

**ORANGE COAST MEMORIAL**  
MEMORIALCARE® HEALTH SYSTEM

Orange Coast Memorial Medical Center

Annual Report and Plan for  
**COMMUNITY BENEFIT**

Fiscal Year 2013  
July 1, 2012 through June 30, 2013

Submitted to:  
Office of Statewide Health Planning & Development  
Healthcare Information Division  
Accounting and Reporting Systems Section  
Sacramento, California

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## Letter from the CEO

November 22, 2013

Orange Coast Memorial Medical Center strives to accomplish its mission to improve the health and well-being of individuals and families through continued implementation of Community Benefit programs and activities.

As a member of the MemorialCare Health System, Orange Coast Memorial demonstrates the organization's steadfast focus on delivering high quality, cost-effective health care that meets the changing needs of the communities we serve.

Orange Coast Memorial works in partnership with dedicated community members and local organizations to remain consistent with our values and to continue investing our resources to best serve those with identified needs. As such, we are committed to strategically focusing our investment of charitable resources to address the identified, unmet health needs of the diverse communities within our market area.

We are proud to continue the quest established by MemorialCare Health System which has enabled us to provide leading, essential health care for our community.

Sincerely,  


Marcia Manker  
Chief Executive Officer

Orange Coast Memorial  
MemorialCare Health System  
18111 Brookhurst St.  
Fountain Valley CA 92708  
714-378-7000

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**Mission**

To improve the health and well-being of individuals, families and our communities through innovation and the pursuit of excellence.

**Vision**

Exceptional People. Extraordinary Care. Every Time.

**Values****The ABC's of MemorialCare**

With a focus on solid fundamentals – Accountability, Best Practices, Compassion and Synergy – MemorialCare Health System is delivering the highest standard of patient care and exceptional clinical outcomes. What sets us apart is our ability to leverage the strengths of our health system, including operational efficiencies, the application of new technologies and the exchange of ideas, expertise and best practices.

**MemorialCare Health System**

Orange Coast Memorial is a member of the not-for profit, integrated delivery system that includes six top hospitals – Long Beach Memorial, Miller Children's Hospital Long Beach, Community Hospital Long Beach, Orange Coast Memorial, and Saddleback Memorial in Laguna Hills and San Clemente; medical groups – MemorialCare Medical Group, Memorial Prompt Care; an Independent Practice Association (IPA) – Greater Newport Physicians; MemorialCare HealthExpress retail clinics; and numerous outpatient health centers throughout the Southland.

**Orange Coast Memorial**

Orange Coast Memorial became a member of the MemorialCare Health System in January 1996. In May 1997, the hospital was granted not-for-profit status retroactive to December 26, 1995, the date of incorporation. Formerly, Orange Coast Memorial was known as FHP Hospital and operated as a for-profit facility.

Orange Coast Memorial is the only not-for-profit hospital in Fountain Valley. The hospital is home to the MemorialCare Cancer Institute, MemorialCare Breast Center, MemorialCare Imaging Center, MemorialCare Heart & Vascular Institute, MemorialCare Center for Obesity, MemorialCare Center for Childbirth, the Parkinson's and Movement Disorders Institute, and the Miller Children's Specialty Center.

Orange Coast Memorial fulfills its community's health care needs with innovation and a commitment to excellence. We strive to provide compassionate care and personalized service to our community. We have been recognized by *US News and World Report* as one of the region's top hospitals for 2012-2013.

Orange Coast Memorial's Board of Directors guided the direction of community benefit, with assistance from the Community Benefit Oversight Committee (CBOC).

Voting Board Members:

Hugh Moran, Chairman, Businessman	Tim Helgeson, Vice-Chair, Businessman	Julio Ibarra, M.D. Secretary, Physician	Barry Arbuckle, Ph.D. President and CEO, MemorialCare Health System
Larry Lambert Businessman	Bob Schack Businessman	Bill Barnes Community Member	Gale Schluter Community Member
Art Aviles Community Member	John Stroh Community Member	Richard McAuley Community Member	

Invited Guests (non-voting)

Marcia Manker CEO Orange Coast Memorial	Stan Arnold, M.D. Chief-of- Staff Orange Coast Memorial	Frank Marino, M.D. Medical Director Orange Coast Memorial	Dale Vital CNO/VP, Pt. Services Orange Coast Memorial
Steve McNamara CFO Orange Coast Memorial	Emily Randle VP of Operations Orange Coast Memorial	Tammie Brailsford VP, COO MemorialCare Health System	Helen Cicino Fabian General Council, Sr. VP of HR MemorialCare Health System
Rick Graniere CFO MemorialCare Health System	Karen Testman Sr. VP, Financial Operations MemorialCare Health System	Paul Stimson Director, Orange Coast Memorial Foundation	

The Community Benefit Oversight Committee (CBOC) prioritized community benefit needs and made recommendations to the Orange Coast Memorial Board of Directors.

Voting CBOC Members:

Gary Vatcher, Chairman, Community member	Frank Marino, M.D., Vice-Chair Private practice physician	Stanley Arnold, M.D. Private practice physician	Marcia Manker CEO Orange Coast Memorial
Haydee Tillotson Community member	Norma Brandel-Gibbs Community member	Marc Ecker, Ph.D. Superintendent, FVSD	Tanya Hoxsie CEO, Boys & Girls Club of Huntington Valley
David Truong Community Member, Businessman	Debra Culver Public Relations Director, Orange Coast Memorial	Chris Shinar, Pharm.D. Exec. Director, Performance Improvement, Orange Coast Memorial	Art Aviles Community member
Jan Murphy, LCSW Clinical Social Worker, Orange Coast Memorial			

Invited Guests (non-voting)

Cathy Capaldi, Vice President, Strategy & Business Development, Orange Coast Memorial	Beth Hambelton Community Benefit Coordinator, Orange Coast Memorial		
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## About the Community

Orange Coast Memorial is located in Orange County, California, in the City of Fountain Valley. The primary service area served by Orange Coast Memorial includes: Fountain Valley (92708), Huntington Beach (92646, 92647, 92648, 92649), Costa Mesa (92626, 92627), Westminster (92683), Garden Grove (92840, 92841, 92843, 92844, 92845), Newport Beach (92660, 92663), Corona del Mar (92625), Seal Beach (90740), Los Alamitos (90720), Cypress (90630), Tustin (92780), and parts of Anaheim (92804) and Santa Ana (92703, 92704, 92707). The map below highlights the areas included in the community health needs assessment.



Within the hospital service area there are a number of communities with disproportionate unmet health needs. Two population groups have been identified as vulnerable populations: Vietnamese families and senior adults. A vast majority of the entire Orange County Vietnamese community resides in the hospital's service area. This population represents nearly 10% of those served by the hospital. Senior adults, ages 65 and older, represent 12% of the population in the hospital's service area.

## **Community Health Needs Assessment**

### **Orange Coast Memorial conducted a Community Health Needs Assessment in Fiscal Year 2013.**

Biel Consulting conducted the Community Health Needs Assessment for fiscal year 2013 on behalf of Orange Coast Memorial Medical Center. Biel Consulting specializes in community benefit work with nonprofit hospitals and has over 10 years of experience conducting hospital Community Health Needs Assessments.

