

**HUNTSVILLE MEMORIAL HOSPITAL  
ADMINISTRATIVE POLICY & PROCEDURES**

<b>PROCEDURE TITLE:</b> Financial Assistance – Charity Care	<b>PROCEDURE NUMBER:</b> 9020.109B
<b>ORIGINAL ISSUE DATE:</b> 02/28/2020; 04/01/2020	<b>APPROVED BY:</b>
<b>REVIEWED DATES:</b> 11/23/2020	<u>Anna Smith</u> <u>05/11/2021</u> Executive Director, Revenue Cycle Date
<b>REVISION DATE:</b> 12/01/2020; 05/11/2021	
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**POLICY**

This procedure will be administered in full compliance with governing policies as referenced below, and attached to this document:

- Huntsville Memorial Hospital Policies:  
 Financial Assistance Policy, LAW004.01  
 Collection of Accounts Policy, LAW004.02  
 Discount and Payment Plan Policy, LAW004.3  
 Financial Counseling Policy, LAW004.04  
 Policy Regarding Widely Publicizing Financial Assistance Policy, LAW004.05

**PROCEDURE**

Huntsville Memorial Hospital and Clinic shall contribute appropriate resources, advocacy and community support to promote the health needs of the community, which it serves, within its economic ability to do so. Charity care will be provided to patients with a demonstrated (means tested) inability to pay. The amount of charity care available, as well as any other changes to this procedure shall be assessed and determined by the Hospital’s Chief Executive Officer on an annual basis, and will conform to state guidelines for non-profit facilities, if applicable. The terms of this procedure may be changed by the Hospital’s Chief Executive Officer. Throughout this procedure, the terms financial assistance and charity care are interchangeable and considered one in the same.

Huntsville Memorial Hospital and Clinic work in collaboration with a third party eligibility vendor (Resource Corporation of America/RCA), and the local State of Texas Medicaid office to screen patients for the following programs in advance of approval for Charity Care:

1. Existing Healthcare Insurance or Ability to Purchase Healthcare Insurance and/or Other Liability  
At or below 8% of total annual income ( $\leq 8\%$ ) and/or Other Liability
2. Self Pay Discounted Programs  
Means tested Federal Poverty Level (FPL) at or above 201% ( $\geq 201\%$ )

3. Texas Medicaid and/or Medicare and/or SSI; Other Government Programs; Workers Compensation  
Meets all Federally Mandated Criteria
4. Walker County Indigent Care Program  
Means tested Federal Poverty Level (FPL) at or below 50%.  
(0% to  $\leq 50\%$ )

If a patient does not qualify for one of the programs listed above, the patient may make formal application for Charity Care by completing the required financial assistance forms, located on Huntsville Memorial Hospital's home internet page at [www.huntsvillememorial.com](http://www.huntsvillememorial.com).

The application for Charity Care includes both the Texas Health and Human Services Form 100, and the Resource Corporation of America (RCA) Supplemental Screening Form.

The amount of financial assistance to be made available, as well as any other changes to this procedure shall be assessed and determined by the Hospital Chief Executive Officer on an annual basis, and will conform with state guidelines for non-profit facilities as applicable.

Patients will be deemed eligible to make application for Charity Care at the time sufficient information has been obtained to verify the patient's inability to pay for medical services, and as soon as possible after the patient first presents for services or indicates an inability to pay for services.

Patients with third party coverage (i.e., insurance, Medicare, etc.) may qualify for Charity Care as secondary to primary insurance if the patient has a responsibility for payment, has an inability to pay, and meets program qualifications.

Patients may apply for Charity Care as soon as possible after presenting for services or indicating an inability to pay for services at the Hospital or Clinic. Application includes the screening of uninsured and underinsured patients by a third party eligibility vendor (Resource Corporation of America/RCA) for the following:

1. Existing Healthcare Insurance or Ability to Purchase Healthcare Insurance and/or Other Liability  
At or below 8% of total annual income ( $\leq 8\%$ ) and/or Other Liability
2. Self Pay Discounted Programs  
Means tested Federal Poverty Level (FPL) at or above 201% ( $\geq 201\%$ )
3. Texas Medicaid and/or Medicare and/or SSI; Other Government Programs; Workers Compensation  
Meets all Federally Mandated Criteria
4. Walker County Indigent Care Program  
Means tested Federal Poverty Level (FPL) at or below 50%.  
(0% to  $\leq 50\%$ )

If a patient does not qualify for one of the programs listed above, the patient may make formal application for Charity Care by completing the required financial assistance forms, located on Huntsville Memorial Hospital's home internet page at [www.huntsvillememorial.com](http://www.huntsvillememorial.com).

