

Policy Name: Charity Care Program	
Owner : President, VP Revenue Cycle	Effective Date: 6/19/13
Approved By: Texas Health Center for Diagnostics and Surgery Plano Board of Trustees	Last Reviewed Date: 10/16/2013 ; 2/4/14
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1.0 Scope

- 1.1 Applicable Entities: This policy applies to Texas Health Center for Diagnostics and Surgery Plano.
- 1.2 Applicable Departments: This policy applies to all departments.

2.0 Purpose

To establish Eligibility Guidelines for granting charity care assistance to patients who incur a significant financial burden as a result of receiving Medically Necessary Care at Texas Health Center for Diagnostics and Surgery Plano.

3.0 Policy:

3.1 Individuals who do not have an ability to pay for Medically Necessary Care will be fairly, consistently and objectively evaluated for eligibility under the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program. The Texas Health Center for Diagnostics and Surgery Plano Charity Care Program will be administered under Eligibility Guidelines consistent with federal and state laws for budgeting, determining and reporting charity care. It is the intent of the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program to provide community benefits through charity care in accordance with the provisions of Texas Health & Safety Code Section 311.043-045.

4.0 Policy Guidance:

4.1 Texas Health Center for Diagnostics and Surgery Plano's Charity Care Program is available for qualifying individuals who are unable to pay for Medically Necessary Care. Texas Health Center for Diagnostics and Surgery Plano is dedicated to administering its Charity Care Program in a fair, consistent and objective manner respecting the dignity of each patient served. Texas Health Center for Diagnostics and Surgery Plano's Charity Care Program will be administered in a manner that seeks to allocate charity resources in a manner that maximizes the benefit received by the communities Texas Health Center for Diagnostics and Surgery Plano serves. No patient will be denied financial assistance because of their race, religion, or national origin or any other basis which is prohibited by law. In implementing this Charity Care Program for the benefit of the communities Texas Health Center for Diagnostics and Surgery Plano serves,

A Texas Health Center for Diagnostics and Surgery Plano will comply with all applicable federal, state, and local laws, rules, and regulations. Patients with family income at or below 200 percent of applicable federal poverty guidelines or patients with family income above 200 percent of applicable federal poverty guidelines who have significant unpaid medical bills may be eligible for charity care if the patient lacks sufficient funds to pay the out-of-pocket portion of their Hospital Bill.

A patient who is unable to pay his or her Hospital Bill is encouraged to apply for charity care by completing a charity application. Hospital admission and social service personnel, financial counselors, and chaplains; along with Texas Health Center for Diagnostics and Surgery Plano business office personnel, are familiar with the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program and can answer questions relating to the program. All applications will be reviewed and a determination made whether all or a portion of the patient's Hospital Bill qualifies for charity care assistance. It is the responsibility of the patient to actively participate in the hospital's financial assistance screening process and to provide requested information on a timely basis, including without limitations providing the hospital with information concerning actual or potentially available health benefits coverage (including available COBRA coverage, financial status (i.e. income, assets) and any other information that is necessary for Texas Health Center for Diagnostics and Surgery Plano to make a determination regarding the patient's financial and insured status.

In certain situations, Texas Health Center for Diagnostics and Surgery Plano may be able to determine from financial and other information provided by independent third party vendors, that a patient qualifies for charity care even though a charity application has not been completed.

4.1.1 General.

a. Communication Requirements – Any person seeking health care services at a Texas Health Center for Diagnostics and Surgery Plano hospital should be provided written information about the Texas Health Center for Diagnostics and Surgery Charity Care Program as part of the admission process. Written notices shall also be conspicuously posted in both English and Spanish in the hospital's general waiting area, emergency department and in such other locations as the hospital deems likely to inform patients of the existence of the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program. In addition, information describing the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program shall be posted on the Texas Health Center for Diagnostics and Surgery website. A final notice is sent to each patient with a delinquent balance, explaining what could happen if they do not make payment arrangements or supply accurate/complete charity eligibility information.