#### **Data Collection**

The community health needs assessment included collection and analyses of secondary and primary data.

##### Secondary Data

The report examined up-to-date data sources for the service area to present community demographics, social and economic factors, health access, birth characteristics, leading causes of death, chronic disease, and health behaviors. When applicable, these data sets were presented in the context of California and compared to the Healthy People 2020 objectives.

##### Primary Data

Targeted interviews were used to gather information and opinions from persons who represent the broad interests of the community served by the Hospital. Fourteen interviews were completed from August through November, 2012. Interviewees included individuals who are leaders and representatives of medically underserved, low-income, minority and chronic disease populations. Additionally, input was obtained from the Orange County Health Care Agency. One focus group was conducted in November 2012. The focus group engaged 13 senior residents and was held at the Center at Founders Village Senior and Community Center in Fountain Valley.

#### **Overview of Key Findings**

This overview summarizes significant findings drawn from an analysis of the data from each section of the report. Full data descriptions, findings, and data sources are in the full report.

##### Community Demographics

- The population of the Orange Coast Memorial service area is 1,183,451.
- Children and youth, ages 0-17, make up 24.2% of the population; 63.7% are adults, ages 18-64; and 12.1% of the population are seniors, ages 65 and over. The population in the Orange Coast Memorial service area tends to be older than the Orange County population as a whole.

- 39.3% of the residents are White; 36.8% are Hispanic/Latino; 19.8% are Asian; 1.2% are African American; and 2.9% are American Indian/Alaskan Native/Native Hawaiian or other race/ethnicity.
- English is spoken in the home among 49.1% of the service area population. Spanish is spoken at home among 29.8% of the population; 17.4% of the population speak an Asian language; and 2.8% of the population speaks an Indo-European language at home.

### Social and Economic Factors

- Among the residents in the Orange Coast Memorial service area, 12.6% are at or below 100% of the federal poverty level (FPL) and 31.8% are at 200% of FPL or below. These rates of poverty are higher than found in the county where 10.9% of residents are at poverty level and 27.3% are at 200% of FPL or below.
- In the service area, 17.2% of children, under age 18 years, are living in poverty.
- The median household income in the area ranges from \$50,595 in Garden Grove 92844 to \$113,054 in Newport Beach 92660.
- The unemployment rate of service area cities shows a diverse range from 4.8% in Los Alamitos to 13.7% in Santa Ana. Orange County as a whole has an unemployment rate of 8.7%.
- In the 2010/11 school year, 90% of the total number of 12th graders graduated from Orange County high schools, which is higher than the state rate of 84%.
- The 2011 Orange County Point-in-Time Homeless Census and Survey estimated 6,939 homeless individuals during the point-in-time count. It was further estimated that 18,325 persons experience homelessness annually in the county. Of the homeless, 62% are unsheltered and 38% are sheltered.

### Health Access

- Health insurance coverage is considered a key component to access health care. 78.3% of the total population in the Orange Coast Memorial service area has health insurance. Seal Beach has the highest health insurance rate (93.5%) and Santa Ana has the lowest rate of health insurance (65.7%).
- 88.7% of children under age 18 have health insurance coverage in the service area. Fountain Valley has the highest health insurance rate among children (97.7%), and Santa Ana has the lowest percentage of children with health insurance (82.8%).
- There were 34,508 persons in Orange County's Medical Services Initiative program in August 2010 as reported by the Medically Indigent Care Reporting System (MICRS).

- 88.4% of children in Orange County have a usual source of care. Among adults, 83.1% of adults have a usual source of care. 93.7% of seniors in the county have a usual source of care.
- 17.9% of Orange County residents visited an ER over the period of a year. Seniors visit the ER at the highest rates (22%). In Orange County low-income residents and those living in poverty visit the ER at higher rates than found in the state.
- Portions of Garden Grove, Santa Ana and Anaheim are designated as a Health Professionals Shortage Area (HPSA) for a population. Portions of Garden Grove and Santa Ana are designated as a Medically Underserved Population (MUP). The MUP designation is given to areas with populations that have economic barriers (low-income or Medicaid-eligible populations), or cultural and/or linguistic access barriers to primary medical care services.
- 13.4% of children in Orange County have never been to a dentist. This is higher than the state rate of 11.6%. 5.1% of children had not visited the dentist in the past year.

#### Birth Characteristics

- In 2010, there were 14,500 births in the area. The majority of the births were to Latino women (55.6%); 24% of the births were to White women, and 17.2% of births were to Asian/Pacific Islander women.
- Teen births occurred at a rate of 75.7 per 1,000 births (or 7.6% of total births). This rate is lower than the teen birth rate found in the state (8.5%) but higher than Orange County rates (6.5%).
- 88.6% of women enter prenatal care within the first trimester. The area rate of early entry into prenatal care exceeds the Healthy People 2020 objective of 78% of women entering prenatal care in the first trimester.
- The Orange Coast Memorial service area rate of low birth weight babies is 6.4% (63.6 per 1,000 live births).
- Breastfeeding rates at Orange Coast Memorial indicate 94.5% of new mothers use some breastfeeding and 63% use breastfeeding exclusively. These rates are better than found among hospitals in Orange County and the state.

#### Leading Causes of Death

- The three leading causes of death in the Orange Coast Memorial service area are cancer, heart disease, and Alzheimer's disease.
- The cancer death rate is 143.2 per 100,000 persons. This rate is lower than the state rate for cancer mortality and is also lower than the Healthy People 2020 objective of 160.6 per 100,000 persons.

- The heart disease mortality rate in the service area is 142.7 per 100,000 persons, which exceeds the Healthy People 2020 objective of 100.8 deaths per 100,000 persons.
- The Alzheimer's disease death rate of 34.3 per 100,000 persons is higher than the state rate of 29.1 per 100,000 persons.
- The death rate for stroke (34.1) in the service area is higher than the Healthy People 2020 objective (33.8). All other causes of death are lower than state rates and Healthy People 2020 objectives.
- In Orange County, mortality from digestive system and respiratory system cancers occurs at the highest rates.

### Chronic Disease

- In Orange County 6.9% of the population had been diagnosed as pre-diabetic. 7.7% of adults had been diagnosed with diabetes.
- For adults in Orange County, 5.8% have been diagnosed with heart disease. This is equivalent to the state rate of 5.9%.
- A co-morbidity factor for diabetes and heart disease is hypertension (high blood pressure). In Orange County, 22.2% of adults have been diagnosed with high blood pressure. Of these, 72.5% take medication for their blood pressure.
- The age-adjusted cancer incidence rate is 463.7 per 100,000 persons. Breast cancer (83.0), and brain and nervous system cancer (6.3) occur at rates higher than the state rates for these types of cancer.
- The population diagnosed with asthma in Orange County is 10.3%. 42.1% of asthmatics take medication to control their symptoms. Among youth, 7.8% have been diagnosed with asthma.
- Tuberculosis rates in the county and state have declined from 2010 to 2011. The rate of TB, per 100,000 persons in 2011 in Orange County was 6.4, which is higher than the state rate of 5.8.