The on-site representative from RCA, or a member the hospital Patient Access Department will assist the patient in printing and completing the Financial Application and Supplemental Forms, and will direct the patient to the Financial Counseling Department where the completed application and supporting documentation must be submitted for review.

Patients who qualify for Charity Care will have a means-tested Federal Poverty Level (FPL) at or above 51% and at or below 200%. ( $\geq 51\%$  to  $\leq 200\%$ )

### **MEDICAL NECESSITY AND COVERED SERVICES**

All services must be medically necessary in order to qualify for financial assistance/charity care. Elective services such as cosmetic surgery do not qualify for a charity designation. Eligible services will be based on those services for which Medicare provides coverage.

### **BILLING BY CONSULTING PHYSICIANS AND PHYSICIAN GROUPS**

All Hospital patients will receive a Billing Disclosure, at the time of registration, that includes detailed information regarding hospital charges and billing (Attachment A). In addition to hospital charges, the patient may receive bills from consulting physicians and physician groups who participated in their care. Consulting physicians and physician groups are independent contractors and are not employees of the hospital or clinic. Consulting physicians and physician groups include referring physicians, attending physicians, and specialists such as emergency physicians, radiologists, pathologists, and anesthesiologists. These providers and provider groups are separately contracted and may not be network providers for the patient's healthcare plan. Additionally, they may be governed by billing rules, regulations, and procedures that are not the same as the hospital or clinic. They may have different criteria for Charity Care application and qualification. Application and qualification for Charity Care at the hospital and/or clinic is separate from any application and qualification that may be required by other providers.

### **AMOUNTS GENERALLY BILLED**

Individuals qualified for financial assistance in the form of Charity Care, will not be charged more than the amounts generally billed (AGB) for emergency or other medical care provided to individuals with insurance coverage.

A. The AGB is determined through the "Look-back method" which is calculated by reviewing the full amount that has been allowed as medically necessary for all past claims that have been billed by the hospital or clinic to Medicare fee-for-service and all private health insurers paying claims to the hospital in a prior 12 month period. This amount can include co-insurance; co-payments and deductibles.

B. The AGB for emergency or medically necessary care provided to an eligible individual is determined by multiplying gross charges for that care by one or more percentages of gross charges (AGB percentages).

1. The AGB percentages are calculated at least annually by dividing the sum of emergency and other medically necessary care that have been allowed by health insurers (Medicare fee-for-service and all private health insurers that pay claims to the hospital facility) during a 12 month period by the sum of the associated gross charges for those claims

2. Multiple AGB percentages may be calculated for separate categories of care (such as inpatient and outpatient care or care provided by different departments) or for separate items or services

C. The percentages are applied by the 120th day after the end of the 12-month period the hospital facility used in calculating the AGB percentage(s).

## **ELIGIBILITY GUIDELINES**

Uninsured and Underinsured patients who qualify for Charity Care will have a means-tested Federal Poverty Level (FPL) at or above 51% and at or below 200%. ( $\geq 51\%$  to  $\leq 200\%$ )

Patients approved for Charity Care will receive basic care at Huntsville Memorial Hospital, and/or at the Huntsville Clinic, following receipt of prior approval.

The hospital will use the most current poverty income guidelines issued by the U.S. Department of Health and Human Services to determine an individual's eligibility. Federal Poverty guidelines are published in the *Federal Register* in February of each year, and for purposes of this procedure, the current guideline will become effective the first day of the month following the month of publication.

## **PROCESS FOR SCREENING AND ELIGIBILITY**

Patients who qualify for Charity Care must meet the following criteria:

1. Must be a US Citizen, verified by valid Certificate of Naturalization or "sponsored alien"  
"A person who has been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C/ Sectopm 1101 et seq.) and who, as a condition of admission was sponsored by a person who executed an affidavit of support on behalf of the person."
2. Must provide current Texas Picture ID and secondary form of ID (social security card, voter's registration card, birth certificate)
3. Must provide proof of current income (check stub, letter from employer)
4. Must provide proof of previous year's income, if available (Tax return, W-2, 1099)
5. Must provide details regarding any additional income (Child support, SNAP, Housing, Letters of support from family members)
6. Must prove that the cost of health care insurance offered by employer and/or the healthcare exchange programs exceed 8% of total annual income;

Persons who qualify for Charity Care may receive benefits as described in the Plain Language Summary (Attachment E), at minimal or no cost to the individual. Huntsville Memorial Hospital and Clinic require co-payments of \$10.00 per clinic visit and for hospital-based laboratory and/or radiology services.

Huntsville Memorial Hospital is a non-profit corporation offering Charity Care. The hospital will not discriminate on the basis of race, ancestry, religion, national origin, age, disability, gender or gender identity in its consideration of a patient's qualification for Charity Care.

