

	CURRENT EFFECTIVE DATE	REVISED DATE	MANUAL: Center Policy
			TRACKING # CPM ____
TITLE: FAIR PRICING POLICY (HOSPITAL & EMERGENCY PHYSICIANS)			
PERFORMED BY: All RCHSD and RCSSD departments responsible, including Revenue Cycle, Patient Financial Services, Patient Access and Financial Counselors.			

P O L I C Y/PROCEDURE
 STANDARDIZED PROCEDURE
 PLAN
 GUIDELINE

1.0 PURPOSE:

To establish the Rady Children’s Hospital- San Diego (Hospital) and Rady Children’s Specialists of San Diego, A Medical Foundation (Medical Foundation) Hospital and Emergency Physician Fair Pricing Policy (FPP). Hospital and Medical Foundation are referred to collectively in this document as “Rady Children’s.”

2.0 DEFINITIONS:

“**Amounts Generally Billed (AGB)**” means the retrospective review methodology used by Rady Children’s to calculate a limit on charges to Financial Assistance Program participants.

“**Charge Description Master**” means a uniform schedule of charges represented by Rady Children’s to the public as its gross billed charge for a given service or item, including for diagnosis-related groups, regardless of payor.

“**Emergency Physician**” means a medical doctor who is a credentialed member of the Hospital Medical Staff and is contracted by the Hospital to provide emergency medical services in the emergency department (ED). “Emergency Physician” does not include a physician specialist who is called into the ED or who is on staff, or has staff privileges, at the Hospital outside of the ED.

“**Financial Assistance Program**” means the Rady Children’s program designed to assist Financially Qualified Patients in obtaining Discounted Payments or Charity Care for Hospital services and Emergency Physician services.

“**Private Pay**” means a patient either 1) electing to pay for services without utilizing third party coverage or 2) a patient/Guarantor’s financial liability after Third Party Payer adjudication.

“Self-Pay Patient” means 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 worker’s compensation, automobile insurance, or other insurance as determined and documented by the Hospital.

“Uninsured Person” means a Self-Pay Patient without third party health coverage, whether or not the person qualifies for free or discounted care under the Rady Children’s Financial Assistance Program.

3.0 POLICY:

It is the policy of Rady Children’s to support access to quality health care for children by establishing fair and transparent pricing practices for Hospital and Emergency Physician services, in compliance with California and federal laws and regulations.

4.0 PROCEDURES:

4.1 Financial Assistance Program. Rady Children’s will maintain understandable written policies and procedures regarding discount payments and charity care for financially qualified patients. These can be found in the Financial Assistance Program policy.

4.2 Chargemaster/CDM. Rady Children’s will:

4.2.1 Make a written or electronic copy of its current charge description master (CDM or “Chargemaster”) available to the public, by website posting and/or by making a written or electronic version available at the hospital Patient Financial Services Department (PFS).

4.2.2 Post a clear and conspicuous notice in its emergency department (ED), PFS, and publicly accessible admissions offices/kiosks/windows and billing offices that the CDM is available at PFS.

4.2.3 Make available, together with the CDM, information about where to obtain OSHPD hospital quality and outcome studies data and The Joint Commission survey information.

4.2.4 Update its CDM on an annual basis.

4.2.5 Upon request of any person, provide a copy of the California Office of Statewide Health Planning and Development (OSHPD)’s annual list of California average hospital charges.

4.2.6 Upon request of any person, provide information about its Financial Assistance Program, a person to contact regarding the program, and an application form, per the Rady Children’s Financial Assistance Program policy.

4.3 Estimates. Rady Children's will:

4.3.1 Upon the request of an Uninsured Person, during normal business hours and with the exception of emergency services, provide a written estimate of the amount it will require a person to pay for the services and supplies reasonably expected to be needed for that person's care.

4.3.2 Not assume that a person will qualify for the Financial Assistance Program when it prepares an initial written estimate of services. Rady Children's will revise the estimate if the person later qualifies under the Financial Assistance Program.

4.3 Required Notices. On July 1st of each year, Rady Children's will submit to OSHPD:

- (a) a copy of its CDM as of June 1st of that year;
- (b) the calculated estimated, along with supporting documentation, of the percentage change in gross charges due to price changes during the 12 month period beginning with the effective date of the previous CDM submitted to OSHPD; and
- (c) a list of its average charges for 25 common outpatient procedures as of June 1st of that year.

4.4 Amounts Generally Billed. In all cases Rady Children's will ensure its charges to Financial Assistance Program participants are limited to the "amount generally billed (AGB)" to individuals who have insurance coverage.

4.4.1 Rady Children's will use the following method to calculate AGB:

Apply an annual look-back method (retrospective) review, after the close of the previous fiscal year, on actual past claims paid to the Hospital by Medicare fee-for-service together with all private health insurers.

4.4.2 Rady Children's will apply the AGB per the Financial Assistance Program policy.

4.5 Prompt Pay Discount. Rady Children's will offer all Private Pay patients a prompt pay discount as follows:

4.5.1 Patients must indicate they are Private Pay or be identified by Rady Children's as Private Pay at the time of service.

4.5.2 A 25% discount will be offered on the applicable CDM rate(s). This is called the "Prompt Pay Discounted Rate."

4.5.3 Payment in full of the Prompt Pay Discounted Rate must be made at the time of service or at such other date and time as Rady Children's is able to offer the discount to the patient/Guarantor.

5.0 FORMS:

CDM, published at <http://www.oshpd.ca.gov/chargemaster/>.

6.0 RELATED POLICIES:

Financial Assistance Program, CPM 7-11
Billing & Debt Collection, CPM ____

7.0 REFERENCES:

California AB 774 (2007), AB 1503 - Chapter 445 (2010), SB 1276 – Chapter 758 (2014)–
Hospital Fair Pricing Policies Law (Health & Safety Code 127400-127446)
Title 22, California Code of Regulations, §§ 96005-96020, 96040-96050
[Oshpd.ca.gov/HID/Products/Hospitals/Chrgmstr](http://oshpd.ca.gov/HID/Products/Hospitals/Chrgmstr)
Health & Safety Code §§ 1339.55, 1339.56, 1339.59, 1339.585 & 128770
Patient Protection and Affordable Care Act
Internal Revenue Code section 501(r)