### Health Behaviors

- Over one-third of adults (36.3%) are overweight in Orange County and 20.7% are obese.
- 22.2% of teens and 9.7% of children are identified as being overweight. 3.9% of teens are obese.
- 22.4% of Orange County residents consume fast food 3-4 times a week. This is higher than the state rate of 19.6%.
- In Orange County, 17.1% of children and teens consume two or more soda or sweetened drinks a day. This rate is higher than the state rate of 14.7%.
- In Orange County, 65% of children engaged in vigorous physical activity at least

three days a week. In contrast, 10% of children and 16.5% of teens did not engage in any physical activity in a week.

- In Orange County, 5.4% of teens smoke cigarettes; this is higher than the state rate of 4.2%. Among adults, 9.3% are current smokers and 23.7% are former smokers.
- Among adults, 31.4% in Orange County had engaged in binge drinking in the past year; 12.6% of teens indicated they had engaged in binge drinking.
- The rate of Chlamydia in Orange County is 260.3 per 100,000 persons. Females, ages 15-24, have the highest rates of Chlamydia.
- Among Orange County adults, 3.8% experienced serious psychological distress in the past year. 26.2% of adults and 7.3% of teens needed help for mental health problems.
- 61.3% of seniors had obtained a pneumonia vaccine, which is lower than the state rate of 62.6% and does not meet the Healthy People 2020 objective of 90%.
- The Healthy People 2020 objective for mammograms is that 81% of women 40+ years have a mammogram in the past two years. In Orange County, women have met that objective with 81% obtaining mammograms.
- The Healthy People 2020 objective for Pap smears in the past three years is 93%. In Orange County, 78.1% of women had a Pap smear.
- The Healthy People 2020 objective for colorectal cancer screening is 70.5%. Orange County residents (80.8%) exceeded this screening objective.

### Community Stakeholder Interviews

Community issues and concerns that were identified included both issues that cut across all population groups as well as some issues of greater concern within specific communities or sub-populations. The broader, community-wide issues most frequently mentioned included:

- The downturn in the economy and related impacts
  - Lack of affordable housing
  - Lack of access to affordable health care, including mental health, and in-home care for the elderly
  - Cost of care leads to delays in accessing health care, leading to worsening outcomes
  - Quality of care available to low-income patients is sub-par
  - Lower-paying jobs, with no insurance provided
  - Drops in the value of retirement investments
  - Adult children returning home to live with their parents

- Families trying to eat on a budget turn to cheap fast foods; there are no affordable, healthy options
- Parents working long hours have difficulty finding proper care - educational and entertaining - for their kids
- Lack of access to affordable exercise programs, for adults and kids
- Lack of information about how to access health care, including questions about what services or coverage programs people are eligible for and/or where to go to access services, and complexities of applying for and maintaining coverage
- Transportation concerns, including lack-of coverage, costs to the poor, distance to needed services, particularly among the elderly who don't drive
- Lack of mental health services for low-income and underserved populations, both for the severely mentally ill and for "moderate to moderate-consistent needs, such as depression and anxiety"

Some population-specific issues identified through the interviews included:

- Immigrant Populations –Hispanic and Vietnamese were mentioned. For both, there were issues of language barriers, both real and perceived, and related anxieties to accessing services; lack of cultural competence; fear of deportation; lack of trust, fear, and embarrassment leading to lying about or hiding symptoms
- Children and Youth – Lack of understanding by parents of the importance of school work, and lack of access to computers at home; lack of access to health care; few school nurses available to assist with medications and health needs
- Elderly - Transportation; isolation and loneliness; difficulty navigating 'the system' and making use of benefits they have; rising cost of medications, including co-pays; fears over the coming changes to the health care system; financial abuse of seniors, including by entities they should be able to trust; they may not even know how to turn a computer on to get more information about their diseases
- Cancer - a lack of financial assistance for needs beyond medical, such as food and rent; a lack of psychological support; reluctance to admit their diagnosis to others, particularly but not exclusively among the Vietnamese population

### Senior Focus Group

The overall “biggest issues facing the community” were identified to include:

- Lack of jobs/loss of jobs
- Limited senior transportation
- No hospital in Westminster
- Insufficient senior housing
- Aging population in Fountain Valley
- Not enough activities for younger seniors (ages 60-75)

The biggest health issues identified included:

- Even with Medicare additional insurance is needed to cover many services and to fill gaps in resources not covered by Medicare
- Need for information on existing resources
- The need for additional insurance for long-term care
- Dental care access
- Mental health care
- Eye care, hearing aids
- People use the ER because they do not have a primary care provider

A number of barriers to accessing care were identified:

- Medicare coverage and options are confusing
- The cost of insurance and co-pays; in some cases the insurance benefit runs out and people must pay out of pocket, this happens with medication coverage
- Transportation is a huge problem for seniors to access care
- Information on available resources doesn't always reach everyone

### **Identification and Prioritization of Health Needs**

The health needs were identified from issues supported by primary and secondary data sources gathered for the Community Health Needs Assessment. Each health need was confirmed by more than one indicator or data source (i.e., the health need was suggested by more than one source of secondary or primary data).

In addition, the health needs were based on the size of the problem (number of people per 1,000, 10,000, or 100,000 persons); or the seriousness of the problem (impact at individual, family, and community levels). To determine size or seriousness of a problem, the health need indicators identified in the secondary data were measured against benchmark data, specifically California state rates or Healthy People 2020 objectives. Indicators related to the health needs that performed poorly against these benchmarks were considered to have met the size or seriousness criteria. Additionally, primary data sources were asked to identify community and health issues based on the perceived size or seriousness of a problem.

The identified health needs include a special focus on seniors and the Vietnamese community.

#### Access to Care

- Primary care
- Insurance coverage
- Specialty care
- Mental health

- Dental health
- Vision
- Access to medication

#### Chronic Diseases

- Cancer
- Heart disease
- Diabetes
- Preventive care
- Overweight and obesity
  - Healthy eating
  - Physical activity

It is important to note that barriers to care were identified that impacted on all of these health needs. The barriers included: transportation, culture and language.

#### **Process and Criteria Used for Prioritization of Health Needs**

Priority setting is a required step in the community benefit planning process. The IRS regulations indicate that the Community Health Needs Assessment must provide a prioritized description of the community health needs identified through the CHNA, and include a description of the process and criteria used in prioritizing the health needs.

The Orange Coast Memorial Community Benefit Oversight Committee (CBOC) convened to prioritize the identified health needs. The Community Health Needs Assessment findings and the identified health needs were reviewed.

#### Priority Setting Process

The CBOC engaged in a process to prioritize the health needs within the access to care and chronic disease categories using the Relative Worth method. The Relative Worth method is a ranking strategy where each participant received a fixed number of points. In this case, 100 points (4 dots equaled 100 points, where each dot was worth 25 points) were given for each category of needs. Instructions were given, and the criteria for assigning points were explained. The points were assigned to health needs based on the following criteria: the size of the problem (number of people per 1,000, 10,000, or 100,000 populations); and the seriousness of the problem (impact at individual, family, and community levels).