Patients are given 60 days to apply for charity before any type of negative credit report is made by Texas Health Center for Diagnostics and Surgery Plano's collection vendors.

b. Patient Counseling – Admission, Business Office, Social Services personnel, financial counselors and/or hospital chaplains should encourage patients (who are at financial risk as a result of the amount they are expected to owe “out-of-pocket”) to complete a Texas Health Center for Diagnostics and Surgery Plano Charity Care Application. To facilitate the charity

process, it is preferred that financial screening occur and Charity Care Applications be completed prior to discharge. In no case will screening for charity care eligibility take place prior to providing appropriate emergency medical care in accordance with the requirements of the Emergency Medical Treatment and Active Labor Act.

c. Charity Request Initiated by Patient/Responsible Party – A Charity Care Application must be provided to any person requesting charity care. Charity care may only be granted if sufficient information is available to allow for a determination that the patient satisfies the Eligibility Guidelines outlined in Attachment I of this policy. Texas Health Center for Diagnostics and Surgery Plano may utilize both information reported on charity applications and information gathered from independent third party sources to evaluate a patient's eligibility for charity care. Accounts that are greater than one year from the date of service are no longer eligible for Charity consideration.

d. Request Initiated by Hospital Personnel on Patient's Behalf – A request for charity care may be submitted by Texas Health Center for Diagnostics and Surgery Plano personnel (on behalf of a patient or responsible party) who have knowledge of the patient's financial situation. All known facts surrounding the patient's financial condition shall be documented in requests initiated by Texas Health Center for Diagnostics and Surgery Plano personnel.

e. Follow-Up Collection Efforts – In general, no subsequent attempt shall be made to collect charges from the patient or responsible party which have been approved for adjustment under the Texas Health Charity Care Program (subject to the rights of subrogation) except to the extent a patient or responsible party receives a recovery from any third party or other source. A charity adjustment shall not be construed as a waiver by Texas Health Center for Diagnostics and Surgery Plano of its ability to enforce a hospital lien for reimbursement of any amount owed by a third party liability carrier on behalf of a patient. Charity adjustments may be completely or partially reversed in the event of a recovery from a third-party or other source.

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f. The following collection activities will occur during the first 90 days that a medical bill is outstanding to include:

- Summary billing statements will be sent to the patient
(*Identifying: Total Charges, Insurance Payments, Discounts, Patient Payments and the current balance.*)
- Calls will be made to the patient, when the patient responsible balance exceeds \$300.00.

- Collection letters may be sent to the patient by Texas Health Center for Diagnostics and Surgery Plano.

g. Actions that may be taken to obtain payment after a medical bill has been outstanding for at least 90 days include:

- Transfer of patient account to an outside collection agency. The collection agency will attempt to obtain a response for at least 120 days after receiving the account.
- Placement of a past due comment on patient's credit report no earlier than 60 days after receiving the account.

4.1.2 Approval and Reporting:

a. Management – The Texas Health Center for Diagnostics and Surgery Plano President and Texas Health Partners Vice President of Revenue Cycle are responsible for the oversight of the Texas Health Center for Diagnostics and Surgery Charity Care Program. The Texas Health Partners Vice President Revenue Cycle or designee is responsible for the day-to-day management of the Texas Health Center for Diagnostics and Surgery Plano Charity Program in a manner consistent with this policy.

b. Information Verification –The Texas Health Partners Vice President Revenue Cycle or designee shall establish procedures that specify which application information is subject to verification. In no case, should the establishment of verification procedures discriminate against any group of patients nor unduly limit a patient's access to charity care assistance.

c. Manual Approval – Services Already Rendered – Texas Health Center for Diagnostics and Surgery Plano's Centralized Business Office personnel shall review all available information and determine the appropriate level of charity assistance in accordance with procedures established by the Texas Health Partners Vice President Revenue Cycle or designee. The final approval for charity write-offs will be the responsibility of the Vice President of Revenue Cycle or designee. Approval is

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delegated down to various levels of management, corresponding with the size of the outstanding balance. Approval for amounts greater than \$25,000 will remain with the Vice President and/or designee.

d. Automated/Presumptive Charity Approval – In certain situations, Texas Health Center for Diagnostics and Surgery Plano can determine that a patient qualifies for charity care under this policy through review and analysis of financial and other information provided by an independent third party vendor.

