MEMORIAL HERMANN HEALTH SYSTEM
POLICY

POLICY TITLE: Financial Assistance Policy

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POLICY PURPOSE:

Memorial Hermann Health System (MHHS) hospitals serve the health care needs of greater Houston metropolitan areas that include Harris, Montgomery, Fort Bend and surrounding counties. MHHS is committed to providing community benefits to county residents in the form of financial assistance to uninsured and underinsured individuals, without discrimination, who need emergency or medically urgent care that is non-elective and needed to prevent death or adverse long-term effects to the patient's health regardless of the patient's ability to pay. MHHS financial assistance policy is designed to serve its patients and to comply with Internal Revenue Code section 501 (c)(3). The purpose of this Financial Assistance Policy ("FAP") is to define a process for identifying and providing financial assistance.

SCOPE:

This policy applies to Memorial Hermann Health System hospital and facilities listed on Exhibit A - Memorial Hermann Hospital Facilities

POLICY STATEMENT:

1. Consistent with MHHS values of compassion and stewardship, it is the policy of MHHS to provide Financial Assistance to patients in need. The purpose of this FAP is to define the process under which Financial Assistance will be granted to patients for emergency or medically urgent care that is non-elective and needed to prevent death or adverse long-term effects to the patient's health. This FAP is not binding upon providers of medical services outside of the hospital or physicians employed by MHHS.

2. MHHS will not engage in extraordinary collection actions (ECAs), nor does it permit its collections vendors to engage in ECAs. Action MHHS may take in the event of non-payment are described in the MHHS Billing and Collections Policy; copies of this policy are at: http://www.memorialhermann.org/financialassistanceprogram/ or free paper copies are available upon request in the emergency department and hospital registration areas or by calling (713) 338-5502.

TERMS & DEFINITIONS:

1. Application: Means an application for Financial Assistance to be completed by a patient.

2. Amounts Generally Billed (AGB): The hospital AGB discount percentage are calculated using the "look-back" method which is the total of Medicare fee-for service payments allowed on paid claims divided by the total gross charges for those services for the prior 12-month period. Discounts provided to patients who qualify for Financial Assistance will be reviewed against the AGB percentage limits to ensure patients are not charged more than AGB.

    a. Revised AGB percentages will be calculated annually and applied by the 120th day following MHHS fiscal year end on June 30th. AGB percentages can be found in Exhibit B - Amounts Generally Billed Calculation of the FAP.

3. Annual Gross Family Income: The sum of a Family's annual earnings and cash benefits from all sources before taxes, less payments made for child support, reportable to the United States Internal Revenue Service.

4. Eligible Services. Emergency or medically urgent care that is non-elective and needed to prevent death or adverse long-term effects to the patient's health. Elective, preventive and/or routine services and procedures are not considered Eligible Services. Other medical services not considered Eligible Services include, but are not limited to, cosmetic procedures, complementary medicine, fertility services, Occupational Health and retail type service, and other services that already have a specific global/package pricing arrangement. The final determination of whether medical care is considered urgent shall be made by the examining physician.

5. Family: The patient, the patient's spouse/civil union partner, the patient's parents or guardians (in the case of a minor patient), and any dependents claimed on the patient's or parent's income tax return, and living in the patient's or his or her parents' or guardians' household.

6. Federal Poverty Level ("FPL"): Level of income updated annually by the United States Department of Health and Human Services and published in the Federal Register. Current FPLs can be found in Exhibit C - Federal Poverty Guidelines of the FAP.

7. Plain Language Summary ('PLS"): A plain language summary of MHHS's FAP includes: (a) a brief description of the eligibility requirements and assistance offered; (b) a listing of the website and physical locations where Financial Assistance applications may be obtained; (c) instructions on how to obtain a free paper copy of the FAP; (d) contact information for assistance with the application process; (e) availability of language translations of the FAP and related documents; and (f) a statement confirming that patients who are determined to be eligible for Financial

Assistance will be charged no more than amounts generally billed for emergency or eligible services.

