FINANCIAL ASSISTANCE POLICY:

CHARITY CARE & DISCOUNT PAYMENTS

Policy Stat ID	17750299
Effective Date	8/26/2025
Applies To	PATIENT FINANCIAL SERVICES

I. POLICY STATEMENT:

A. No individual who is determined to be eligible for financial assistance will be charged more for emergency or other medically necessary care than the amount Salinas Valley Health Medical Center (“SVHMC” or the “hospital”) would expect in good faith from Medicare.

II. PURPOSE:

A. SVHMC serves all persons in Salinas and the larger surrounding community area. As a California healthcare district, SVHMC is committed to providing high-quality, cost-effective services to our patients. SVHMC strives to meet the health care needs of all patients who seek inpatient, outpatient and emergency services and is committed to providing access to financial assistance programs when patients are uninsured or underinsured and may need help in paying their hospital bill. Providing patients with opportunities for financial assistance coverage for healthcare services is an important element in fulfilling the SVHMC mission. This Financial Assistance Program/ Charity Care & Discount Payment Policy (the "Policy") defines the SVHMC Financial Assistance Program; its criteria, systems, and methods.

B. California acute care hospitals must comply with the Hospital Fair Pricing Policies statutes in the Health & Safety Code and implementing regulations for written policies providing discount payment and charity care to financially qualified patients. This Policy is intended to meet such legal obligations and to be consistent with the requirements under Section 501(r) of the Internal Revenue Code applicable to nonprofit corporations. This Policy provides for both Full Charity Care and Discount Payments to patients who financially qualify under the terms and conditions of the SVHMC Financial Assistance Program. All provisions should be interpreted in the context of the Hospital Fair Pricing Policies statutes in the Health & Safety Code and implementing regulations.

III. DEFINITIONS:

A. Discount Payment: Discount Payment is defined as any charge for care that is reduced but not free for any emergency or medically necessary inpatient or outpatient hospital service provided to a patient who is uninsured or underinsured. The discount will be applied against the gross charges for hospital services provided.

B. Essential Living Expenses: Essential living expenses are defined as expenses for any of the following: rent or house payments (including maintenance expenses), food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child and spousal support, transportation and automobile expenses (including insurance, fuel, and repairs), installment payments, laundry and cleaning expenses, and other extraordinary expenses.

C. Federal Poverty Level (FPL): The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under its statutory authority.

D. Financial Assistance: Discount Payment or Full Charity Care.

E. Full Charity Care: Full Charity Care is defined as free care for any emergency or medically necessary inpatient or outpatient hospital service provided to a patient.

F. Medically Necessary: Services performed within the hospital are presumed to be medically necessary, unless the hospital provides an attestation by the referring provider or the supervising health care provider for the hospital services at issue that the services are not medically necessary. An attestation is considered valid if it is signed by the provider who referred the patient for the hospital services at issue in the complaint or the supervising heath care provider for the hospital services at issue in the complaint. The hospital shall obtain the required attestation before it may deny a patient eligibility for the Discount Payment program on the basis that the services at issue were not medically necessary.

G. Patient's Family: A patient's family is defined as:

i. For persons 18 years of age and older, spouse, domestic partner, dependent children under 21 years of age, or any age if disabled, whether living at home or not; and

ii. For persons under 18 years of age or for a dependent child 18 to 20 years of age, parent, caretaker relatives, and other children under 21 years of age, or any age if disabled, of the parent or caretaker relative.

IV. GENERAL INFORMATION

A. This Policy pertains to Financial Assistance for healthcare services provided by SVHMC. It does not apply to purchases from SVHMC's retail operations, such as its gift shop or cafeteria.

B. Under California law, hospitals are not permitted to employ physicians and, accordingly, physician services are provided by independent physician groups not controlled by SVHMC and who are not bound by this policy. Accordingly, this Financial Assistance Policy is applicable only to hospital services provided by SVHMC and specifically excludes medical care provided by physicians who may be members of the SVHMC Medical Staff. Specifically, this Policy applies only to charges for hospital services and is not binding upon other providers of medical services who are not employed or contracted by Hospital to provide medical services, including physicians who treat hospital patients on an emergency, inpatient or outpatient basis. Physicians providing services to patients who are uninsured or cannot pay their medical bills due to high medical costs may have their own financial assistance policy to provide assistance.

