

Central California Foundation for Health
Notice to Attorney General Pursuant to CA Corp. Code Section 5920

Sect. 999.5(d)(5)(B)

A description of all charity care provided in the last five years by each health facility or facility that provides similar health care services that is the subject of the agreement or transaction. This description shall include annual total charity care spending; inpatient, outpatient and emergency room charity care spending; a description of how the amount of charity care spending was calculated; annual charity care inpatient discharges, outpatient visits, and emergency visits; a description of the types of charity care services provided annually; and a description of the policies, procedures, and eligibility requirements for the provision of charity care.

The Applicant currently provides charity care (or “free care” for which no payment is expected) and discounted care pursuant to a “Charity Care and Discount Payment” policy adopted in 2014. A copy of the policy is attached (Tab (5)(B) – 1). Under this policy, persons with family income at or below 200% of the most recent Federal Policy Guidelines, without other sources to pay for care, generally qualify to receive free care. Persons with family income between 201% and 350% of the most recent Family Policy Guidelines, without other sources to pay for care, generally qualify to receive care at Medicare rates. Persons with family income between 351% and 400% of the most recent Federal Policy Guidelines generally qualify to receive a 50% discount off routine charges. In addition, the Applicant’s policy provides “Catastrophic Charity Care,” whereby persons with family income at or below 350% of the Federal Poverty Guidelines whose out-of-pocket medical expenses in the prior twelve months exceed 30% of family income, and who otherwise do not receive a discount as a result of third party coverage, qualify to receive care for charges at the Medicare rates.

However, pursuant to the Affiliation Agreement with Adventist Health, the Adventist Health Charity Care Policy will become operative upon the closing under the Affiliation Agreement, except for persons then receiving care at the Hospital. The Adventist Health Charity Care Policy is attached as Exhibit 3.9(a) to the Affiliation Agreement (Tab (1)(B) – 2).

Total charity spending, broken down between inpatient, outpatient and emergency care, annual charity care discharges, broken down between inpatient, outpatient and emergency care and other requested information can be found in the immediately following attachment.

DELANO REGIONAL MEDICAL CENTER

Outlined below are the amounts of charity care spending for Delano Regional Medical Center. Also attached to this document are the policies and procedures for same.

"Charity Care Charges" is a total of the amounts written off to charity care from our patient accounting system for patients meeting the charity care requirements. These amounts tie in total to the annual OSHPD report for total charity care expense. These are the charges written off by patient type (emergency, inpatient or outpatient).

Charity Care Costs are charity care write-offs converted to cost by multiplying the charity care write-offs by the overall Cost to Charge Ratio. The cost to charge is the product of total operating expenses (excluding bad debt) divided by the total gross revenue.

Charity Care Provided by Service Line is a summary of the services provided based on the accounts included in the "Charity Care Costs" downloaded from the patient accounting system.

Charity Care Charges

Service Line	2013	2014	2015	2016	2017
IP	1,522,079	1,144,566	988,045	608,486	250,421
ER	595,916	269,306	400,297	344,443	226,771
OP	179,982	307,703	253,090	205,133	197,465
SCU				106,091	
Total	2,297,976	1,721,575	1,641,432	1,264,152	674,656

Total Hospital	2013	2014	2015	2016	2017
Cost to Charge Ratio	26.24%	26.60%	28.88%	32.44%	32.41%

Charity Care Costs	2013	2014	2015	2016	2017
IP	399,394	304,455	285,347	197,393	81,161
ER	156,368	71,635	115,606	111,737	73,496
OP	47,227	81,849	73,092	66,545	63,998
SCU				34,384	
Total	602,989	457,939	474,046	410,059	218,656

Charity Care Provided by Service Line	2013	2014	2015	2016	2017
IP	68	64	56	40	13
ER	294	135	137	140	117
OP	555	1,534	1,062	853	1,136
SCU				2	
Total	917	1,733	1,255	1,035	1,266