The points could be distributed among the health needs to be prioritized in a number of ways:

- Give all points to a single, very important item
- Distribute points evenly among all items within a category (if none is larger or more serious than another)
- Distribute some points to some items, no points to other items

In the tabulation, items were ranked in priority order within a category according to the total points the individuals assigned. The health needs were ranked in the following order of priority:

Categories/Health Needs	Points
<b>Health Access</b>	
Primary care	425
Mental health	350
Insurance coverage	150
Access to medication	150
Specialty care	75
Dental health	25
Vision care	0
<b>Chronic Disease</b>	
Overweight and obesity	350
Physical activity	275
Cancer	225
Heart disease	225
Diabetes	125
Preventive care	125
Healthy eating	100

### **Community Benefit Services Summary – FY2013**

Along with the identification and prioritization of health needs in the community, Orange Coast Memorial Medical Center offered the following community health improvement services.

#### **Community Health Improvement Services**

##### Community Health Education

The community was served by the provision of a variety of health education classes and events made available to the public at no cost. Health education targeted the general community, pregnant and lactating mothers, seniors, and the Vietnamese community.

- General health and wellness education reached more than 1,400 individuals on topics that included: Cardiovascular health, cancer, digestive disorders, women’s and men’s health, back health, skin health, eye health, nutrition and more.
- Childbirth, baby care and lactation support classes were provided to 15 low-income mothers from the community.
- Senior health and wellness education was provided on topics that included: Nutrition, physical activity, diabetes prevention and management, cancer prevention and treatment, fall prevention, cardiovascular diseases, hypertension,

digestive disorders, back and spinal conditions, depression, allergies, osteoporosis, advance directives, Medicare education, personal preparedness, and more.

- Vietnamese health and wellness education was provided on topics that included: women's health, cancer, hepatitis, cardiovascular disease, and lung disease.
- Support for educational outreach to children and their families was provided in the areas of nutrition, healthy food choices, and physical activity.

#### Health Fairs, Screenings, Flu Clinics and Exams

- Health and wellness fairs for seniors included screenings for stroke, blood pressure, glucose, lung function, body composition
- Provided carotid artery stroke risk screenings for seniors throughout the community
- Flu shot clinics for adults, seniors and the Vietnamese community
- Vietnamese-specific health and wellness fairs
- Additional screenings targeting the Vietnamese community included hepatitis, bone density, stroke risk, heart health, body fat, prostate cancer, and breast cancer
- Individuals in the broader community received screenings for prostate cancer, heart disease, lung function, body fat, glucose, and skin cancer at community-wide screenings

#### Health Promotion Activities

- Orange Coast Memorial offered a targeted health outreach program on local radio and cable TV to the Vietnamese community. Information on a variety of topics, including preventive practices was presented weekly on local access channels. Radio listeners were able to call-in with questions. It is estimated that 250,000 people listened to and watched these presentations
- Senior Plus newsletter was mailed to senior residents to notify them of free health classes, events, and important information for seniors. This information was also posted at memorialcare.org
- CareConnection newsletter was mailed to residents to notify the community of free classes, screenings, and support groups held at Orange Coast Memorial and in the community. The information was also posted at memorialcare.org

#### Community Based Clinic Services

- Flu vaccines were provided for seniors at flu clinics in senior centers and at a local senior living facility

#### Health Care Support Services

- Cancer support groups and survivor events provided support assistance to individuals in the community
- Counseling was also provided to individuals

#### Enrollment Assistance and Referral Services

- Patient Financial Services help individuals enroll in MSI, regardless of where they

- received care
- Vietnamese Community Outreach Coordinator
    - Coordinates free community education and outreach, free health screenings
    - Assists with securing medical transportation for the Vietnamese community
  - Senior Advocate
    - Collaborates with local agencies and organizations to assist older adults in securing needed services
    - Coordinates free medical transportation program for seniors
    - Coordinates free health screenings, flu clinics, health education and disease prevention classes for seniors
    - Coordinates socialization and enrichment events for seniors

### **Health Professions Education**

Orange Coast Memorial recognized the need, many years ago, to help build a strong health care workforce. We continued that commitment in FY2013.

### **Continuing Medical Education**

CME lectures were offered throughout the year for educational purposes and were available to all physicians and health care professionals in the community. More than 400 professionals attended lectures that included topics such as post-traumatic stress disorder, cardiac risk assessment, low back pain, interventional radiology, breast lumps in young women, nutrition in the hospitalized patient, alternative and complementary medicine, suicide in the health professions, controversies in breast cancer screening, therapeutic hypothermia in cardiac patients, and diseases of the thyroid.

### **Nursing Education**

Orange Coast Memorial's registered nurses provided more than 26,600 hours training, directly supervising and precepting nursing students during the 2012/2013 academic year. Nursing students attended: Golden West College; Saddleback College; California State University Fullerton; California State University Long Beach; California State University Dominguez Hills; University of California Irvine; West Coast University; University of Cincinnati; University of Phoenix; Indiana State University; and Vanguard University.

### **Other Health Professions**

Nearly four thousand hours were spent training and directly supervising radiology tech students, while more nearly 1,500 hours were spent training and directly supervising ultrasound tech students. Additionally, more than 1,500 hours were spent training and directly supervising respiratory therapy and cardiac students. Students attended Golden West College, Orange Coast College and Pacific College. In addition, surgical tech and laboratory tech students from Concord Career College were trained and directly supervised for more than 1,400 hours by Orange Coast Memorial registered nurses.

## **Cash and In-Kind Donations**

Contributions to non-profit community organizations and charity benefits were made to (partial listing):

- Boys & Girls Club of Huntington Valley – donations to support physical activity, healthy food choices and enrichment opportunities for at-risk children
- Kiwanis Club of Fountain Valley – donations to support activities for at-risk children
- Eader Elementary School – donations to support physical activity and skin cancer prevention
- Fountain Valley Senior Center – donations to maintain exercise equipment, provide enrichment activities and nutritional support for seniors
- Huntington Beach Council on Aging – donations to support senior nutrition,
- Fountain Valley Senior Expo – free health screenings; donation for senior classes and activities
- City of Fountain Valley – donations for community activities
- Costa Mesa Senior Center – donations to support senior nutrition and enrichment activities
- Elwyn California – donation to support programs for developmentally disabled adults
- Community SeniorServ – donations to support senior nutrition programs