C. Emergency physicians, as defined in California Health and Safety Code §127450, who provide emergency medical services at SVHMC are 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. For Financial Assistance regarding your emergency room physician billing please contact Salinas Valley Emergency Medical Group at (831) 649-1000. SVHMC provides, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for assistance under this policy, as detailed in Subchapter G of Chapter IV of Title 42 of the Code of Federal Regulations (or any successor regulations).

V. FINANCIAL ASSISTANCE APPLICATION PROCESS

A. The SVHMC Financial Assistance Program utilizes a single, unified patient application for both Full Charity Care and Discount Payments (Financial Assistance Application or Application). The process is designed to give each applicant an opportunity to receive the maximum financial assistance benefit for which they may qualify. The Financial Assistance Application provides patient information necessary for determining patient qualification by the hospital and such information will be used to qualify the patient or family representative for maximum coverage under the SVHMC Financial Assistance Program. The Application includes the office and phone number to call if the patient has any question concerning the Financial Assistance Program or applying for the same. Eligibility for Full Charity Care or Discount Payments shall be determined at any time, and SVHMC shall not impose time limits for applying for Full Charity Care or Discount

Payments, nor deny eligibility based on the timing of a patient's application.

B. Eligible patients may qualify for the SVHMC Financial Assistance Program by following application instructions and making every reasonable effort to provide the hospital with the requested documentation and health benefits coverage information such that the hospital may make a determination of the patient's qualification for coverage under the program. For both Full Charity Care and Discount Payment, the Financial Assistance Application must be accompanied by one of the following forms of documentation of income:

   i. Federal Income Tax Return (Form 1040) for patient and spouse or domestic partner from the year the patient was first billed or 12 months prior to when the patient was first billed, or

   ii. Recent paystubs from within the 6 months before or after the patient is first billed (or if preservice, when the Application is submitted).

C. Eligibility for Financial Assistance shall be determined at any time that SVHMC is in receipt of the Financial Assistance Application and supporting documents. The documents provided for the Financial Assistance Application will only be used in reaching a Financial Assistance determination and will not be used for collection activities.

D. In determining eligibility for Financial Assistance, SVHMC will not request any additional information other than the information requested in the Application. A patient seeking Financial Assistance, however, may voluntarily provide additional information if they choose. Eligibility alone is not an entitlement to coverage under the SVHMC Financial Assistance Program. SVHMC must complete a process of applicant evaluation and determine coverage before Full Charity Care or Discount Payment may be granted. The following information will be considered in determining the eligibility of the patient for Financial Assistance: patient or family income and patient's family size.

E. Patients or their family representative may complete an Application for the Financial Assistance Program. The Application and required supplemental documents are submitted to SVHMC Patient Financial Services located at:

3 Rossi Cir, Suite C,

Salinas, CA 93907

This office shall be clearly identified on the application instructions and a telephone number and website for patients seeking assistance in completing the application shall be provided.

F. The SVHMC Financial Assistance Program relies upon the cooperation of individual patients who may be eligible for full or partial assistance. The patient and/or patient family representative who requests assistance in meeting their financial obligation to the hospital shall make every reasonable effort to provide information necessary for the hospital to make a Financial Assistance qualification determination. All patients unable to demonstrate financial coverage by third party insurers will be offered an opportunity to complete the Financial Assistance Application. Insured patients who are unable to pay patient liabilities after their insurance has paid based on income may also be eligible for financial assistance. Any patient who requests Financial Assistance will be asked to complete a Financial Assistance Application.

G. The hospital will provide guidance and/or direct assistance to patients or their family representative as necessary to facilitate completion of program applications. In addition, uninsured patients will be offered information, assistance and referral to government sponsored programs for which they may be eligible.

H. Completion of a Financial Assistance Application provides:

i. Information necessary for the hospital to determine if the patient has income sufficient to pay for services;

ii. Documentation useful in determining qualification for Financial Assistance; and

iii. An audit trail documenting the hospital's commitment to providing Financial Assistance.

I. Financial Assistance qualification is determined after the patient and/or patient family representative establishes eligibility according to criteria contained in this Policy. While Financial Assistance shall not be provided on a discriminatory or arbitrary basis, the hospital retains full discretion, consistent with laws and regulations, to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance. SVHMC does not require a patient to apply for Medicare, Medi-Cal, or other coverage before the patient is screened, or provided, a financial discount. However, SVHMC may require patients applying only for Discount Payments to participate in screening for Medi-Cal eligibility.

