FINANCIAL ASSISTANCE POLICY: CHARITY CARE, DISCOUNT PAYMENT, AND DEBT COLLECTION

PURPOSE

Barlow Respiratory Hospital (the "Hospital") is a non-profit organization. In keeping with the Hospital's mission and values, the Hospital provides necessary services to its patients without regard to their ability to pay. This Financial Assistance Policy: Charity Care, Discount Payment, and Debt Collection ("Financial Assistance Policy" or "Policy") establishes the guidelines and procedures for determining patient qualification for financial assistance, including both charity care and discounted care, and the Hospital's standards and practices for debt collection. This Policy is intended to comply with the California Hospital Fair Pricing Act (Health and Safety Code section 127400 et seq.), as amended by Assembly Bill 2297 and Senate Bill 1061 effective January 1, 2025, and Internal Revenue Code Section 501(r) and its implementing regulations.

DEFINITIONS

"Charity Care" means free care.

"Discount Payment" (or "Discounted Care") means any charge that is reduced but is not free.

"Family Income" means the patient's income, together with the income of the following: (1) for patients 18 years and older, the patient's spouse, domestic partner, and dependent children under 21 years of age, whether living at home or not; and (2) for patients under 18 years old, the patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

"Federal Poverty Level Guidelines" means the most recently issued 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.

"Financially Qualified Patient" means a patient whose Family Income does not exceed 400 percent of the federal poverty level, and who is: (1) a self-pay patient (a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not covered by workers' compensation, automobile insurance, or other insurance as documented by the Hospital); or (2) a patient with "high medical costs."

"High Medical Costs" means annual out-of-pocket expenses that are not reimbursed by insurance or a health coverage program, including Medicare or Medi-Cal cost sharing, incurred by the individual at the Hospital, or documented out-of-pocket medical expenses paid by the patient or the patient's family to any provider, that exceed 10 percent of the patient's Family Income in the prior 12 months.

"Amount Generally Billed": in determining the payment due for a patient qualifying for financial assistance, the Hospital will first reduce its billing from full charges to the amount the Hospital would have been paid by Medicare if the services were covered, and then may provide an additional discount on a case-by-case basis. If there is no established Medicare payment, the Hospital will reduce its billing to the amount it would have been paid by Medi-Cal or another government-sponsored program in which the Hospital participates. If there is no established payment by any such program, the Hospital shall establish an appropriate discounted payment that is not more than the amounts generally billed to individuals who have insurance covering such care.

"Extraordinary Collection Actions" means actions taken to obtain payment of a bill for care covered under this Policy that require a legal or judicial process, or the sale of a patient's debt. Consistent with law, the Hospital will not report any medical debt to a consumer credit reporting agency, and will not place or foreclose on a lien on a patient's real property to collect an unpaid bill. Before initiating any Extraordinary Collection Action, the Hospital will take reasonable efforts to determine whether the individual is eligible under this Policy.

"Reasonable Payment Plan" means monthly payments that are not more than 10 percent of a patient's family monthly income, after deducting essential living expenses. In negotiating a payment plan, the Hospital may consider the availability of the patient's or the patient's family's health savings account. Essential living expenses include rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, installment payments, laundry and cleaning, and other extraordinary expenses.

CHARITY CARE AND DISCOUNT PAYMENT

The Financial Assistance Program includes both Charity Care (free care) and Discounted Care.

Charity Care

Charity Care (free care) is available to patients whose Family Income is at or below 250 percent of the then-current Federal Poverty Level Guidelines and who are self-pay patients or patients with high medical costs. Care will be provided at no charge to patients who qualify. Eligibility is determined on the basis of income and family size only. The Hospital does not consider a patient's monetary assets when determining eligibility.

