POLICY

Category:	CHST System Documents 06. Patients Administrative Business Operations	Origination Date:	05/01/1990
Title:	PS 2.17 Patient Financial Assistance	Effective Date:	12/10/2020
Approver(s):	CHST Board of Directors, CHCO Board of Directors, OCH Board of Directors		
Owner:	Pamela Stevens (Sr Dir Patient Access Srvcs)	Page	**1** of **13**

POLICY STATEMENT:

Children's Health System of Texas (Children's Health) recognizes that many persons in the community require medically necessary health care services, but are uninsured, underinsured, ineligible for government health programs or otherwise without adequate financial resources to pay for these health care services. Children's Health is committed, to the extent of its financial ability, to make medically necessary services available for those not able to pay and not just for those who are able to pay. In order to manage its resources responsibly and to provide the appropriate level of assistance to the greatest number of persons in need, Children's Health has adopted the following guidelines for the provision of **Charity Care** (as defined below) and **Discounted Care** (as defined below). Accordingly, the purpose of this Policy is to describe:

- The eligibility criteria and application process to obtain financial assistance under this Policy;
- The basis for calculating amounts charged to patients eligible for financial assistance under this Policy;
- The method by which patients and their **Families** (as defined below) may apply for financial assistance;
- How Children's Health will publicize this Policy within the community served by Children's Health; and
- The limits on the amounts that **Children's Health Providers** (as defined below) will charge for emergency or other medically necessary care provided to individuals eligible under this Policy.

This Policy applies to all **Children's Health Providers** (as defined below). Independent providers whose relationship with Children's Health System of Texas is through medical staff membership or a contract for services or who are not wholly owned and controlled, directly or indirectly, by Children's Health System of Texas are not **Children's Health Providers** and are not subject to this Policy.

DEFINITIONS:

AGB: amounts generally billed.

Charity Care: means complete or partial financial assistance for the amount of the invoice for services rendered by the **Children's Health Providers**.

Children's Health Providers: means all hospitals, Section 162.001(b) Non-Profit Health Organizations and other providers wholly owned or controlled, directly or indirectly, by Children's Health. Independent providers whose relationship with Children's Health is through medical staff membership or a contract for services or who are not wholly owned and controlled, directly or indirectly, by Children's Health are not **Children's Health Providers**. A complete list of **Children's Health Providers** is as follows:

- Anesthesiologists for Children
- Children's Health Andrews Institute for Orthopaedics & Sports Medicine
- Children's Health Imaging
- Children's Medical Center of Dallas
- Children's Medical Center Plano
- Complex Care Medical Services Corporation
- Dallas Physician Medical Services for Children
- Our Children's House

Discounted Care: an amount of financial assistance less than complete and total financial assistance for the entire amount.

Domestic Partner: a partner of the eligible patient who is of the same sex, sharing a long-term committed relationship of indefinite duration with all of the following characteristics: (1) have a mutual and exclusive commitment to each other's well-being; (2) are financially interdependent by sharing common assets and common debts *(e.g.* joint home ownership, joint bank accounts, joint loans); (3) are not related by blood closer than would bar opposite sex marriage in the state of their residence; (4) are jointly responsible for each other's common welfare including basic living expenses; and (5) the partners are not married to each other and neither partner is married to someone else nor has another partner who meets the above criteria.

EMTALA: The Emergency Medical Treatment and Active Labor Act.

"**Executive:** the individual from whom the service area director/senior director (or designee) may request consideration for exception from the Charity Review Committee. The specific **Executives** for their respective campus are defined within the Executive Listing for Charity Review Committee - Financial Assistance Policy Reference .

Family: (a) for a patient 18 years of age and older, the patient and the patient's spouse, **Domestic Partner** and dependent children under 26 years of age, whether living at home or not and (b) for

a patient under 18 years of age, that patient's parent, caretaker, relatives and other children of the parent, patient caretaker, relative who are under 26 years of age

Family Income: the annual earnings and cash benefits from all **Family** sources before taxes and minus payments made for alimony and child support. Proof of such earnings may be determined by annualizing year-to-date the **Family's** income.

Medically Necessary Care: health care services which are reasonable and necessary to diagnose, prevent or treat an illness, injury or disease in a manner that is in accordance with generally accepted standards of medical practice and clinically appropriate in terms of types, frequency, extent and duration. Services not covered by or not considered medically necessary by the Medicare or Medicaid programs are not considered **Medically Necessary Care**. Further, **Medically Necessary Care** does not include transplantation or cell therapy services, supplements, certain outpatient prescription medications, cosmetic procedures or elective procedures, even if otherwise covered by the Medicare or Medicaid programs.