J. SVHMC will provide personnel who have been trained to review financial assistance applications for completeness and accuracy.

K. A Financial Assistance determination will be made only by approved hospital personnel according to the following levels of authority:

i. Director of Patent Financial Services: Accounts less than $150,000.01

ii. Chief Financial Officer (CFO): Accounts between $150,000.01 and $300,000.00

iii. Chief Executive Officer (CEO): Accounts greater than $300,000.00

iv. Accounts with a value greater than $150,000.00 require two signatures for approval.

VI. ELIGIBILITY FOR FINANCIAL ASSISTANCE

A. Eligibility for Financial Assistance:

i. Qualification for Full Charity Care or Discount Payment shall be determined solely by the patient's and/or patient family representative's ability to pay based on income. Qualification for Financial Assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

ii. Eligibility is available for any patient receiving emergency or medically necessary services whose family income is less than 400% of the current federal poverty level. Depending upon individual patient eligibility, financial assistance may be granted for Full Charity Care or Discount Payment. Financial assistance may be denied when the patient or other responsible family representative does not meet the SVHMC Financial Assistance Policy requirements.

iii. Financial Assistance Program qualification may be granted for Full Charity Care (100% free services) or Discount Payment (charity care of less than 100%), depending upon the patient or family representative's level of eligibility as defined in the criteria of this Financial Assistance Program Policy. Such Full Charity Care or Discount Payment does not apply to financial responsibility imposed by the Medicaid/Medi-Cal program for Medicaid/Medi-Cal eligible beneficiaries, including "share of cost" or other cost sharing.

B. Financial Assistance Qualification Levels

i. Full Charity Care: If the patient's adjusted gross family income is 200% or less of the established poverty income level, based upon current FPL Guidelines, and the patient meets all other Financial Assistance Program qualification requirements, the entire (100%) patient liability portion of the bill for services will be written off.

ii. Discount Payment: If the patient's adjusted gross family income is between 201% and 400% of the established poverty income level, based upon current FPL Guidelines, the following will apply:

a. Uninsured/self-pay patient whose care is not covered by a payer: If the services are not covered by any third-party payer so that the patient ordinarily would be responsible for the full-billed charges, the patient's payment obligation will be the gross amount the Medicare program would have paid for the service if the patient were a Medicare beneficiary.

b. Patient has third party payer coverage: If the services are covered by a third party payer so that the patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment, or any other out of pocket costs and medical expenses), the patient's payment obligation will be an amount equal to the difference between what insurance has paid and the gross amount that Medicare would have paid for the service if the patient were a Medicare beneficiary. If the amount paid by insurance exceeds what Medicare would have paid, the patient will have no further payment obligation.

c. Out of pocket costs and medical 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.

C. Presumptive Eligibility

i. A completed Financial Assistance Application is not required if SVHMC determines it has sufficient patient financial information from public sources which to make a Financial Assistance qualification decision. Patients deemed presumptively eligible may be documented for Financial Assistance as reflected in the transaction code used to adjudicate the patient's claim, including but not limited to transactions related to Full Charity Care, Discount Payments, non-covered services and payer denials.

ii. SVHMC may presumptively determine that a patient is eligible for Full Charity Care or Discount Payment based on information other than that provided by the patient or based on a prior eligibility determination.

iii. Circumstances that may give rise to presumptive eligibility include:

a. If the patient is determined to be homeless, he/she will be deemed presumptively eligible for the Financial Assistance Program and Full Charity Care.

b. Patients seen in the emergency department, for whom the hospital is unable to issue a billing statement, may have the account charges written off as Full Charity Care. All such circumstances shall be identified on the patient's account notes as an essential part of the documentation process.

c. Patients that are eligible for government sponsored low-income assistance program (e.g. Medi-Cal, Healthy Families, California Children's Services and any other applicable state or local low-income program) are deemed to be indigent and presumptively eligible for Full Charity Care under this Policy. Therefore, all non-covered charges, excluding Medicaid/Medi-Cal "share of cost" or other Medicaid/Medi-Cal patient cost-sharing for such patients shall be counted as charity care. Examples of this include but are not limited to services provided to Medicaid/Medi-Cal beneficiaries with restricted Medicaid/Medi-Cal, Medicaid/Medi-Cal pending accounts, Medicaid/Medi-Cal or other indigent care program denials, charges related to days exceeding length-of-stay limits, Medicaid claims (including out-of-state Medicaid claims) with "no payments," and any service provided to a Medicaid/Medi-Cal-eligible patient with no coverage and no payment.

