SOUTHERN INYO HEALTHCARE DISTRICT

DISCOUNT PAYMENT POLICY

Effective Date: 06/30/2026

Last Revised: 03/23/2026

This policy supersedes all prior discount payment policies and applies to services provided on or after the Effective Date listed above.

I. PURPOSE

This Discount Payment Policy establishes the criteria and procedures for providing discounted payment to financially qualified patients in accordance with California Health and Safety Code Sections 127400-127446 (the Hospital Fair Pricing Act).

Note: This Discount Payment Policy is separate from the Hospital's Charity Care Policy. Patients may be eligible for BOTH discount payment (limiting charges to Medicare/Medi-Cal rates) AND charity care (providing free or discounted care based on income levels 0-400% FPL). For information about the Hospital's Charity Care Policy, contact (760) 876-5501 or visit www.sihd.org.

II. DEFINITIONS

Charity Care: Help paying your hospital bill, provided to eligible patients under the Hospital’s separate Charity Care Policy. Patients who qualify may have their bill reduced or eliminated entirely based on their income.

Discount Payment: A limitation on the amount a financially qualified patient will be charged for Hospital services, as defined in this policy, where charges are limited to Medicare or Medi-Cal rates (whichever is greater).

Financially Qualified Patient: A patient who (a) is either a self-pay patient or a patient with high medical costs, AND (b) has a family income that does not exceed 400 percent of the federal poverty level.

Self-Pay Patient: A patient who does not have third-party coverage from a health insurer, health care service plan, Medicare, or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined and documented by the Hospital.

Patient with High Medical Costs: A person whose family income does not exceed 400 percent of the federal poverty level and whose high medical costs meet any of the following:

- Annual out-of-pocket costs incurred by the individual at the Hospital that exceed the lesser of 10 percent of the patient's current family income or family income in the prior 12 months;

- Annual out-of-pocket expenses that exceed 10 percent of the patient's family income, if the patient provides documentation of medical expenses paid in the prior 12 months.

Out-of-Pocket Costs: 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.

Federal Poverty Level: The poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

Family: For purposes of this policy, “family” means the patient and all persons listed as dependents on the patient’s most recent federal income tax return. If the patient did not file a tax return, “family” means all persons living in the same household who share household expenses. “Family income” means the combined gross income of all family members.

Reasonable Payment Plan: Monthly payments that do not exceed 10 percent of a patient's monthly family income after accounting for essential living expenses.

Essential Living Expenses: Expenses for rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses (including insurance, gas, and repairs), installment payments, laundry and cleaning, and other extraordinary expenses.

III. ELIGIBILITY CRITERIA

Income Threshold: Patients with family income at or below 400 percent of the federal poverty level who are self-pay patients or patients with high medical costs are eligible for discount payment under this policy.

Under the Hospital's discount payment policy, eligible patients' charges will be limited to Medicare or Medi-Cal rates (whichever is greater). This is separate from the Hospital's charity care policy which may provide free care or additional discounts based on income levels.

Asset Test: The Hospital shall not consider the monetary assets of the patient when determining eligibility under this discount payment policy. However, when negotiating extended payment plans under Section VI of this policy, the Hospital may consider the availability of a patient's health savings account held by the patient or the patient's family.

Extended Eligibility: The Hospital may grant eligibility for discount payment to patients with incomes over 400 percent of the federal poverty level at its discretion.

IV. DISCOUNT AMOUNT

Payment Limit: For eligible patients, the Hospital shall limit expected payment to the amount the Hospital would expect, in good faith, to receive for providing services from Medicare or Medi-Cal, whichever is greater.

For services with no established Medicare or Medi-Cal payment, the Hospital shall establish an appropriate discounted payment amount.

Patients eligible under this policy shall not be required to undergo an independent dispute resolution process.

V. APPLICATION PROCESS

Required Documentation: Patients requesting discount payment must make every reasonable effort to provide:

- Recent pay stubs OR income tax returns; and
- Documentation of health benefits coverage status.

The Hospital may accept other forms of documentation of income but shall not require those other forms.

Presumptive Eligibility: If a patient does not submit an application or documentation of income, the Hospital may presumptively determine that a patient is eligible for discount payment based on information other than that provided by the patient or based on a prior eligibility determination.

No Time Limits: The Hospital shall not impose time limits for applying for discount payment, nor deny eligibility based on the timing of a patient's application. Eligibility shall be determined at any time the Hospital is in receipt of qualifying information.

Medi-Cal Screening: The Hospital shall not require a patient to apply for Medicare, Medi-Cal, or other coverage before the patient is screened for, or provided, discount payment. When screening for eligibility for discount payment, the Hospital may require the patient to participate in a screening for Medi-Cal eligibility, but this shall not delay or deny discount payment eligibility determination.

Confidentiality: Information obtained for eligibility determination shall not be used for collections activities. This does not prohibit use of information obtained independently of the eligibility process.

VI. EXTENDED PAYMENT PLANS

Negotiated Plans: The Hospital and patient shall negotiate the terms of an extended payment plan, taking into consideration:

- The patient's family income;
- Essential living expenses;
- The availability of the patient's health savings account held by the patient or patient's family.

Default to Reasonable Payment Plan: If the Hospital and patient cannot agree on payment terms, the Hospital shall use the Reasonable Payment Plan formula: monthly payments that do not exceed 10 percent of the patient's monthly family income after accounting for essential living expenses.

Interest-Free: Extended payment plans offered under this policy shall be interest-free.

Default and Renegotiation: A 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 plan inoperative, the Hospital shall:

- Make a reasonable attempt to contact the patient by telephone and written notice;
- Inform the patient that the payment plan may become inoperative;
- Offer the opportunity to renegotiate the payment plan; and
- Attempt to renegotiate the terms if requested by the patient.

VII. THIRD-PARTY REIMBURSEMENT

The Hospital may require a patient or guarantor to pay the Hospital the entire amount of any reimbursement sent directly to the patient or guarantor by a third-party payer for the Hospital's services.

If the patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for health care services related to the injury, the Hospital may require reimbursement for related health care services rendered up to the amount reasonably awarded for that purpose. The Hospital shall provide written notice to the patient of any such reimbursement requirement within 30 days of becoming aware of the settlement or award.

If a patient becomes eligible for retroactive third-party coverage (including retroactive Medi-Cal eligibility) that would have paid for services previously provided under this discount payment policy, the Hospital may bill such coverage. Any resulting patient

cost-sharing will be evaluated under this discount payment policy based on the patient's financial status at the time of service.

VIII. REVIEW AND APPEAL PROCESS

In the event of a dispute regarding eligibility or discount amount, a patient may seek review from:

Patient Financial Services Department, Director of Patient Financial Services

Phone: (760) 876-5501

Website: www.sihd.org

The Hospital shall respond to review requests within 10 business days.

IX. EMERGENCY PHYSICIAN SERVICES

Emergency physicians who provide emergency medical services in this Hospital are also 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 under California Health and Safety Code Section 127452. This Hospital is not responsible for emergency physician billing practices. Patients should contact emergency physicians directly regarding their discount payment policies, and may also file complaints with the California Department of Health Care Access and Information if emergency physicians fail to comply with discount payment requirements.

X. POLICY AVAILABILITY

This policy and application forms are available:

- At the Hospital's website: **www.sihd.org**
- At the Hospital's billing office, admissions office, and emergency department
- By calling (760) 876-5501
- In English and Spanish

Approved by: Kevin Flanigan, MD, CEO & Legal Counsel
Date: 06/30/2026