In these situations, a formal charity application is not required. The Texas Health Center for Diagnostics and Surgery Plano review and analysis of available data will be complete within 30 days after the patient liability was established. If Texas Health Center for Diagnostics and Surgery Plano cannot determine that a patient qualifies for charity care through this review process and a formal charity application has not been submitted, collection activities will commence in accordance with normal Texas Health Center for Diagnostics and Surgery Plano collection procedures. Extraordinary collection efforts will not begin prior to 90 days after the patient liability was established.

e. Approval – Prior to Providing Services - Texas Health Center for Diagnostics and Surgery Plano shall implement a review process to determine charity care eligibility in those situations where a patient or physician seeks an eligibility determination in advance of hospital services being provided. In those cases the entity president or financial officer (or their designees) must approve the charity request. In granting charity care to individual patients in non-emergent situations, hospital personnel should consider the availability of alternative community resources, continuity of care concerns and the potential financial impact on the hospital's ability to grant charity care assistance broadly to the community it serves.

f. Notification to Applicants – In general, all patients who apply for charitable assistance will be notified within a reasonable time regarding the status of their request.

· **Presumptive/Automated Screening** - Notification is not sent to patients who were granted a charity discount based on the automated (presumptive) charity program.

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g. Appeals – An appeal of a denied Charity Care Application will be considered if material changes in a patient’s circumstances are documented. Changed circumstances may include, but are not limited to, a change in employment, health, marital, or family status. Appeals should be made to the Texas Health Center for Diagnostics and Surgery Plano Centralized Business Office in accordance with procedures established by the Texas Health Partners Vice President Revenue Cycle.

h. Reporting – All charity adjustments must be recorded in the books and records of Texas Health Center for Diagnostics and Surgery Plano on a monthly basis.

i. Record Retention – Documentation sufficient to identify each patient’s income, the amount owed by the patient, the review and approval processes that were followed, and the patient’s status as Financially Indigent, Medically Indigent, or other charity shall be maintained by the Texas Health Center for Diagnostics and Surgery Plano Centralized Business Office for the period required by the Texas Health Center for Diagnostics and Surgery Plano Record Retention policy.

5.0 Definitions:

5.1 Annual Income - If the patient is an adult, the term Annual Income means the total gross Annual Income of the patient and any other responsible party. If a patient is married Annual Income will also include the total gross Annual Income of the patient’s spouse. If the patient is a minor, the term Annual Income means the total gross Annual Income of the patient, the patient’s mother, the patient’s father and any other responsible party.

5.2 Charity Care Application – A written request from the patient, responsible party or other interested party for assistance under the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program, which summarizes financial and other information needed to determine eligibility. The content of the Charity Care Application will be determined by the Texas Health Partners Vice President Revenue Cycle Operations or his/her designee.

5.3 Eligibility Guidelines - The financial criteria and procedures established by this policy and described in Attachment I. The financial criteria shall include income levels indexed to the federal poverty guidelines and means testing; provided, however, that the financial criteria may not set the income level for charity care lower than that required by Texas counties under Section 61.023 of the Indigent Health Care & Treatment Act or higher; in the case of the financially indigent, than 200 percent of the federal poverty guidelines.

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. The federal poverty guidelines are published in the Federal Register in February of each year and for purposes of this policy will become effective the first day of the month following the month of publication. The guidelines published by the Texas Department of Health Services are found on their website.

5.4 Financially Indigent - An uninsured or underinsured patient whose Annual Income is less than or equal to 200% of the applicable federal poverty guidelines.

5.5 Hospital Bill - The amount owed by a patient after the application of appropriate insurance discounts or discounts provided to uninsured patients under Texas Health's Providing Discounted Pricing to Uninsured policy.

5.6 Medically Indigent - A person whose Hospital Bill exceeds a specified percentage of the patient's Annual Income, determined in accordance with the Eligibility Guidelines detailed in Attachment I of this policy.

5.7 Medically Necessary Care – Shall in general mean non-elective inpatient and outpatient acute hospital services that are reimbursable under the Medicare and/or Medicaid programs.

5.8 Texas Health Center for Diagnostics and Surgery Plano Charity Care Program - The program implemented by Texas Health Center for Diagnostics and Surgery Plano to provide financial assistance to patients who qualify as Financially Indigent or Medically Indigent. The Eligibility Guidelines for charity assistance are detailed in Attachment I of this policy.

6.0 Responsible Parties:

6.1 Texas Health Center for Diagnostics and Surgery Plano President and Texas Health Partner Vice President Revenue Cycle.

6.1.1 Responsible for Oversight of the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program.

6.2 Texas Health Partners Vice President Revenue Cycle and Texas Health Partners Director Revenue Cycle.

6.2.1 Responsible for day-to-day management of the Texas Health Center for Diagnostics and Surgery Plano Charity Program.