8. Presumptive Eligibility: A Financial Assistance eligibility determination made by reference to specific criteria which have been deemed to demonstrate financial need on the part of an uninsured patient without completion of a Financial Assistance application.

9. Underinsured Patient: A patient who is covered in whole or in part under a policy of insurance who as a result of receiving emergency or eligible services has out of pocket expenses that exceed their ability to pay the remaining balance for care received.

10. Uninsured Patient: A patient who is not covered in whole or in part under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program (including without limitation, private insurance, Medicare, or Medicaid, or Crime Victims Assistance, etc.) and whose injury is not compensable for purposes of workers' compensation, automobile insurance, or liability or other third party insurance, as determined by MHHS based on documents and information provided by the patient or obtained from other sources, for the payment of health care services provided by MHHS.

PROCEDURES:

1. Communication: To make our patients, families, and the broader community aware of the availability of Financial Assistance, MHHS will take a number of steps to notify patients and visitors to its hospitals of the availability of Financial Assistance, and to widely publicize this FAP to members of the broader community served at each hospital. These measures include:

    a. Patient Consent: The health care consent that is signed upon registration for healthcare services includes a statement that if financial assistance for services is required, eligibility determination should be requested upon admission to the hospital or upon receipt of itemized bill or statement.

    b. Financial Counseling: MHHS patients are encouraged to seek information from their hospital's financial counselor if they anticipate difficulty paying their portion of the hospital bill. Financial Counselors may screen patients for eligibility for a variety of government funded programs, assist with a worker's compensation or liability claim, set up an extended time payment plan or help patients apply for Financial Assistance.

    c. Plain Language Summary and Application: A paper copy of the plain language summary of MHHS's FAP and a paper copy of the Financial Assistance application will be made available to all patients. MHHS will have free paper copies of these documents available upon request in the

emergency department and registration areas. Free paper copies are also available by mail or by calling 713-338-5502.

d. Translated Copies Available: MHHS translates its FAP, Plain Language Summary, Financial Assistance application, and Billing and Collections Policy for limited English proficient individuals living in our community. MHHS will make free copies of these documents available on our website and upon request in the emergency department and hospital registration areas. Free paper copies are also available by mail by calling 713-338-5502.

e. Signage: All Financial Assistance signage will be clearly and conspicuously posted in locations that are visible to the public, including, but not limited to, MHHS emergency department and patient registration areas. Signage will indicate that Financial Assistance is available and the phone number to reach a financial counselor for more information.

    i. Website: MHHS's websites will post notice in a prominent place that Financial Assistance is available. MHHS will post its FAP with a list of providers who are covered and not covered under the FAP, Plain Language Summary, Financial Assistance Application, and the Billing and Collections Policy on the MHHS website: http://www.memorialhermann.org/financialassistanceprogram/

f. Patient bills and statements: Patient statements will include a request that the patient is responsible to inform MHHS of any available health insurance coverage; and will include a notice of the MHHS FAP, a telephone number to request Financial Assistance, and the website address where Financial Assistance documents can be obtained.

g. Email, Mail or fax: Patients may mail or fax a written request for free copies of these documents to the address below and including the individual's full name and return mailing address to which they want MHHS to send the copies.

    Memorial Hermann Health System
    Attn: Financial Assistance
    930 Frostwood Drive Suite 3.100
    Houston, Texas 77024
    Email: MHFinancialAssistance@memorialhermann.org
    FAX: 713-338-4261

2. Eligibility Determination: Financial Assistance is determined in accordance with procedures that involve an individual assessment of financial need. Those procedures are described below:

a. A Presumptive Eligibility determination is completed according to the criteria described in Procedure Section 4 below. If a patient is Presumptively Eligible for Financial Assistance, a Financial Assistance application is not required. However, the patient or guarantor is expected to cooperate with the screening process and supply personal or financial information and documentation prior to a determination of Presumptive Eligibility.