d. The portion of Medicare patient accounts (a) for which the patient is financially responsible (coinsurance and deductible amounts), (b) which is not covered by insurance or any other payer including Medi-Cal, and (c) which is not reimbursed by Medicare as a bad debt, may be classified as Full Charity Care if the patient is a beneficiary under Medi-Cal or another program serving the health care needs of low-income patients; or the patient otherwise qualifies for financial assistance under this Policy and then only to the extent of the write-off provided for under this Policy.

e. Any account returned to the hospital from a collection agency that has determined the patient or family representative does not have the resources to pay his or her bill, may be deemed eligible for Full Charity Care. Documentation of the patient or family representative's inability to pay for services will be maintained in the Full Charity Care documentation file. All accounts returned from a collection agency for re-assignment from bad debt to

Financial Assistance will be evaluated by hospital personnel prior to any re- classification within the hospital accounting system and records.

D. Catastrophic Medical Events

i. Any patient who has an income which exceeds 400% of the FPL and experiences a catastrophic medical event may be deemed eligible for Financial Assistance. Such patients, who have high incomes do not qualify for routine Full Charity Care or Discount Payment. However, consideration as a catastrophic medical event may be made on a case-by-case basis.

ii. The determination of a catastrophic medical event shall be based upon the amount of the patient liability at billed charges, and consideration of the individual's income and assets as reported at the time of occurrence. Management shall use reasonable discretion in making a determination based upon a catastrophic medical event. As a general guideline, any account with a patient liability for services rendered that exceeds $75,000 may be considered for eligibility as a catastrophic medical event.

VII. EFFECT OF GRANT FINANCIAL ASSISTANCE

A. Once eligibility is determined, Financial Assistance Program qualification will apply to the specific services and service dates for which application has been made by the patient and/or patient family representative. In cases of continuing care relating to a patient diagnosis which requires on-going, related services, the hospital, at its sole discretion, may treat continuing care as a single case for which qualification applies to all related on-going services provided by the hospital. Other pre-existing patient account balances outstanding at the time of qualification determination by the hospital may be included as eligible for write-off at the sole discretion of management.

B. If appropriate, SVMHC shall refund the individual any amount that he or she has paid for the care (whether to SVMHC or any other party to whom SVMHC has referred the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying after Financial Assistance has been applied plus interest. SVMHC shall make any refunds under this section within 30 days of the determination of eligibility for Financial Assistance. Any interest owed by the hospital to the patient shall accrue at the rate set forth in Section 685.010 of the Code of Civil Procedure, beginning on the date payment by the patient is received by the hospital.

SVMHC is not required to reimburse a patient if: (1) it has been five years or more since the patient's last payment to hospital/debt buyer, or (2) the patient's debt was sold before January 1, 2022, in accordance with the law at the time.

VIII. EXTENDED PAYMENT PLANS

A. When a determination of Discount Payment has been made by the hospital, the patient shall have the option to pay any or all outstanding amount due in one lump sum payment, or through a scheduled term payment plan.

B. The hospital will discuss payment plan options with each patient that requests to make arrangements for term payments. Individual payment plans will be arranged based upon the patient's ability to pay. As a general guideline, payment plans will be structured to last no longer than 12 months. The hospital shall negotiate in good faith with the patient; however, where an agreement cannot be reached regarding a payment plan, the payment plan bill will require that monthly payments do not exceed 10% of a patient's family income for one month excluding deductions for essential living expenses. No interest will be charged to the patient for the duration of any payment plan arranged under the provisions of the Financial Assistance Policy.

C. A health savings account held by the patient or the patient's family may be considered when negotiating payment plans. SVHMC may require a patient or guarantor to pay the hospital any amount sent directly to the patient by third- party payers, including from legal settlements, judgements, or awards.

IX. DISPUTE RESOLUTION

A. In the event that a dispute arises regarding qualification, the patient may file a written appeal for reconsideration with the hospital. The written appeal should contain a complete explanation of the patient's dispute and rationale for reconsideration. Any or all additional relevant documentation to support the patient's claim should be attached to the written appeal.

B. Any or all appeals will be reviewed by the hospital director of Patient Financial Services. The director shall consider all written statements of dispute and any attached documentation. After completing a review of the patient's claims, the director shall provide the patient with a written explanation of findings and determination.