Discounted Care

Discounted Care is available to Financially Qualified Patients whose Family Income is at or below 400 percent of the Federal Poverty Level and who do not qualify for Charity Care. The Hospital will adjust the gross charges to the Amount Generally Billed and negotiate a Reasonable Payment Plan. The Hospital may require recent pay stubs or income tax returns, or other reasonable documentation of income when those are not

available, to document Family Income. The Hospital does not consider a patient's monetary assets when determining eligibility.

Extended Payment Plans

Extended Payment Plans are available to patients who receive Discounted Care to allow payment of the discounted price over time. Plans shall take into account the patient’s Family Income and essential living expenses and shall not bear interest. If a patient fails to make all consecutive payments for 90 days, the Hospital may end the plan, but before doing so it will make reasonable efforts to contact the patient by telephone and give written notice that the plan will become inoperative if it is not renegotiated.

Charity Care Reporting

Charity care includes all amounts written off for patients who qualify under this Policy. Patients who qualify for Medi-Cal but do not receive coverage for their entire stay are eligible for a charity care write-off, including non-covered services, denied days or stays, and Treatment Authorization Request denials.

Covered Providers

This Policy does not cover any providers other than the Hospital facility itself.

Emergency Physicians

An emergency physician who provides emergency medical services in a hospital that provides emergency care is 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.

COMMUNICATION

- This Policy, the application form, and a plain language summary are posted on the Barlow Respiratory Hospital website (barlowhospital.org) in English, Spanish, and Armenian, and are available on request without charge by mail and in the Hospital's Social Services Department.
- A notice titled "Help Paying Your Bill" is posted in the main lobby at the Barlow Main campus, in the visitor waiting room at the BRH@VPH location, and in the hallway outside the nursing station at the BRH@PIH campus, in English, Spanish, and Armenian.
- All admitted patients receive an admission packet with notice of the availability of financial assistance and how to apply.
- Social Services and Case Management staff assist patients with the application and with applying for Medi-Cal, Covered California, or the California Children's Services Program if the patient wishes.
- The first and subsequent billing statements inform patients about the availability of financial assistance, provide a contact for information, and give the website address for the Policy, application, and summary.

PROCESS FOR DETERMINING ELIGIBILITY

The Hospital uses a financial assistance application to collect information from patients who may qualify. Completion of the application and required supplemental information may be required to establish eligibility. The Hospital may require recent pay stubs or income tax returns, or other reasonable documentation of income when those are not available.

Eligibility for charity care and discounted care is based on income and family size only. The Hospital does not consider a patient's monetary assets and will not require account information, waivers, or releases to verify assets.

The Hospital will not require a patient to apply for or accept Medicare, Medi-Cal, or any other health coverage as a condition of eligibility for or provision of a discounted payment, and will not deny a discounted payment because a patient did not apply for such coverage. The Hospital will assist patients who wish to apply for other coverage.

The Hospital does not impose a deadline to apply for charity care or discounted care and will not deny eligibility based on when a patient applies. The Hospital will determine eligibility at any time it is in receipt of documentation of income. Information obtained in determining eligibility for charity care shall not be used for collection activities.

Presumptive eligibility may be determined without an application for patients enrolled in Medi-Cal and for deceased patients with no known estate. A patient may apply for hospital financial assistance and another health coverage program at the same time, and neither application shall preclude eligibility for the other.

Final Approval and Notification

Financial assistance eligibility must be approved by either the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") and documented on the Financial Assistance Approval Form. A written letter is sent to the patient with the patient name, account number(s), current balance, the amount or days of stay granted, any balance that will be due, and, if denied, the appeal process. A Financial Assistance Committee (CEO, Medical Director, Vice President of Business Development, and Chief Operating Officer) reviews appeals and makes recommendations to the CEO or CFO.

DEBT COLLECTION POLICY

This section sets the Hospital's standards and practices for the collection of patient debt. Normal charging procedures are followed for recording services provided to charity care patients. Collection activity ceases when a patient is declared eligible for charity care and is suspended while the patient is attempting to qualify under this Policy.