Applicants must fully cooperate and comply with eligibility requirements for any other healthcare program(s) for which they may be qualified prior to their evaluation for Charity Care. Federal and/or State assistance may be available to those who meet qualifications. Before Charity Care is considered, all available avenues of assistance from third-party payors must be exhausted.

All services must be medically necessary in order to qualify for financial assistance/charity care. Elective services such as cosmetic surgery do not qualify for a charity designation. Eligible services will be based on those services for which Medicare provides coverage.

## **1. INCOME VERIFICATION**

Patients or the responsible party must verify the net income reported on the Financial Assistance Application and Supplemental Screening Forms in accordance with the Documentation Requirements set forth below.

### **(a) REQUIRED DOCUMENTATION**

The Hospital will obtain a credit report on patients to validate the need for financial assistance. Eligibility documentation will be maintained in the patient's financial file. In addition to the credit report, Hospital requires the following documents:

- (1) the applicants full name and address;
- (2) the applicant's social security number, if available;
- (3) the number of persons in the applicant's household, excluding persons receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits;
- (4) the applicant's county of residence;
- (5) the existence of insurance coverage or other hospital or health care benefits for which the applicant is eligible;
- (6) any transfer of title to real property that the applicant has made in the preceding 24 months;
- (7) the applicant's annual household income, excluding the income of any household member receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits; and
- (8) the amount of the applicant's liquid assets and the equity value of the applicant's car and real property.

### **Additional documents include:**

- (1) IRS Form W-2;
- (2) Wage and earnings statement;
- (3) Paycheck remittance;
- (4) Individual tax returns
- (5) Unemployment insurance;
- (6) Social Security award letter, or copy of Social Security check;
- (7) Telephone verification by employer of the patient's income;
- (8) Veterans Administration letter, or copy of VA check;
- (9) Physician disability statement listing term of disability and documentation or proof of three or more months with no income for the period of disability;
- (10) Bank accounts and records; or

(11) Other appropriate indicators of yearly, monthly, weekly or hourly income.

## **(b) DOCUMENTATION UNAVAILABLE**

In cases where a patient is unable to provide documentation verifying income, the Hospital may verify the patient's income by requesting an explanation of why the patient is unable to provide documentation verifying income, and:

- i. Obtaining the Patient's Written Attestation. By having the patient or the responsible party sign the Financial Assistance Application attesting to the veracity of the income information provided; or
- ii. Obtaining the Patient's Verbal Attestation. Through the written attestation of hospital personnel completing the Financial Assistance Application that the patient verbally verified Hospital's calculation of the income reported on the Financial Assistance Application.

De minimis Accounts. If the patient's account is of *de minimis* value, not to exceed \$500.00, Hospital may verify the patient's income reported by the patient on the Financial Assistance Application by:

- i. Obtaining the Patient's Written Attestation. Obtaining a Financial Assistance Application signed by the patient attesting to the veracity of the income information provided; and
- ii. Documenting Efforts to Obtain Documentation. Documenting two attempts by Hospital to obtain documentation from the patient verifying income.

## **2. VERIFICATION PROCEDURE**

In determining a patient's total income, Hospital staff will determine an applicant's gross annual income as well as the applicant's gross monthly income from one or more sources of documentation (listed in 6(a) above) the applicant provides. The applicant's gross annual income will provide the basis for determining eligibility. Hospital may also consider other financial assets and liabilities of the patient, as well as the patient's family income and the ability of the patient's family to pay. If a determination is made that a patient has the ability to pay the remainder of the bill, that determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation.

## **3. CLASSIFICATION PENDING INCOME VERIFICATION**

During the verification process, while the hospital is collecting the information necessary to determine a patient's income, the patient may be treated as a private-pay patient in accordance with Hospital's policies until such time as the hospital receives documentation verifying patient's eligibility for charity care or proof that the patient is eligible for participation in a public benefit program (as referenced in section 6(b) above).

## **4. FALSIFICATION OF INFORMATION**

Falsification of information may result in denial of the Financial Assistance Application. If, after a patient is granted financial assistance, Hospital finds material provision(s) of the Financial Assistance Application to be untrue, charity care status may be revoked and financial assistance may be withdrawn.

## **5. ADMINISTRATIVE APPROVAL AND AUTHORITY LEVELS**

Applications will be reviewed and approved by the designated Manager or Director, in full compliance with applicable policies, referenced within the body of this document.

## **6. AUTOMATIC QUALIFICATION**

The following categories of patients are deemed to have no annual income and shall automatically qualify for charity care and receive 100% discount on charges:

- (a) Patients who qualify under the presumptive eligibility model, via income credit scoring and federal poverty limit estimations;
- (b) Patients who are deceased with no estate in probate;
- (c) Patients determined to be homeless

## **7. NOTIFICATION PROCESS**

The process of application review, approval or denial, and patient notification of decision shall not take more than fourteen (14) days for Charity Care. This timeframe begins on the date that a fully completed application and supporting documentation is received.

