

UC Riverside, School of Medicine Policies and Procedures**Policy Title:** Financial Hardship**Policy Number:** 950-05-002

Responsible Officer:	Chief Financial and Administrative Officer, School of Medicine
Responsible Office:	University of California, Riverside School of Medicine
Origination Date:	04/2015
Date of Revision/Review	03/2021
Scope:	This policy applies to UCR Health. UCR Health billing providers outside of the UCR Physicians Billing Office are not covered by this policy.

I. Policy Summary

- A.** To promote and ensure compliance with governmental regulations regarding Guarantor balance adjustments for indigent patients who are not beneficiaries of federally funded healthcare programs.
- B.** To improve the efficiency and effectiveness of UCR Health billing and collections processes by establishing standard, uniform criteria for handling of financial hardship adjustment requests and issuance thereof across all unites within the UCR Health.
- C.** This policy demonstrates UCR Health commitment to the provision of medically necessary healthcare services and items to patients who are uninsured, or who are insured but unable to meet their financial obligations.

II. Definitions

Guarantor: The person who ultimately accepts financial responsibility to pay the patient's healthcare bill.

III. Policy Text

- A.** This standard criteria applies to all patients across all UCR Health programs who qualify for financial hardship considerations.
- B.** It is UCR Health's physician billing vendor's responsibility to determine the patient's indigence and his/her ability inability to pay for services.
- C.** UCR Health and affiliates must use a standard financial screening process, which will take into account the patient's total resources including, but not limited to, an analysis of assets, liabilities, income and expenses.
- D.** Self-pay patients applying for financial hardship considerations must first apply for state, county and other governmental programs and provide proof of outcome to UCR Health before a financial hardship adjustment is considered. UCR Health must determine that no source other than the patient would be legally responsible for the patient's medical bills (e.g. other state or federally subsidized welfare programs, auto insurance, other third part liability coverage, etc.). Financial hardship is automatically denied to patients or their responsible parties who provide false information and financial eligibility or who fail to make every reasonable effort to apply for and receive government-sponsored insurance benefits for which they may be eligible.
- E.** Final determination of patient's indigence must be based on the U.S. Department of Health and Human Services current Federal Poverty Line (FPL). The following criteria

must be followed in determining patient's eligibility for financial hardship considerations:

1. Self-pay patients with (i) a total household income at or below 200% of FPL, (ii) with no third party coverage, are eligible for a full (100%) adjustment of billed charges.
 2. Self-pay patients with (i) a total household income 201%- 350% of FPL, (ii) with no third party coverage, are eligible for a discounted rate equal to current Medicare allowable fees for the services provided.
 3. Self-pay patients with a total household income above 350% of FPL, are not eligible for a financial hardship consideration and may apply for a discount in accordance with UCR Health "Self-Pay/Prompt Pay Discounts" policy.
 4. Insured patients with (i) a total household income at or below 200% of FPL, (ii) with over 10% of annual family income paid for medical costs in the last 12 (twelve) months, are eligible for a full (100%) adjustment of remaining balances after third-party payment.
 5. Insured patients with (i) a total household income at or below 200% of FPL, (ii) with less than 10% of annual family income paid for medical costs in the last 12 (twelve) months, are eligible for a 50% discount on remaining balances after third-party payment.
 6. Insured patients with (i) a total household income between 201%-350% of FPL, (ii) with over 10% of annual family income paid for medical costs in the last 12 (twelve) months, are eligible for a discounted rate. Patient balances may be adjusted as financial hardship if third party payments are at or above Medicare non-facility allowable fees. If the third party payments are below Medicare allowable fees the difference between third party payment and Medicare fee must be collected from the patient.
 7. Insured patients with (i) a total household income between 201%-350% of FPL, (ii) with less than 10% of annual family income paid for medical costs in the last 12 (twelve) months, are not eligible for a financial hardship consideration.
- F.** The patient's file must contain documentation of the method by which indigence was determined in addition to all backup information to substantiate the determination.
- G.** In case of a denial of financial hardship application, Guarantor balances must be pursued in accordance with **UCR Health Guarantor Balances policy**. Patients may appeal such denials to the UCR Health Executive Director.
- H.** Guarantor balances of patients who expire while their financial hardship application is in review are eligible for an adjustment even if the financial screening process has not been completed.
- I.** Guarantor balances at or below \$100.00 are not considered for financial hardship adjustments.
- J.** This policy is not intended to waive or alter any contractual provisions or rates negotiated between UCR Health and third party payors, nor is the policy intended to provide discounts to a non-contracted third party payor or other entities that are legally responsible to make payments on behalf of covered persons.

IV. Responsibilities

This policy applies only to UCR Health customers. UCR Health provider entities billing for healthcare services outside UCR Physicians Billing Office are not covered by this policy.

EXCLUSIONS:

This policy does not apply to:

1. International Health Program patients
2. Patients receiving services with agreed upon cash rates
3. Services and items which are not medically necessary

V. Revision History

Original April 2015

Revised March 2021

Approvals:

COMPLIANCE COMMITTEE (04/28/2021)

PAUL HACKMAN, J.D., L.L.M.
CHIEF COMPLIANCE AND PRIVACY OFFICER,
SCHOOL OF MEDICINE

DATE

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