Qualified Legal Alien: a person who has been admitted to the U.S., is lawfully present, and qualifies to purchase health insurance through the U.S. Health Insurance Marketplace including, but not limited to, a Lawful Permanent Resident (LPR/Green Card holder); asylee or refugee; an alien whose deportation is being withheld; a Cuban or Haitian entrant; or a victim of trafficking. A non-immigrant visitor or an alien whose presence in the United States is based solely upon a non-immigrant visa (e.g., student visas, work permits, visitors' permits, medical visas, or other temporary circumstances) is not a **Qualified Legal Alien**.

PROCEDURE:

A patient and their **Family** are expected to cooperate with this Policy and each **Children's Health Provider's** procedures (if any) for obtaining financial assistance or other forms of payment, and to contribute to the cost of their care based on their individual ability to pay. Children's Health's commitment to this Policy is not a substitute for personal responsibility. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

Process

I. **Services Eligible for Financial Assistance:**
   A. The following healthcare services are eligible for financial assistance:
      1. Emergency medical services provided in an emergency room setting;

2. **Medically Necessary Care** for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective **Medically Necessary Care** provided in response to life-threatening circumstances in a non-emergency setting; and
4. Ongoing treatment for dialysis patients who meet the criteria of the American Kidney Fund for their Health Insurance Premium Program.
    a. To determine eligibility for this program, **families** will work in conjunction with the End-Stage Renal Disease social workers and financial counselors, or by visiting the American Kidney Fund website.

B. Only **Medically Necessary Care** is eligible for financial assistance. Services which are not considered **Medically Necessary Care**, as defined above, will not be eligible for financial assistance

C. Notwithstanding the statement above, it is the policy of **Children's Health Providers** that are also hospitals to provide, without discrimination, a medical screening examination and stabilizing treatment within its capabilities for emergency medical conditions, as set forth in **EMTALA** (as defined above), to all individuals regardless of their eligibility under this Policy (See **EMTALA** Policies for additional information).

II. **Patients Eligible for Financial Assistance:**

A. Eligibility for financial assistance will be based on an individualized determination of financial need in accordance with this Policy and shall not take into account age, gender, race, national origin, ethnicity, disability, sexual orientation, marital status, or religious affiliation in making eligibility determinations.

B. Patients must be citizens of the United States or **Qualified Legal Aliens** (as defined above) and must also be legal residents of Texas in order to be eligible for financial assistance under this Policy.

C. A person is eligible to apply for participation in this Policy if the patient **Family's Income** (as defined above) does not exceed 400% of the Federal Poverty Guidelines.

D. Factors considered for financial assistance determination include:
1. Household gross income;
2. Household size; and
3. The Federal Poverty Guidelines, as updated annually by the U.S. Department of Health and Human Services

E. Patients are not generally eligible for financial assistance if they have:
1. Third-party coverage from a health insurer, health care service plan, Medicare, Medicaid, Children's Health Insurance Program (CHIP) or Children's Medicaid, or The Children with Special Health Care Needs (CSHCN). However, Children's Health recognizes that there may be occasions where even though a patient has insurance coverage, they may nonetheless not be able to pay the full amount of

their patient responsibility portion owed for Medically Necessary Care. For example, patients who have a limited benefit plan whose coverage has been exhausted or a high deductible health plan where the deductible has not yet been met may be screened to determine if they are eligible for financial assistance if they otherwise meet the eligibility criteria;

2. Access to resources for payment through a health care sharing ministry or other third-party resources;
3. Access to in-network care from other providers where the Children's Health Providers are out-of-network; or
4. An injury that is compensable for the purposes of workers' compensation, automobile insurance, or other insurance or third-party resources.

III. **Application Process:**

A. The following application process will be used to determine eligibility for financial assistance:

1. Applications may be made by the patient, patient's parent, patient's guarantor or authorized representative of the patient, subject to applicable privacy laws. The determination of the patient's citizenship and residency status will generally be based on the patient's, not a parent's, residency and citizenship status while any income or asset evaluation will be based on the **Family's Income.**
2. It is preferred, but not required, that a request for **Charity Care** or **Discounted Care** and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient becomes known.
3. Children's Health's values of human dignity and stewardship shall be reflected in the application process, financial needs determination and granting of financial assistance. An applicant shall make every reasonable effort to provide the **Children's Health Provider** with the information required under this Policy. If an application and required documentation is not received, the Financial Counseling Services team will attempt to contact the family via phone to obtain the missing document(s). The determinations required under this Policy will be made only after the **Children's Health Provider** is in receipt of the information required by this Policy.
4. The Admissions Department and Financial Counseling Services shall seek to obtain from the patient or **Family** information about whether private or public health insurance or sponsorship may fully or partially cover the charges for care rendered by the **Children's Health Provider** to the patient, including, but not

limited to, private health insurance, Medicare, Medicaid, Children's Health Insurance Program (CHIP), The Children with Special Healthcare Needs (CSHCN), or other state- funded programs designed to provide health coverage.