Neither the Hospital nor any assignee or other owner of the patient's debt, including a collection agency or debt buyer, will report any medical debt to a consumer credit reporting agency. Neither the Hospital nor any assignee or other owner of the debt will commence a civil action against the patient for nonpayment before 180 days after initial billing. The Hospital will not use a lien on a patient's real property to collect an unpaid bill.

Patient debt is advanced for collection only after the account has remained unpaid for at least 180 days from initial billing, the Hospital has completed reasonable efforts to determine the patient's eligibility for financial assistance, and the patient has neither qualified for assistance nor entered into a payment plan. Patient debt is advanced for collection under the authority of the Chief Financial Officer.

Before engaging in any Extraordinary Collection Action, the Hospital will take reasonable efforts to determine whether an individual is eligible under this Policy, including notifying individuals orally and in writing about how to apply, giving a reasonable period of time to apply, evaluating applications in a timely manner, and notifying individuals with an incomplete application about how to complete it.

The Hospital will require each collection agency it uses to agree in writing to comply with this Policy and with California Health and Safety Code Section 127400 et seq. and 26 U.S.C. Section 501(r) and its implementing regulations before any unpaid bill is referred. The completed Financial Assistance Approval Form is filed in the Social Services Department, and the amount of charity care provided is reported separately in the monthly financial statements.

Prepared by: Chief Financial Officer

Approved by: Hospital Board of Directors on September 24, 2015.

Revised: 06/22/2026

Revised by: Chief Executive Officer

Note: The full financial assistance application appears in a separate document, "Financial Assistance Application."

Barlow
RESPIRATORY HOSPITAL

FINANCIAL ASSISTANCE APPROVAL FORM

For internal Hospital use only.

Department Requesting: _____ Date Requesting: _____

Patient Name: _____ Account #: _____ Social Security #: _____

Admit Date: _____ Discharge / Expected Discharge Date: _____

Eligibility Screening (based on income and family size only; assets are not considered)

Is the patient's Family Income at or below 400% of the Federal Poverty Level (discount payment)? Yes: ____ No: ____

Is the patient's Family Income at or below 250% of the Federal Poverty Level (charity care / free care)? Yes: ____ No: ____

Is the patient a Self-Pay Patient? Yes: ____ No: ____

Is the patient a Patient with High Medical Costs? Yes: ____ No: ____

Determination

Charity Care: ____ Eligible for free care because Family Income is at or below 250% of the Federal Poverty Level and the patient is a Self-Pay Patient or a Patient with High Medical Costs.

Discounted Care: ____ Eligible for discounted care because Family Income is at or below 400% of the Federal Poverty Level and the patient is a Self-Pay Patient or a Patient with High Medical Costs.

Comments: _____

CEO or CFO Approval: _____ Date: _____

Barlow
RESPIRATORY HOSPITAL

PATIENT NOTIFICATION LETTER

Date: _____

Guarantor Name: _____ Patient Name: _____

Guarantor City, State, ZIP: _____

Dear _____:

We have carefully reviewed your application for financial assistance and have determined that your account:

- Meets the Hospital's guidelines for financial assistance.
- Meets the Hospital's guidelines for financial assistance pending the outcome of your Medi-Cal application or financial review.
- Is approved for a reduction. Approved amount $_____. Your account will be reduced by _____%, and the guarantor is responsible for $_____.
- Does not meet the Hospital's guidelines for financial assistance.

If not approved, reason:

- Family income exceeds the program's income limits.
- Patient has third-party coverage that pays for this care and does not meet the self-pay or high medical costs definition.
- Application is incomplete. We will contact you about how to complete it; there is no deadline to apply.

If you wish to appeal this decision, please call the Manager, Patient Financial Services, at (213) 202-6884 to begin the appeals process.

As a nonprofit hospital, we are proud to support our community with the charity care and discounted care we provide. Thank you for choosing Barlow Respiratory Hospital.

Sincerely,

Business Services Department, Barlow Respiratory Hospital