6.3 Texas Health Center for Diagnostics and Surgery Plano Business Office personnel and Texas Health Partners Centralized Business Office personnel

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6.3.1 Responsible for informing eligible patients the existence of the Texas Health Center for Diagnostics and Surgery Charity Program.

6.3.2 Responsible for review of Charity Care Applications and determination of appropriate supporting documentation

6.3.3 Responsible for notification to applicants of status of their request for charity assistance and their right to appeal an adverse decision.

6.3.4 Responsible for the processing of appeals of denied Charity Care Applications.

6.3.5 Responsible for the retention of documentation relating to the determination of charity status.

6.4 Texas Health Center for Diagnostics and Surgery Plano Hospital– All.

6.4.1 Responsible for informing eligible patients of the existence of the Texas Health Center for Diagnostics and Surgery Charity Program.

6.4.2 Responsible for implementing a review process to determine charity care eligibility for patients in advance of hospital services and for notifying patients of the determination that is made.

6.5 Entity Finance Officers.

6.5.1 Responsible for recording charity adjustments in the hospital books on a monthly basis.

7.0 External References:

7.1 Texas Health and Safety Code Section 311.043-045

7.2 EMTALA- Emergency Medical Treatment and Active Labor Act

7.3 Indigent Health Care & Treatment Act Section 61.023 (income levels)

7.4 Federal Register Poverty Guidelines

7.5 Texas Department of Health Services Guidelines

8.0 Related Documentation and/or Attachments:

8.1 Final Policy for Collection of Advanced Deposits

8.2 Co-Payments and Co-Insurance Providing Discounted Pricing to Uninsured, per Texas Health Resources policy

8.3 Attachment A - Eligibility Guidelines

9.0 Required Statements:

Not Applicable

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ATTACHMENT A

ELIGIBILITY GUIDELINES

The criteria noted in this Attachment I shall be strictly applied to determine whether a patient is eligible for assistance under the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program. Only adjustments relating to those patients meeting the criteria set forth in this Attachment I shall be reported as charity in a hospital's statement of operations.

Financially Indigent - A patient with estimated Annual Income between 0% and 200% of the federal poverty guidelines shall be approved for charity assistance provided the patient has insufficient funds and financial assets to pay his or her Hospital Bill without incurring an undue financial hardship. In general, a Financially Indigent patient will be eligible for charity in an amount equal to the full balance of his or her Hospital Bill less the amount (if any) they are deemed able to pay without incurring an undue financial hardship.

Medically Indigent - Patients with unpaid Hospital Bills that are equal to or greater than the following specified percentages of the patient or responsible party's estimated Annual Income may be approved for a charity adjustment of up to 100% of the unpaid balance in excess of the minimum patient responsible amount indicated in the following table provided the patient has insufficient funds and financial assets to pay his or her Hospital Bill without incurring an undue financial hardship. The percentage of their annual income is also the same percentage of their balance that is left remaining for the patient's charity co-pay. The remaining charity co-pay will be left on a single account and will be calculated using the outstanding balances on the AR, from the last 90 days.

Annual Income Levels	Minimum Patient Responsible Amount (% of Annual Income)
2 to 2.5 Times Federal Poverty Limit	3%
2.5 to 3 Times Federal Poverty Limit	3.75%
3 to 3.5 Times Federal Poverty Limit	4.5%
3.5 to 4 Times Federal Poverty Limit	5.25%
4 to 4.5 Times Federal Poverty Limit	6%
4.5 to 5 Times Federal Poverty Limit	6.75%
5 to 6 Times Federal Poverty Limit	7.5%
6 to 7 Times Federal Poverty Limit	9%
7 to 8 Times Federal Poverty Limit	10.5%
8 to 9 Times Federal Poverty Limit	12%
Greater than 9 Times Federal Poverty Limit	13.5%

The amount above the "Minimum Patient Responsible Amount" (shown above) represents the charity discount.

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Example 1: Patient with a family of four and an Annual Income of \$80,000 (assume \$80,000 is between 3.5 and 4 times the Federal Poverty Guidelines). The patient has a Hospital Bill totaling \$3,000 and liquid/available financial assets totaling \$500. Applying the table above, a patient's Hospital Bill must exceed \$4,200 before a patient is eligible to be considered Medically Indigent. Accordingly, the patient's account will not qualify for charity assistance.