## **Community Building Activities**

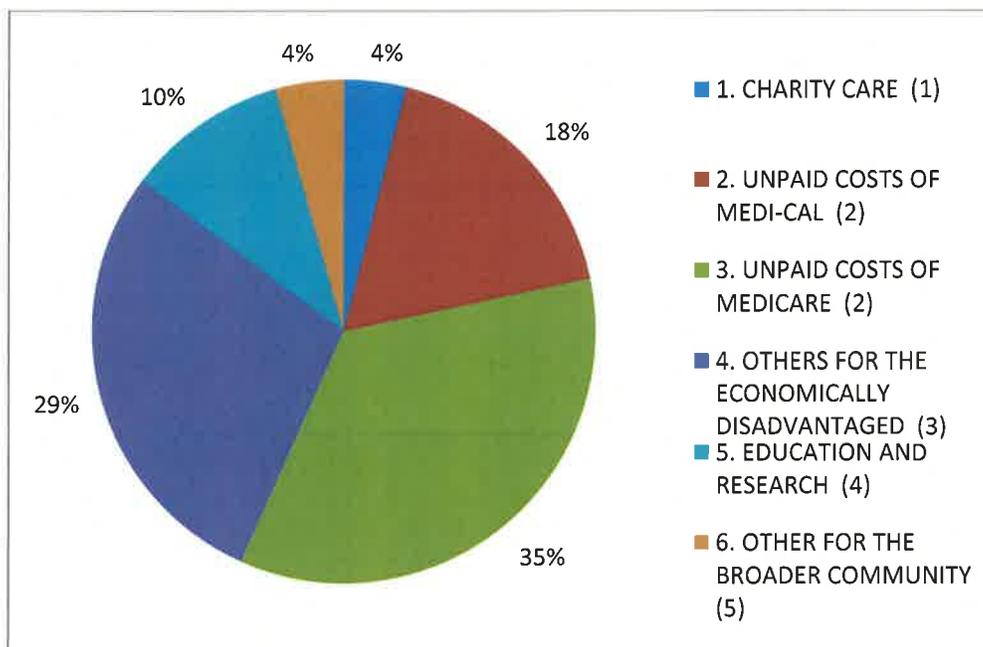
The Hospital supported the following organizations (partial listing):

- Service on the Huntington Beach Council on Aging Board of Directors
- Service on the BGCHV Health Committee, which guides health and wellness activities, physical fitness, screenings and nutrition awareness for children
- Fundraising support for the Susan G. Komen Race for the Cure
- Service on the Kiwanis Club of Fountain Valley FAVORS Committee, which supports low-income seniors in their homes
- Service on the Fountain Valley Chamber of Commerce Board of Directors
- Service on the Fountain Valley Chamber of Commerce Government Affairs Committee
- Service on the Huntington Beach Chamber of Commerce Legislative Action Committee

## Financial Summary of Community Benefit

Orange Coast Memorial's community benefit funding for FY2013 is summarized in the table below.

Community Benefit Categories	Dollar Amount
CHARITY CARE <sup>1</sup>	\$ 779,000.00
UNPAID COSTS OF MEDI-CAL <sup>2</sup>	\$ 3,447,000.00*
OTHERS FOR THE ECONOMICALLY DISADVANTAGED <sup>3</sup>	\$ 5,566,000.00
EDUCATION AND RESEARCH <sup>4</sup>	\$ 2,036,000.00
OTHER FOR THE BROADER COMMUNITY <sup>5</sup>	\$ 855,000.00
<b>TOTAL COMMUNITY BENEFIT PROVIDED Excluding Unpaid Costs of Medicare</b>	<b>\$ 12,683,000.00</b>
UNPAID COSTS OF MEDICARE <sup>2</sup>	\$ 6,835,000.00
<b>TOTAL COMMUNITY BENEFIT PROVIDED Including Unpaid Costs of Medicare</b>	<b>\$ 19,518,000.00</b>



<sup>1</sup> Charity Care includes traditional charity care write-offs to eligible patients at reduced or no cost based on the individual patient's financial situation.

<sup>2</sup> Unpaid costs of public programs include the difference between costs to provide a service and the rate at which the hospital is reimbursed. Estimated costs are based on the overall hospital cost to charge ratio. \*This total includes the Hospital Provider Fees (HPF) paid by Orange Coast Memorial to the State of California.

<sup>3</sup> Includes other payors for which the hospital receives little or no reimbursement (County indigent).

<sup>4</sup> Costs related to the medical education programs and medical research that the hospital sponsors.

<sup>5</sup> Includes non-billed programs such as community health education, screenings, support groups, clinics and other self-help groups.

## **Community Benefit Plan for FY 2014**

The Community Benefit Oversight Committee (CBOC) assists Orange Coast Memorial in the implementation of community benefit programs and activities through the Advancing the State-of-the-Art in Community Benefit framework. Orange Coast Memorial has continued the implementation of ASACB guidelines and Core Principles in FY 2013. All programs, classified as community benefit, have been assessed for their focus, impact and expenditures on vulnerable populations and presented to the CBOC.

In FY2014, Orange Coast Memorial will focus on measurement outcomes for community benefit programs with oversight from CBOC members who participate in community outreach activities and local governance. Orange Coast Memorial has solicited feedback and evaluation from grassroots community organizations. The planned outcome-evaluation process will help to ensure that programs meet identified needs and make an impact on those that they serve. This outcome accountability will provide a better picture of how programs are performing.

The CBOC conducted a review of Orange Coast Memorial's 2013 Community Health Needs Assessment (CHNA) and set the focus for sustainable community benefit programming based on this most recent report, which can be viewed at [memorialcare.org](http://memorialcare.org).

## **Overweight and Obesity Prevention**

In FY2014, Orange Coast Memorial, with oversight of the CBOC, will continue further involvement with the Boys & Girls Club of Huntington Valley to help prevent obesity through:

- Service on the Health Committee
- Providing expert speakers, upon request, for health assemblies focusing on nutrition, physical activity and health risk behaviors
- Provide exercise equipment and expert training to staff, upon request
- Donation of nutritious snacks to children in the Twilight Education Project, which is a program for low-income families designed to:
  - Help English language learners succeed in school
  - Help parents get the English language skills they need to support their children financially, academically and socially

Orange Coast Memorial will continue its involvement with the Orange County Nutritional and Physical Activity Collaborative (OC NuPAC) to help educate our communities about ways to improve health and prevent obesity through promotion of healthy eating and drinking habits, as well as fun physical activities.

Resources will also be focused on management of conditions that are complications of obesity such as heart disease, diabetes and cancer.

### **Vietnamese Community Outreach**

At the recommendation of the CBOC and the approval of the Orange Coast Memorial Board of Directors, Orange Coast Memorial will focus resources for the Vietnamese community in the areas of:

- Cancer prevention and detection
- Disease prevention
- Access to care

### **Senior Outreach**

At the recommendation of the CBOC and the approval of the Orange Coast Memorial Board of Directors, Orange Coast Memorial will focus resources for the senior community in the areas of:

- Heart disease prevention and detection
- Overweight and obesity prevention
- Cancer prevention and detection
- Access to care
- Medical transportation

### **Community Health Needs Assessment**

Orange Coast Memorial conducted a CHNA in FY 2013, to align new federal requirements with current state CHNA timeline requirements.