b. A Financial Assistance application process, in which the patient or guarantor is expected to cooperate and supply personal or financial information and documentation relevant to making a determination of financial need.

c. MHHS will make reasonable efforts to determine whether an individual is FAP-eligible. In addition, MHHS will take the following steps to inform patients about MHHS's FAP:

    i. Incomplete Applications: If the patient and/or Family submit an incomplete application, MHHS will provide a written notification that describes what additional information or documentation is needed within forty-five (45) days of receipt of initial application.

    ii. Patient Statements: Patient statements will include a statement that the patient is responsible to inform MHHS of any available health insurance coverage and will include a notice of MHHS's FAP, a telephone number to request Financial Assistance, and the website address where FAP documents can be obtained.

    iii. MHHS Website: MHHS's websites will post notice in a prominent place that Financial Assistance is available, with an explanation of the Financial Assistance application process. On the MHHS website: http://www.memorialhermann.org/financialassistanceprogram

    iv. MHHS will post its FAP with a list of providers who are covered and not covered under the FAP, the Plain Language Summary, the Financial Assistance application, and its Billing and Collections Policy .

    v. Documents Available upon Request: MHHS will have free, paper copies of its FAP with a list of providers who are covered and not covered under the FAP, the Plain Language Summary, the Financial Assistance application, and its Billing and Collections Policy available upon request in the emergency department and registration areas.

d. The use of external publicly available data sources that provide information on a patient or guarantor's ability to pay including credit scores through TransUnion;

e. A review of the patient's outstanding accounts receivable for prior services rendered at MHHS and the patient's payment or bad debt history;

f. The levels of Financial Assistance provided by MHHS are based on income, Family size, and FPL. Both uninsured and insured patients can apply for Financial Assistance; and

g. The patient's eligibility for Financial Assistance will be based on the criteria below and may vary based on the financial status of the patient, extenuating financial circumstances and the availability of third party health care benefits.

h. Patient Financial Assistance Eligibility: Based on the FPLs, the following criteria shall be used to determine the discounts offered to Uninsured and Underinsured Patients qualifying for Financial Assistance. Underinsured Patients must have their insurance billed before qualifying for charity. Discounts provided to patients who qualify for Financial Assistance will be reviewed against the AGB percentage limits to ensure patients are not charged more than AGB.

i. Free Care

    i. If an uninsured patient's Annual Gross Family Income is equal to or less than two hundred percent (200%) of the current Federal Poverty Guidelines, as set forth in the Gross Income Financial Assistance Eligibility Table (Exhibit C - Federal Poverty Guidelines), the patient (or other responsible party) will be entitled to free care (100% discount) and will not owe any portion of the account balance.

    ii. Patients who have primary health coverage through Medicare and are qualified for secondary coverage through Medicaid will receive a one hundred percent (100%) discount on any balance remaining after billing Medicaid and receiving an adjudicated claim from THMP or Managed Medicaid payer.

j. Discounted Care: Patients/individuals whose Annual Gross Family Income exceeds two hundred percent (200%) but not more than four hundred percent (400%) of the current Federal Poverty Guidelines may be eligible for a discount of charges to the amount generally billed (AGB) to insured patients.

k. Presumptive Eligibility: Uninsured patients may be determined eligible for Financial Assistance based on the presence of one of the criteria listed below. After at least one criterion has been demonstrated, no other proof of income will be requested. The list below is representative of circumstances in which a patient's Family income is less than two times the FPL and the patient are eligible for a one hundred percent (100%) reduction of eligible service charges. Presumptive Eligibility screening for an uninsured patient should be completed as soon as possible after receipt of eligible services and prior to the issuance of any bill for those services. When notified of a possible Presumptive Eligibility status, MHHS will hold any Patient Statement for thirty (30) days during the completion of the Presumptive Eligibility review process. Patients with third-party insurance (other than state or local assistance programs such as Medicaid) will not be considered for Presumptive Eligibility and will be required to submit an application for financial assistance.