5. All applicants must provide the following documentation in order for the **Children's Health Provider** to process a financial assistance request:
   a. A signed and completed Financial Assistance Application; and
   b. One of the following proof of income types:
      i. Copy of the applicant's most recent federal tax return Form 1040 and all attachments submitted with return, or Department of Human Services Form 1049 in lieu of Form 1040, claiming the patient as a dependent
      ii. Most recent paycheck stub that reflects year-to-date income and hours worked or Texas Department of Health and Human Services Commission Form 1028
      iii. Income verification can be performed over the telephone with the employer and account documented with the verification, title, date and phone number
      iv. Social Security letters or deposit slips with the deposit amounts or direct deposit copy of bank statement
      v. Unemployment compensation letter or U.S. unemployment check stubs
      vi. Letter of support, if dependent on another person for living expenses, etc.

   Financial Counseling Services may waive these Financial Assistance Application and documentation requirements if the patient is determined to be eligible and has applied for private health insurance, Medicare, Medicaid, Children's Health Insurance Program (CHIP), The Children with Special Healthcare Needs (CSHCN), or other state- funded programs designed to provide health coverage but such coverage is not expected to begin until after treatment is expected to start.
6. If Financial Counseling Services determines that the applicant does not meet the required factors for financial assistance, the applicant or service area director/senior director (or designee) may request consideration for an exception from the Charity Review Committee in accordance with Section V below.
7. If it is determined the applicant submitted false information, the application will be automatically denied.

B. An internal assessment of eligibility to receive financial assistance may be conducted in lieu of requiring the individual to complete the application process set forth in Section III.A. of this Policy. The assessment process screens uninsured patients using independent third-party sources and takes into account estimated annual income, family size, and employment status. Those individuals who qualify under the internal assessment process will be eligible for financial assistance as set forth below. Those

individuals who do not satisfy the internal assessment process may nonetheless apply for financial assistance pursuant to Section III.A.

IV. **Amount of Financial Assistance:**

A. **Medically Necessary Care** eligible under this Policy will be made available to the patient in accordance with financial need determined in reference to Federal Poverty Guidelines in effect at the time of the determination.

1. Patients whose **Family Income** is not more than 400% of the Federal Poverty Guidelines are eligible to receive financial assistance from the **Children's Health Provider** as follows:

Federal Poverty Guidelines (FPG)	Discount Percentage of Patient Family Responsibility
Up to 200% of FPG	100%
201-300% of FPG	85%
301-400% of FPG	70%
Over 400%	0%

2. Patients whose **Family Income** is above 400% of the Federal Poverty Guidelines are not eligible to receive **Charity Care** or **Discounted Care** under this Policy.
3. The Federal Poverty Guidelines found at https://aspe.hhs.gov/poverty-guidelines are reviewed and updated by Children's Health from annually.

B. Approval authorities for adjusting the patient account according to the financial assistance eligibility discount will be as follows:

Authority Level	From	To
Collector/PFA	$0.00	$999.99
Manager	$1,000	$9,999.99
Director	$10,001	$50,000
Vice President	$50,001	and over

V. **Exceptions to Policy:**

A. If Financial Counseling Services determines that the applicant does not meet the required factors for financial assistance, the applicant or service area director/senior director (or designee) may request consideration for an exception from the Charity Review Committee (CRC). The applicant or service area director/senior director (or designee) may request a consideration for exception from the applicable **executive** (see definition section). The respective **executive** or designee will promptly submit the

request to the Children's Health Vice President, Managed Care or designee who will initiate review by the Charity Review Committee. The CRC will review the applicant's information and determine the final disposition of financial assistance status.

B. Any exception to this policy must approved by the Charity Review Committee, including the use of the American Kidney Fund Health Insurance Premium Program (HIPP).

C. An affirmative majority vote by the CRC must be obtained before an exception to this policy will be granted.

D. The decision of the CRC will be communicated to the applicant or requesting service area director/senior director (or designee) by the Children's Health Vice President, Managed Care or designee.