All patients that make application for Charity Care shall receive a letter stating whether or not the application was approved or denied.

## **8. DURATION**

Qualifying applicants will be approved for a six month period from the first date of applicable services. Thereafter, the patient will be required to reapply.

## **9. DENIED APPLICATIONS**

The Hospital will provide an appeal process for denied applications. Appeals should be formally documented via the Financial Assistance Application for Appeal (Attachment F). This document will be provided to denied applicants by the Hospital Financial Counselor. The Financial Counselor will provide the patient with assistance in completing the formal appeal and in presenting the appeal to the Hospital CFO for consideration.

## **10. DOCUMENT COLLECTION AND RETENTION POLICIES**

The Hospital will maintain documentation sufficient to identify each patient granted Charity Care, to include the patient's income, the method used to verify the patient's income, the amount owed by the patient, and the person who approved the Charity Care application. Hospital staff will create an electronic file in the form of scanned documents appended to applicable patient accounts. The following items will be included in the electronic file:

- a) Completed Application (Texas Department of Health and Human Services Form 100 - access via link below) and Supplemental Form (Attachment G)  
[www.dshs.state.tx.us/WorkArea/DownloadAsset.aspx?id=8590001321](http://www.dshs.state.tx.us/WorkArea/DownloadAsset.aspx?id=8590001321)
- b) Completed Charity Care Determination Calculator and Approval Form, signed by the preparer as well as the reviewer authorizing Charity Care and the amount of such care;
- c) Documentation providing proof of financial income information; and
- d) Any other information provided to substantiate the patients need and eligibility for Charity Care

If patient has not provided all required documentation within ten (10) days of application, Hospital staff will contact the patient to request the missing documentation, and follow-up periodically thereafter until patient file is complete. If the patient file is not complete and the Hospital cannot determine eligibility within fourteen (14) days, the Hospital will consider the application to be invalid, and the patient's hospital and/or clinic accounts will remain self pay.

## **11. PUBLICATION OF POLICY**

The hospital's Financial Assistance Policy for Charity Care is available to the public via the Huntsville Memorial Hospital Internet at [www.huntsvillememorial.com](http://www.huntsvillememorial.com). Additionally, the policy is posted in every registration lobby throughout the hospital, including main admissions, and emergency admissions. A paper copy of the policy will be provided by the Admissions Department to any person who requests a copy.

## **12. RESERVATION OF RIGHTS**

The Hospital reserves the right to limit or deny financial assistance

## **REFERENCES:**

Huntsville Memorial Hospital Policies:

- Financial Assistance Policy, LAW004.01
- Collection of Accounts Policy, LAW004.02
- Discount and Payment Plan Policy, LAW004.3
- Financial Counseling Policy, LAW004.04
- Policy Regarding Widely Publicizing Financial Assistance Policy, LAW004.05

Department of the Treasury, Internal Revenue Service 26 CFR Parts 1, 53, and 602; CHNA Section 501(r) 4 thru 6; Financial Assistance Policy and Emergency Medical Care Policy – Section 501(r)(4)  
[www.irs.gov/irb/2015-5\\_IRB/ar08.html](http://www.irs.gov/irb/2015-5_IRB/ar08.html)

PARA.PP.GEN.008 – Authority Levels

Parallon Procedure for Processing Payments, Adjustments, and Allowance Transactions/Authority Levels

Immigration and Nationality Act (8 U.S.C/ Sectopm 1101 et seq.)

<https://www.uscis.gov/legal-resources/immigration-and-nationality-act>

## **ATTACHMENTS:**

Attachment A – HMH Billing Disclosure (English and Spanish)

Attachment B – Hospital's Financial Assistance Eligibility Discount Guidelines; CY Federal Poverty Level

Attachment C – Application Requirements – Charity Care

Attachment D – HMH Financial Assistance Determination Calculator and Approval Form (Internal Only/Proprietary)

Attachment E - Financial Assistance for Charity Care - Plain Language Summary

Attachment F – Application for Appeal – Charity Care

Attachment G – Supplemental Screening Form

Attachment H – Governing Policies

Huntsville Memorial Hospital Policies:

Financial Assistance Policy, LAW004.01

Collection of Accounts Policy, LAW004.02

Discount and Payment Plan Policy, LAW004.3

Financial Counseling Policy, LAW004.04

Policy Regarding Widely Publicizing Financial Assistance Policy, LAW004.05

**FORMS:**

Application: [www.dshs.state.tx.us/WorkArea/DownloadAsset.aspx?id=8590001321](http://www.dshs.state.tx.us/WorkArea/DownloadAsset.aspx?id=8590001321)

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