</tr>
<tr>
<td>301%-400%</td>
<td>75%</td>
</tr>
<tr>
<td>&gt;400%</td>
<td>50%</td>
</tr>
</tbody>
</table>

G. Approval of catastrophic discounts will be granted by the Vice President of Fiscal Services

H. Other discounts may be applied through Hospital Administration/Human Resources, in accordance with Hospital policies and procedures related specifically to same.
I. While the hospital believes these discounts may benefit patients, the prompt pay, catastrophic, and miscellaneous other discounts are not reported by the Hospital as community benefit.

J. The patient’s good faith effort is expected in providing the necessary paperwork and/or documentation necessary for Hospital to implement and effectuate this policy. Lack of approval for a discount for this reason or any reason would cause the account to resume the billing process. See Hospital’s Bad Debt/Collections Policy.