Example 2: Same facts as Example 1 *except that unpaid Hospital Bills total \$30,000*. Applying the table above, a patient's Hospital Bill must exceed \$4,200 before the patient is eligible to be considered Medically Indigent. In this example, the Hospital Bill exceeds the required \$4,200 threshold so the patient may be considered for charity care. The actual amount of charity assistance granted is based upon the patient's ability to pay. In this example, the minimum patient responsible portion is \$4,200 and the maximum potential charitable write-off is \$25,800. The exact amount of charity write-off will depend upon an evaluation of the patient's financial assets and resources.

Example 3: Same facts as Example 1 *except that unpaid Hospital Bills total \$30,000 and the patient's financial assets total \$100,000*. Applying the table above, a patient's Hospital Bill must exceed \$4,200 before the patient is eligible to be considered Medically Indigent. In this example, the Hospital Bill exceeds the required threshold so the patient may be considered for charity care. The amount of charity assistance is based upon the patient's assets and resources. In this example, since the patient's financial assets exceed the patient's Hospital Bill, no charity adjustment will be granted.

General Considerations for Financial and Medical Indigence

Discounts – The pricing offered to Uninsured Patients for general hospital services prior to being approved under the Texas Health Center for Diagnostics and Surgery Plano Charity Program will be calculated by applying a 45% discount to the Hospital's gross charges.

Charity Applications – All patients seeking assistance under the Texas Health Center for Diagnostics and Surgery Plano Charity Program are encouraged to complete a Charity Application. A patient whose Hospital Bill reflects gross charges of \$75,000 or less may not be classified as Medically Indigent unless a completed Charity Application is received by Texas Health Center for Diagnostics and Surgery Plano along with materials requested by Texas Health Center for Diagnostics and Surgery Plano to verify the income, assets and medical expense amounts reported therein. Texas Health Center for Diagnostics and Surgery Plano may grant charity care to all other patients if sufficient documentation exists to determine a patient's estimated Annual Income, family size and financial condition. In the case of a patient whose hospital bill reflects gross charges application provided there is sufficient greater than \$75,000, an account may be classified as Medically Indigent without any information to determine that the patient is otherwise qualified.

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In this situation, the minimum patient responsible amount shall be 33.0% of the outstanding Hospital Bill.

Determination of Financial Condition - The determination that there are insufficient funds, for both financial and medical indigence, shall be made at the time a patient's account is reviewed based upon the patient's existing employment, financial, and family status. For purposes of this policy, assets shall include cash, stocks, bonds and other financial assets that can be readily converted to cash. In general, non-liquid assets and the patient/guarantor's speculative ability to generate future income shall not be considered in determining whether or not sufficient funds exist to pay current medical bills.

Eligibility Determinations - Eligibility determinations shall be valid for the longer of (1) the course of treatment (including medically necessary follow-up care) associated with the patient's hospitalization or (2) 90 days of the determination without the need for a patient to complete an additional Charity Application unless the facts and circumstances suggest that there may have been a material change in the applicant's financial condition and/or ability to pay.

Charity Care – Non-Emergent Situations - Charity Assistance under the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program may be provided to patients with both emergent and non-emergent conditions. Priority under the Texas Health Center for Diagnostics and Surgery Plano Charity Care Program is given to patients with emergent medical conditions. In reviewing applications for Charity care assistance for non-emergent care, Texas Health Center for Diagnostics and Surgery Plano will consider the availability of other resources in the community that meet the applicant's needs, the ability of Texas Health Center for Diagnostics and Surgery Plano to provide the proper continuum of care and the impact of the specific request on the ability of Texas Health Center for Diagnostics and Surgery Plano to provide care to the broad community it serves.

Patient Cooperation - It is the responsibility of the patient to actively participate in the hospital's financial assistance screening process, to authorize (if required) Texas Health Center for Diagnostics and Surgery Plano to access available third party information and to provide requested information on a timely basis, including without limitations providing the hospital with information concerning actual or potentially available health benefits coverage (including available COBRA coverage), financial status (i.e. income, financial assets) and any other information that is necessary for Texas Health Center for Diagnostics and Surgery to make a determination regarding the patient's financial and insured status. A patient's failure to cooperate may result in a denial of charity care. Charity Care is the option of last resort for the patient needing assistance. If funds are collected on the patient's account prior to charity approval, they will not be refunded to the payer.