- Review CHNA for priority health needs
- Develop and approve Implementation Strategy
- Make the completed Orange Coast Memorial FY 2013 CHNA widely available

## **Appendix 1: Community Partners**

In order to help meet the needs of vulnerable individuals in the service area, Orange Coast Memorial collaborated with the following organizations:

Abrazar Inc.  
Alamitos IPA  
AltaMed Community Clinic, Huntington Beach  
American Cancer Society, Orange County Chapter  
Asian Community Clinic  
Boys & Girls Club of Huntington Valley  
California State University, Dominguez Hills  
California State University, Fullerton  
California State University, Long Beach  
Sonoma State University  
City of Costa Mesa  
City of Fountain Valley  
City of Huntington Beach  
Community Action Partnership  
Community SeniorServ  
Concord College  
Council On Aging – Orange County  
County of Orange  
Edinger Medical Group  
Fountain Valley Chamber of Commerce  
Fountain Valley Regional Hospital  
Fountain Valley School District  
Golden West College Nursing Program  
Hoag Hospital  
Huntington Beach Chamber of Commerce  
Huntington Beach Council on Aging (HBCOA)  
Huntington Beach Hospital  
Huntington Beach Senior Outreach Center  
Illumination Foundation  
Kiwanis Club of Fountain Valley  
Memorial HealthCare IPA  
MemorialCare Medical Group  
Monarch HealthCare IPA  
Nhan Hoa and Asian Community Clinics  
Nutrition and Physical Activity Cooperative of Orange County (NuPAC OC)  
Office of Assemblyman Allan Mansoor  
Office of Assemblyman Travis Allen  
Office of State Senator Lou Correa  
Office of Congressman Dana Rohrabacher  
Office of Congresswoman Loretta Sanchez  
Office of Orange County Supervisor Janet Nguyen  
Office of Orange County Supervisor John Moorlach

Office on Aging, Orange County  
Orange Coast College  
Orange County Transportation Authority (OCTA ACCESS)  
Pacific College  
Saddleback College  
Social Security Administration, Santa Ana office  
St. Anselm Cross Cultural Community Center  
Sonoma State University  
Surf City Rotary Club  
Susan G. Komen Foundation  
Talbert Medical Group, a division of HealthCare Partners  
University of California, Irvine  
Vanguard University of Southern California  
Vietnamese American Cancer Foundation  
Walden University

## **Appendix 2: Financial Assistance Policy**

 <b>Memorial Health Services Policies and Procedures</b>	<b>Effective Date: January 12, 2012</b>  <b>Note: For origination date see History at end of Policy.</b>
<b>Subject: Financial Assistance</b>	<b>Approval Signature:</b>  <b>[Barry Arbuckle]</b> <b>Barry Arbuckle</b> <b>President &amp; CEO</b>
<b>Manual: Finance/Purchasing</b>  <b>Policy/Procedure # 236</b>	<b>Sponsor Signature:</b>  <b>[Patricia Tondorf]</b> <b>Patricia Tondorf</b> <b>Executive Director</b> <b>Revenue Cycle Management</b>

**PURPOSE:** Memorial Health Services (MHS) is a non-profit organization that provides hospital services in five distinct Southern California communities. Memorial Health Services and its member hospitals are committed to meeting the health care needs of patients, including those who may be uninsured or underinsured. Consistent with this commitment, MHS has developed this Financial Assistance Policy to assist qualified patients with the cost of medically necessary services.

The Financial Assistance Policy establishes the guidelines, policies and procedures for use by hospital personnel in determining patient qualification for financial assistance. This policy also specifies the appropriate methods for the accounting and reporting of Financial Assistance provided to patients at hospitals within Memorial Health Services.

Emergency physicians providing emergency medical services at any MHS hospital are also required by law to provide discounts to uninsured patients or patients with medical costs who are at or below 350 percent of the federal poverty level as defined in this policy.

## POLICY

### Definitions:

**Financial Assistance-** includes both Charity Care and Low Income Financial Assistance, and is defined as any necessary<sup>1</sup> inpatient or outpatient hospital service that must be provided at an MHS facility to a patient who is unable to pay for care. Patients unable to pay for their care may apply to Memorial Health Services for financial assistance.

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<sup>1</sup> Necessary services are defined as health care services or supplies that a physician or other health care provider, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing, or treating an illness, injury, disease or its symptoms, and that is not primarily for the convenience of the patient, physician or other health care provider, and not more costly than an alternative service or sequence of services or supply at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.

Eligibility for patient financial assistance will be evaluated in accordance with the requirements contained in the Financial Assistance Policy.

**Charity Care-** Memorial Health Services has a Charity Care program for patients whose household income is less than or equal to two hundred percent (200%) of the current Federal Poverty Level (FPL) Guidelines. Qualifying patients who also meet all other Financial Assistance Program qualification requirements may be entitled to a discount of one hundred percent (100%) of the patient liability portion of the bill for services, for both insured and uninsured patients.

**Low Income Financial Assistance (LIFA)** - Memorial Health Services also provides Low Income Financial Assistance to patients whose household income is less than or equal to 350% of the current FPL Guidelines, and excluded from Charity Care due to monetary assets. Qualifying patients who also meet all other Financial Assistance Program qualification requirements may be entitled to a discount of the patient liability portion of the bill for services.

**Cash Discount-** Available to all patients not utilizing insurance regardless of income or assets. Under the cash discount program, the patient's payment obligation will be one hundred fifty percent (150%) of the total expected payment, including co-payment and deductible amounts that the Medicare program would have paid for the service if the patient was a Medicare beneficiary

Federal Poverty Level- means the 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.

Depending upon individual patient eligibility, financial assistance may be granted on a full or partial aid basis. Financial assistance may be denied when the patient or other responsible guarantor does not meet the MHS Financial Assistance Policy requirements.

#### Financial Assistance Reporting

All MHS system hospitals will report the amounts of Charity Care financial assistance provided to patients to the California Office of Statewide Health Planning and Development (OSHPD) in accordance with OSHPD regulatory requirements, as described in the OSHPD Accounting and Reporting Manual for Hospitals, Second Edition and any subsequent OSHPD clarification or advisement. To comply with these regulations, each hospital will maintain this policy as written documentation regarding its Charity Care criteria, and for individual patients, each hospital will maintain written documentation regarding all financial assistance determinations. As required by OSHPD, Charity Care provided to patients will be recorded on the basis of actual charges for services rendered.

Charity Care will be reported as an element of each hospital's annual Community Benefit Report submitted to OSHPD and any other appropriate state agencies.

### General Process and Responsibilities

Access to emergency medical care shall in no way be affected by whether financial assistance eligibility under this policy exists; emergency medical care will always be provided to the extent the facility can reasonably do so.

All patients who do not indicate coverage by a third party payer will be provided a Medi-Cal application prior to discharge.

The Memorial Health Services Financial Assistance Policy relies upon the cooperation of individual applicants for accurate and timely submission of financial screening information. To facilitate receipt of such information, MHS hospitals will use a Financial Assistance application to collect information from patients who:

- Are unable to demonstrate financial coverage by a third party insurer and request financial assistance;
- Insured patients who indicate that they are unable to pay patient liabilities; and
- Any other patient who requests financial assistance.

The financial assistance application should be offered as soon as there is an indication the patient may be in need of financial assistance. The form may be completed prior to service, during a patient stay, or after services are completed and the patient has been discharged. Accordingly, eligibility for the MHS Financial Assistance Program may be determined at any time the hospital has sufficient information to determine qualification.

A complete financial assistance application includes:

1. Submission of all requested information necessary for the hospital to determine if the patient has income and/or assets sufficient to pay for services;
2. Authorization for the hospital to obtain a credit report for the patient or responsible party;
3. Documentation useful in determining eligibility for financial assistance; and
4. An audit trail documenting the hospital's commitment to providing financial assistance.