VI. **Relationship to Billing Policies**

A. Patients should be given a written price estimate prior to the **Children's Health Provider** rendering hospital services. The writing should be in the family's preferred language.

B. A person who is eligible for financial assistance under this policy will never be charged more for emergency or other **Medically Necessary Care** than the **AGB** (as defined below) to individuals with insurance. **AGB** is a percentage of the **Children's Health Provider's** full, undiscounted charges for such care. The **AGB** for each **Children's Health Provider** is calculated as follows:

1. For the current fiscal year, each **Children's Health Provider** uses the "look-back method" to calculate the **AGB** using the previous year's closed encounters. This method bases **AGB** on fully paid hospital claims where the primary payer is Medicaid fee-for-service, Medicare fee-for-service and all private health insurers. The **Children's Health Provider** divides the sum of total payments made by those payers by the sum of total hospital charges for those claims to identify the "**AGB** percentage."
2. The **AGB** percentage and a copy of the calculation can be found in Attachment 1.
3. The **AGB** will be re-calculated annually.

C. Once a patient has been determined by the **Children's Health Provider** to be eligible under this Policy, and for so long as that patient remains eligible under this Policy, the patient shall not receive any bills based on undiscounted gross charges.

D. An applicant who is granted financial assistance under this Policy will be offered a no interest, extended payment plan with terms negotiated by the **Children's Health Provider** and the applicant based on the applicant's financial circumstances, medical costs, and other relevant factors. The maximum term of the extended payment plan will be 36 months. Such plan may be declared by the **Children's Health Provider,** to be no longer operative after the failure to make all consecutive payments due during a

30-day period. Before declaring the plan no longer operative, the **Children's Health Provider** or its collection agency or assignee, shall make a reasonable attempt to contact the patient or responsible party by phone.

E. Unless an applicant is informed otherwise, financial assistance provided under this Policy will be valid for 90 days beginning on the first day of the month of the determination. Thereafter, the applicant will be given the opportunity to reapply. The **Children's Health Provider** reserves the right to reevaluate an applicant's eligibility for financial assistance during the 90-day period if it is determined that the applicant's financial status has changed**.**

F. The **Children's Health Provider's** billing statements will inform individuals that financial assistance may be available and will provide a contact department and contact telephone number, as well as provide the website address for this Policy.

G. If the **Children's Health Provider** bills the patient **Family** who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, as a part of that billing, the **Children's Health Provider** shall provide the patient with a clear and conspicuous written notice in English and the family's preferred language that includes all of the following:
   1. A statement of charges for services rendered by the **Children's Health Provider**;
   2. A request that the individual inform the **Children's Health Provider** if the patient has health insurance coverage, Medicare, Medicaid, CHIP, CSHCN, or other coverage.

VII. **Relationship to Collection Policies:**

A. Children's Health and **Children's Health Providers** will not engage in extraordinary collection actions (such as reports to consumer credit reporting agencies or credit bureaus, sale of an individual's debt to another party, etc.) against patients to obtain payment of care.

B. If an individual is attempting to qualify for assistance under this Policy and is attempting in good faith to settle an outstanding bill with the **Children's Health Provider** by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the **Children's Health Provider** will not send the unpaid bill to any collection agency or other assignee.

C. **Children's Health**, the **Children's Health Providers**, the **Children's Health Provider's** collections agents, and any **Children's Health Provider's** assignees that are subsidiaries or affiliates should not file legal or court claims, use wage garnishments or body attachments, cause arrests, place liens on primary residences, refuse or defer the delivery of **Medically Necessary Care**, or undertake similar extraordinary actions as a means of collecting unpaid bills. This requirement does not preclude these parties from pursuing reimbursement from third party liability settlements, tortfeasors, or other legally responsible parties.

D. Amounts referred to collections agencies will reflect the rates to which the individual is eligible under this Policy and not gross charges.
E. If an eligible individual pays in excess of total amount of their responsibility, the **Children's Health Provider** will, within 60 days from the date the overpayment is identified, refund the overpayment.