C. In the event that the patient believes a dispute remains after consideration of the appeal by the director of Patient Financial Services, the patient may request in writing, a review by the hospital's CFO. The CFO shall review

the patient's written appeal and documentation, as well as the findings of the director of patient financial services. The CFO shall make a determination and provide a written explanation of findings to the patient. All determinations by the CFO shall be final. There are no further appeals.

X. PUBLIC NOTICE

A. SVHMC shall widely disseminate the existence and terms of its Financial Assistance Policy throughout its service area. To that end, SVHMC shall post clear and conspicuous notices informing the public of the Financial Assistance Program in locations that are visible to the public, including but not limited to the emergency department, billing office, inpatient admission and outpatient registration areas and other common outpatient areas of the hospital. Notices shall also be posted at any location where a patient may pay their bill. Notices will include contact information on how a patient may obtain more information on financial assistance as well as where to apply for such assistance. In addition, SVHMC shall post a copy of this Policy, the Plain Language Summary and the Financial Assistance Application on its website and make all such documents available for free download.

B. If the patient is not conscious or otherwise able to receive the Plain Language Summary at the time of registration, the notice shall be provided during the discharge process (or when the patient leaves the facility, if not admitted). If for any reason the patient leaves the facility without receiving the written notice, SVHMC shall mail the notice to the patient within 72 hours. In all cases SVHMC will include the Plain Language Summary in at least one post-discharge mailing. In addition, every invoice to a patient post discharge shall include a conspicuous written notice as an insert of the Plain Language Summary that: (1) informs the patient as to the availability of financial assistance; (2) includes a phone number of the office or department that can advise patients as to the availability of Financial Assistance; and (3) includes a direct website address (URL) where copies of this Policy, the Plain Language Summary and the Application may be downloaded.

C. Finally, SVHMC shall make translations of this Policy, the Plain Language Summary, and the financial assistance application available in Spanish and any other language that is the primary language of the lesser of 1,000 individuals or 5% of the population of the communities served by SVHMC. Patients with language needs other than Spanish or with disabilities may request accessibility support or an alternative format of the financial assistance policy by calling 831-755-0732.

XI. CONFIDENTIALITY

It is recognized that the need for financial assistance is a sensitive and deeply personal issue for recipients. Confidentiality of requests, information and funding will be maintained for all that seek or receive financial assistance. The orientation of staff and selection of personnel who will implement this Policy should be guided by these values.

XII. GOOD FAITH REQUIREMENTS

SVHMC makes arrangements for Financial Assistance for qualified patients in good faith and relies on the fact that information presented by the patient or family representative is complete and accurate.

Provision of financial assistance does not eliminate the right to bill, either retrospectively or at the time of service, for all services when fraudulent, or purposely inaccurate information has been provided by the patient or family representative. In addition, SVHMC reserves the right to seek all remedies, including but not limited to civil and criminal damages from those patients or family representatives who have provided fraudulent or purposely inaccurate information in order qualify for the SVHMC Financial Assistance Program.

XIII. DOCUMENTATION

A. SVHMC Financial Assistance Application, Financial Assistance Worksheet and Federal Poverty Guidelines

B. Plain Language Summary

XIV. FULL CHARITY CARE AND DISCOUNT PAYMENT REPORTING

A. SVHMC will report actual Full Charity Care provided in accordance with regulatory requirements of the California Department of Health Care Access and Information (HCAI) as contained in the Accounting and Reporting Manual for Hospitals, Second Edition. To comply with regulation, the hospital will maintain written documentation regarding its charity care criteria, and for individual patients, the hospital will maintain written documentation regarding all Charity Care determinations. As required by HCAI, charity care provided to patients will be recorded on the basis of actual charges for services rendered.

B. SVHMC will provide HCAI with a copy of this Financial Assistance Policy which includes the Full Charity Care and Discount Payment policies within a single document. The Financial Assistance Policy also contains: 1) all eligibility and patient qualification procedures; 2) the unified application for Full Charity Care and Discount Payment; and 3) the review process for both Full Charity Care and Discount Payment. These documents shall be

supplied to HCAI every two years or whenever a significant change is made. Emergency room physicians are independent of SVHMC, therefore they have their own financial assistance program.

XV. EDUCATION/TRAINING:

Education and/or training is provided as needed.

XVI. REFERENCES:

1. California Health and Safety Code section 127400 et seq.

2. Federal Poverty Guidelines