### Eligibility- refer to grid on appendix A

Eligibility for financial assistance shall be determined solely by the patient's and/or patient guarantor's ability to pay. Eligibility for financial assistance shall not be based in any way on age, gender, sexual orientation, ethnicity, national origin, veteran status, disability or religion.

The patient/guarantor bears the burden of establishing eligibility for qualification under any financial assistance program. Patients/guarantors are required to provide timely, honest and complete disclosure in order to obtain financial assistance. The hospital

reserves the right to require a certified copy of the patient's income tax return. Each hospital will provide guidance and/or direct assistance to patients or their guarantors as necessary to facilitate completion of government low-income program applications when the patient may be eligible. Assistance should also be provided for completion of an application for the MHS Financial Assistance Program.

Completion of the Financial Assistance application and submission of any or all required supplemental information may be required for establishing eligibility with the Financial Assistance Program. Generally, the 2 most recent pay stubs or last year's tax return including W-2 may be required to establish income. Patients applying for Financial Assistance will be mailed a written notice within 10 business days from the date the Patient Financial Services Department receives a completed application with all necessary documentation to approve or deny Financial Assistance.

Financial Assistance Program qualification is determined after the patient and/or patient guarantor 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 to establish eligibility criteria and determine when a patient has provided sufficient evidence of qualification for financial assistance. In the event of a dispute regarding eligibility for financial assistance, a patient may seek review from management in Patient Financial Services.

Once determined, Financial Assistance Program eligibility will remain in effect for a period of six (6) months and then may be renewed by the hospital upon submission of required information by the patient. Patient Financial Services will develop methods for accurate tracking and verification of financial assistance program eligibility.

Any eligible patient account balance created by a visit that resulted in the request for Financial Assistance Program coverage and those occurring for a period of six (6) months following eligibility determination will be considered for full or partial write-off. Generally, other pre-existing patient account balances outstanding at the time of eligibility determination by the hospital will be included as eligible for write-off at the sole discretion of management, whether tracked as an Accounts Receivable or Bad Debt

Patient obligations for Medi-Cal Share of Cost (SOC) payments will not be waived under any circumstance. However, after collection of the patient SOC portion, any other unpaid balance relating to a Medi-Cal SOC patient may be considered for Charity Care.

Factors considered when determining whether an individual is qualified for financial assistance pursuant to this policy may include, but shall not be limited to the following:

- No insurance coverage under any government or other third party program
- Household<sup>2</sup> income
- Household net worth including all assets, both liquid and non-liquid

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<sup>2</sup> "Household" includes the patient, the patient's spouse, any individual to whom the patient is a dependent and any other individual legally responsible to provide for the patient's health care needs. At age 18, a patient's income will be considered separately, regardless of living arrangements, unless the hospital is informed that the patient is still a dependent.

- Employment status
- Unusual expenses
- Family size as defined by Federal Poverty Level (FPL) Guidelines
- Credit history

Eligibility criteria are used in making each individual case determination for coverage under the MHS Financial Assistance Program. Financial assistance will be granted based upon each individual determination of financial need. To assure appropriate allocation of assistance, financial need may be determined based upon consideration of both income and available patient family assets.

Covered services include necessary inpatient and outpatient hospital care, provided that the services are not covered or reimbursed by any state or federal government program (including Medicare, Medi-Cal, or county indigent programs) or any other third party payer. All patients not covered by third-party insurance and those insured patients who indicate that they are unable to pay patient obligations such as co-payments and deductibles, may be considered for eligibility under the Financial Assistance Program.

For the purpose of determining eligibility for LIFA discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns, and assets will not be considered. Any patient not wishing to disclose their assets will automatically be ineligible for a Charity Care write-off but may still qualify for LIFA.

## INCOME QUALIFICATION LEVELS

### Full Charity

If the patient's household income is two hundred percent (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, one hundred percent (100%) of the patient liability portion of the bill for services will be written off.

### Low Income Financial Assistance (LIFA)

If the patient's household income is less than three hundred fifty percent (350%) of the established poverty income level, based upon current FPL Guidelines, excluded from Charity Care due to monetary assets, and the patient meets all other Financial Assistance Program qualification requirements, the following will apply:

a. Patient's care is not covered by a payer. If the services are not covered by any third party payer so that the LIFA-qualified patient ordinarily would be responsible for the full billed charges, the LIFA-qualified patient's payment obligation will be one hundred percent (100%) of the total expected payment, including co-payment and deductible amounts, that the Medicare program would have paid for the service if the patient was a Medicare beneficiary. If the service provided is not covered under the Medicare program then the LIFA-qualified patient will be responsible for forty (40%) of billed charges.

b. Patient's care is covered by a payer. If the services are covered by a third party payer so that the LIFA-qualified patient is responsible for only a portion of the billed charges (i.e., a deductible or co-payment), the LIFA-qualified patient's payment obligation will be one-hundred percent (100%) of the patient liability portion of total payment up to the point where total payments (patient + insurance) equal one-hundred percent (100%) of the total expected payment, including co-payment and deductible amounts, that the Medicare program would have paid for the service if the LIFA-qualified patient was a Medicare beneficiary.

### ASSET QUALIFICATION

Patient owned assets may be evaluated to determine if sufficient patient household resources exist to satisfy the hospital's bill for services rendered. Evaluation of patient assets will consider both the asset value and amounts owed against the asset to determine if potential net worth is available to satisfy the patient payment obligation.

Recognizing the need to protect basic household assets, each patient family unit evaluated will be allowed the following asset exemptions:

- Primary residence
- One vehicle per patient or two vehicles per family unit
- Tax-exempt retirement program funds
- Ten Thousand Dollars (\$10,000) and fifty percent (50%) greater than Ten Thousand Dollars (\$10,000) in other total assets
- Deferred Compensation Plans

Patients who have assets beyond those specifically exempted will be expected to leverage the assets through independent financing in order to satisfy the patient account. Patients with sufficient assets will be denied eligibility for Charity Care even when they meet basic income qualification requirements.

For the purpose of determining eligibility for discounted payment, either LIFA or Cash Discount, documentation of income shall be limited to recent pay stubs or income tax returns and assets will not be considered

### SPECIAL CIRCUMSTANCES:

Any evaluation for financial assistance relating to patients covered by the Medicare Program must include a reasonable analysis of all patient assets, net worth, income and expenses, prior to eligibility qualification for the Financial Assistance Program. Such financial assistance evaluations must be made prior to service completion by the MHS hospital.

- If the patient is determined to be homeless he/she will be deemed eligible for the Financial Assistance Program.

- If the patient/guarantor has recently been declared bankrupt by a Federal Bankruptcy Court he/she will be deemed eligible for the Financial Assistance Program.

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 Charity Care. All such circumstances shall be identified in the account notes or on the patient's Financial Assistance Application as an essential part of the documentation process.

#### OTHER ELIGIBLE CIRCUMSTANCES:

Memorial Health Services deems those patients that are eligible for any or all government sponsored low-income assistance programs to be indigent. Therefore, such patients are automatically eligible for Charity Care or LIFA under the MHS Financial Assistance Policy and account balances classified as Charity Care if the government program does not make payment for all services provided, or days during a hospital stay.

