


Physicians' Billing Office		
SECTION:	GUARANTOR ACCOUNTS RECEIVABLE	POLICY NUMBER: G105.1
POLICY TITLE:	FINANCIAL HARDSHIP	PAGE: 1 of 4
APPROVALS: FPG B&F Committee: 12/14/2009	PBO: 07/21/2010	ISSUED: 09/01/2009 EFFECTIVE: 07/01/2010
SUPERSEDES: POLICY G105		

PURPOSE:

1. To promote and ensure **compliance** with governmental regulations regarding Guarantor balance adjustments for indigent patients who are beneficiaries of federally funded healthcare programs.
2. To improve the **efficiency** and **effectiveness** of PBO billing and collections processes by establishing standard, uniform, criteria for handling of financial hardship adjustment requests and issuance thereof across all FPG departments and PBO units.
3. To policy demonstrates FPG's 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.


POLICY:

- A. This standard criteria applies to all patients across all FPG departments and PBO units who qualify for financial hardship considerations.
- B. It is FPG's responsibility to determine the patient's indigence and his/her ability or inability to pay for services and items furnished by FPG providers.
- C. FPG 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. In doing this analysis, FPG must take into account any extenuating circumstances that could affect the determination of patient's indigence.
- 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 FPG financial counselors before a financial hardship adjustment is considered.


FPG 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 party liability coverage, etc.)

Financial hardship is automatically denied to patients or their responsible parties who provide false information about 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) – (*Federal Register, Vol. 73, No. 15, January 23, 2008, pp. 3971-3972*). The following criteria must be followed in determining patient's eligibility for financial hardship considerations.

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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 between 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 PBO "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 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 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 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 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 PBO "Guarantor Balances" policy.
- Patients may appeal such denials to FPG CAOs or PBO director.
- In rare and non-routine circumstances, special administrative adjustments may be considered in accordance with the PBO "Special Administrative Adjustments" policy.
- 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 \$25.00 are not considered for financial hardship adjustments.

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- J. This policy is not intended to waive or alter any contractual provisions or rates negotiated between FPG 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.

APPLICABILITY:

1. This policy applies only to FPG PBO customers. UCLA FPG provider entities billing for healthcare services outside PBO are not covered by this policy.

EXCLUSIONS:

This policy does not apply to:

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

POLICY CROSS REFERENCES:

PBO – Guarantor Balances (Policy number G106)
PBO – Deceased Patient Balance Adjustment (Policy number G104)
PBO – International Pricing (Policy number G107)
PBO – Prompt-pay Discounts (Policy number G109)

MONITORING / ACCOUNTABILITY:


Managers in all functional areas affected by this policy must conduct frequent, regularly scheduled quality reviews to ensure adherence to this policy. Immediate corrective actions must be taken as necessary. These may include:

- a) Training and re-training of staff;
- b) Disciplinary actions;
- c) Escalating non-compliance to PBO director

COGNIZANT OFFICE:

For interpretations of this policy, resolution of problems and special situations, contact:

Grace Barba
Director of Physician Billing Office
gbarba@mednet.ucla.edu

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POLICY AUTHORITY:

UCLA Faculty Practice Group

REVISION HISTORY:

Original Policy issued: 09/01/2009

Revisions: 07/21/2010 (policy number G105 is replaced with policy number G105.1)

REFERENCES:

- UCLA Hospital System, Patient Business Services, Policies and Procedures
- CMS Provider Reimbursement Manual (Bad Debt, Charity and Courtesy Allowances) 9-74, Rev. 100
- US Department of Health and Human Services, Federal Poverty Guidelines 2009
- EMTALA policy