VIII. **Communication of this Policy:**

A. Any notices, forms, letters, applications, policies, or other documents shall be prepared in English and in the language spoken by a substantial number of the public served by the **Children's Health Provider**. In the alternative, the **Children's Health Provider** may elect to furnish translation aids, translation guides, or provide assistance through use of qualified bilingual interpreters when completing English documents and in understanding English documents.
B. Upon admission to inpatient or outpatient services, every patient will be offered a written notice that shall contain information about the availability of **Charity Care** and **Discounted Care** and the existence of this Policy and contact information for the office from which the person may obtain further information about this Policy. Upon request, a patient will be given a copy of this Policy in its entirety.
C. This same notice shall be given to patients who receive emergency or outpatient care, and who may receive a bill for such care, but who were not admitted. The notice shall be provided in English and in the family's preferred language.
D. Public notices will be clearly and conspicuously posted in locations visible to the public including, but not limited to, all the following: the emergency department, admissions office, and other outpatient settings. These posted notices will explain that the **Children's Health Provider** has financial assistance available to individuals who are uninsured or underinsured. These notices will include a contact office and telephone number an individual can call to obtain more information about this Policy and to apply for financial assistance.
E. Notification of this Policy, which shall include a contact number, shall be disseminated by the **Children's Health Provider** by various means, which shall include, but are not limited to, the publication of notices in patient billing statements and by posting notices in emergency departments, admitting and registration departments, and at other places as the **Children's Health Provider** may elect.
F. The **Children's Health Provider** also shall publish and widely publicize a summary of this Policy on its website, in brochures available at patient access sites and at other places within the community served by the hospital as the **Children's Health Provider** may elect.
G. Anyone among the **Children's Health Provider** personnel who reasonably believes that an individual does not have the ability to pay for services will inform the individual

that financial assistance may be available and direct them to the notices described in this Policy.

H. This Policy, the summary of this Policy and the financial assistance application will be made available in the primary language spoken by each population, with limited English proficiency, that is likely to be encountered by the **Children's Health Provider**.

IX. **Uncompensated Care:**

Notwithstanding anything in this Policy to the contrary, for purposes of reporting uncompensated and indigent care costs, the **Children's Health Provider** shall include charges for non-covered services rendered by the **Children's Health Provider** to Medicaid patients or patients covered under other indigent care programs as uncompensated care. Non-covered services include services to Medicaid and other indigent care program patients who have exhausted their benefit coverage, services denied (in whole or in part) by Medicaid and other indigent care programs and services exceeding a spell of illness or length of stay limit. The uncompensated care amount is the amount of the charges written off or denied. In addition, for purposes of reporting uncompensated and indigent care costs, the **Children's Health Provider** shall include the difference between full charges and the payment received by the **Children's Health Provider** for insured patients who meet the eligibility requirements under this Policy where the **Children's Health Provider** does not have a contractual agreement with the payer that covers the patient's service date(s).

X. **Confidentiality:**

The **Children's Health Provider** will maintain all information received from applicants requesting eligibility under this Policy as confidential information. Information concerning monetary assets obtained as part of the financial assistance application and approval process will be maintained in a file that is separate from information that may be used to collect amounts owed to the **Children's Health Provider**. All information in such file will not be available to the personnel involved in debt collection. Nothing prohibits the use of information obtained by the **Children's Health Provider**, its collection agencies or assignees independently of the financial assistance eligibility process.

SOURCES:

1. **Related Policies**
   AD 2.29.01 Emergency Medical Treatment (EMTALA) and Patient Transfer - Dallas
   AD 2.29.02 Emergency Medical Treatment (EMTALA) and Patient Transfer - Plano

2. **Joint Commission Manual**
   None

3. **Medicare Conditions of Participation**
   None

4. **State or Federal Statute(s) or Regulation(s)**
   Patient Protection and Affordable Care Act of 2010 – Internal Revenue Code Section 501(r)

5. **References**
   None

6. **Keywords**
   Charity care, Discounted care, Financial Assistance, Medically Necessary Care, Financial Services

7. **Quick Reference Guides links, Flowcharts, and Job Aids**
   Executive Listing for Charity Review Committee - Financial Assistance Policy Reference

Attachment 1

Calculation of Amounts Generally Billed

Following a determination of financial assistance eligibility, an individual will not be charged more than the amounts generally billed (AGB) to individuals with insurance for emergency or other medical necessary care. The Children's Health Provider use the "look-back method" to calculate the AGB using the previous year's closed encounters. This method bases AGB on fully paid hospital claims where the primary payer is Medicaid fee-for-service, Medicare fee-for-service, Medicaid and commercial health insurers. The Children's Health Provider divides the sum of total payments made by those payers by the sum of total hospital charges for those claims to calculate the AGB. Closed claims during the prior fiscal year (12 months) are included in the calculation. The AGB is calculated annually and applied on a calendar basis.

Children's Health Provider Fiscal Year 2018

Gross Charges: $2,845,347,018

Discounts/ Contractuals: $1,739,902,184

Discount Rate: 61.16%

AGB Rate for Calendar Year 2019: 38.84%