For example, patients who qualify for Medi-Cal, CCS, CHDP, Healthy Families, MSI, CMSP, Trauma or other similar low-income government programs are included as eligible for the MHS Financial Assistance Program.

Any or all non-reimbursed patient account balances are eligible for full write-off as Charity Care. Specifically included as Charity Care are charges related to denied stays, denied days of care, and non-covered services. All Treatment Authorization Request (TAR) denials and any other failure to pay for covered or non-covered services provided to Medi-Cal and/or other government low-income qualified patients are covered.

Patients with restricted coverage, and/or other forms of limitation shall have non-covered amounts classified as Charity Care when payment is not made by the low-income government program.

Pending Medi-Cal patients not approved for Medi-Cal are also eligible for Charity Care.

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 Charity Care if:

1. The patient is a beneficiary under Medi-Cal or another program serving the health care needs of low-income patients; or
2. 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.

Any patient who experiences a catastrophic medical event may be deemed eligible for financial assistance. The determination of a catastrophic medical event shall be based upon the amount of the patient liability according to the billed charges, and considering 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 \$100,000 may be considered for eligibility as a catastrophic medical event.

Any account returned to the hospital from a collection agency that has determined the patient or guarantor does not have the resources to pay his or her bill, may be deemed eligible for Charity Care. Documentation of the patient or guarantor's inability to pay for services will be maintained in the Charity Care documentation file or in the account notes.

#### Criteria for Re-Assignment from Bad Debt to Charity Care

All outside collection agencies contracted with MHS to perform account follow-up and/or bad debt collection will utilize the following criteria to identify a status change from bad debt to Charity Care:

1. Patient accounts must have no applicable insurance coverage including governmental or other third party payers); and
2. The patient or guarantor must have an Experian credit score rating of less than or equal to 500. If the collection agency is using a credit scoring tool other than Experian, the patient and or guarantor must fall into bottom 20<sup>th</sup> percentile of credit scores for the method used; and
3. The patient or guarantor has not made a payment within one hundred eighty (180) days of assignment to the collection agency; and
4. The collection agency has determined that the patient/guarantor is unable to pay; and/or
5. The patient does not have a valid Social Security Number and/or an accurately stated residence address in order to determine a credit score.

#### Public Notice

Each MHS hospital shall post notices informing the public of the Financial Assistance Program. Such notices shall be posting in high volume inpatient, outpatient and emergency service areas of the hospital. Notices shall also be posted in the patient financial services and collection departments. 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. These notices shall be posted in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

Data mailers and statements sent to patients as part of the routine billing process will contain information about the MHS Financial Assistance Program. These notices shall be available in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

A patient information brochure that describes the features of the MHS Financial Assistance Program will be made available to patients and members of the general

public. These notices shall be posted in English and Spanish and any other languages that are representative of five percent (5%), or more, of the patients in the hospital's service area according to the Federal Title VI guidelines.

### Billing and Collection Practices

Patients in the process of qualifying for government or hospital low-income financial assistance programs will not be assigned to collections prior to 120 days from the date of initial billing.

If a patient is attempting to qualify for eligibility under the hospital's charity care or discount payment policy and is attempting in good faith to settle an outstanding bill with the hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the hospital shall not send the unpaid bill to any collection agency or other assignee, unless that entity has agreed to comply with guidelines outlined in California Health and Safety Code 127400 et seq. Low-income patients, who at the sole discretion of the hospital are reasonably cooperating to settle an outstanding hospital bill by making regular and reasonable payments towards their outstanding hospital bill, will not be sent to an outside collection agency if doing so would negatively impact the patient's credit. The hospital extended payment plan may be declared no longer operative after the patient's failure to make all consecutive payments due during a 90-day period. Before declaring the hospital extended payment plan no longer operative the hospital shall make a reasonable attempt to contact the patient by phone and, to give notice in writing, that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the hospital extended payment plan being declared inoperative, the hospital shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient. The hospital shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the extended payment plan is declared to be no longer operative. For purposes of this section, the notice and phone call to the patient may be made to the last known phone number and address of the patient.

Patients who communicate that they have an appeal for coverage of services pending will not be forwarded to collections until the final determination of that appeal is made. Examples of appeals are; Health Plan Appeals, Independent Medical Review, Medi-Cal and Medicare coverage appeals.

The hospital shall reimburse the patient or patients any amount actually paid in excess of the amount due under this article, including interest. Interest owed by the hospital to the patient shall accrue at the rate of ten-(10%) percent per annum; beginning on the date payment by the patient is received by the hospital. However, a hospital is not required to reimburse the patient or pay interest if the amount due is less than five dollars (\$5.00). The hospital shall give the patient a credit for the amount due for at least 60 days from the date the amount is due.

All extended payment plans will be interest free.

### 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 shall be guided by these standards.

### Good Faith Requirements

Every MHS hospital makes arrangements for financial assistance with medical care for qualified patients in good faith and relies on the fact that information presented by the patient 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, inaccurate or incomplete information has been given. In addition, the MHS hospital reserves the right to seek all remedies, including but not limited to civil and criminal damages from those who have provided false, inaccurate or incomplete information in order qualify for the MHS Financial Assistance Program.

In the event that a patient qualifies for partial financial assistance under the LIFA component of this Policy and then fails to make payment in full on their remaining patient liability balance, the hospital, at its sole and exclusive discretion, may use any or all appropriate means to collect the outstanding balance while in compliance with California Health and Safety Code 127400 et seq.

### History:

Origination: May 22, 2006 (Replaces Policies #230 Low Income Financial Assistance (LIFA), Qualifications For: and #231 Charity Care, Qualification and Process for Assignment)

Reviewed/Revised: January 1, 2007

Reviewed/Revised: December 20, 2007

Three Year Review: February 18, 2010

Reviewed/Revised: December 27, 2011

Revised: January 12, 2012

Appendix A.

	CHARITY CARE		CASH DISCOUNT
FPL INCOME LEVEL	0-200%	<= 350% and disqualified from 100% Charity Care	OVER 350%
DISCOUNT	Charity Care	Charity Care- Low Income Financial Assistance Discounted Payment	Cash Discount
	100% Write-off	100% of Medicare	150% of Medicare
<b>Income*</b>	For purposes of determining eligibility for charity care, documentation of assets may include information on all monetary assets, but shall not include statements on retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans.	For purposes of determining eligibility for discounted payment, documentation of income shall be limited to recent pay stubs or income tax returns.	Not to be Considered
<b>Assets</b>	For purposes of this determination, monetary assets shall not include retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans. Furthermore, the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.	Not to be considered	Not to be Considered
<b>Qualifications</b>	Available to Uninsured patients or Patients with high medical costs as defined by:(1) Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months. (2) Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.	Available to Uninsured patients or Patients with high medical costs as defined by:(1) Annual out-of-pocket costs incurred by the individual at the hospital that exceed 10 percent of the patient's family income in the prior 12 months. (2) Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family in the prior 12 months.	Patients not utilizing insurance.