l. Uninsured patients meeting the following criteria will be considered Presumptively Eligible for a one hundred percent (100%) reduction of emergent or eligible service charges:
    i. Homeless or received care from a homeless clinic;
    ii. Participation in Women, Infants and Children programs (WIC);
    iii. Food stamp eligibility;
    iv. Supplemental Nutrition Assistance Program (SNAP);
    v. Eligibility for other state or local assistance programs (e.g., Medicaid spend-down);
    vi. Low income/subsidized housing is provided as a valid address;
    vii. Receipt of grant assistance for medical services;
    viii. Mental incapacitation with no one to act on patient's behalf;
    ix. Recent personal bankruptcy;
    x. Incarceration in a penal institution;
    xi. Patient is deceased with no known estate; or
    xii. As determined by an electronic scoring model (described below).

m. Electronic Scoring Model: When an Uninsured Patient or guarantor does not complete the FAP application or does not provide the required financial documentation necessary to determine eligibility, the account may be screened using an electronic scoring model (ESM) that derives scores based on the criteria to include financial class, previous charity adjustment, employment, zip code, age, payment history, previous bad debt, account balance, and admit source. If the ESM score indicates a high probability the account would qualify for the FAF), the uninsured account will be presumptively awarded a FAP discount in accordance with this FAP.

n. Underinsured patient will be considered for presumptive eligibility when the patient is deceased and there is a remaining balance with no known estate.

o. Eligibility Timeline

i For uninsured patients, Financial Assistance determined through Presumptive Eligibility will be provided for that specific episode of care. To obtain Financial Assistance for open balances and beyond the current episode of care requires the completion of a Financial Assistance application.

ii For uninsured patients, Financial Assistance, except for Presumptive Eligibility determinations, will be effective retrospectively for all open self-pay balances and for 6 months from the date eligibility determined. The patient shall communicate to MHHS any material changes in the patient's financial situation immediately. A patient's failure to disclose a material improvement in Family income may void any provision of Financial Assistance by MHHS after the material improvement occurs.

3. Application Process

a. How to Apply: A Financial Assistance application should be completed and submitted, along with supporting documentation. Free copies of the application are available for download on MHHS's website at: http://www.memorialhermann.org/financialassistanceprogram. Free paper copies are also available in the emergency department and in hospital registration areas. Free paper copies are also available by mail or by calling 713-338-5502.

b. Applicants may send the completed application and supporting documents to the hospital's financial counselor or mail them to the address listed below. Patients can locate a hospital financial counselor by visiting the information desk and requesting to speak with a financial counselor. For questions about the application process, assistance filling out the application, or to check the status of an application submitted, the hospitals' financial counselors are available to assist in person at the hospital or you can call 713-338-5502.

c. Where to send completed applications:

Memorial Hermann Health System
Attn: Financial Assistance
930 Frostwood Drive Suite 3:100
Houston, Texas 77024
Email: MHFinancialAssistance@memorialhermann.org
FAX: 713-338-4261

d. Requests for consideration for Financial Assistance or Presumptive Eligibility may be initiated by any of the following individuals within the Application Period: (i) the patient or guarantor; (ii) a representative of the patient or guarantor; (iii) an MHHS representative on behalf of the patient/application; or (iv) the patient's attending physician.

e. Notwithstanding considerations outlined elsewhere in this FAP, it is the responsibility of the patient to cooperate with and fully participate in the Financial Assistance application process. This includes providing information about any available third-party health coverage; providing in a timely and forthright manner all documentation and certifications needed to apply for funding through government or other programs (e.g., Medicare, Medicaid, third party liability, Crime Victims funding, etc.) or to determine the patient's eligibility for other Financial Assistance. Failure to do so may adversely affect consideration of the patient's Financial Assistance application. Patients are asked to provide the information, certification and documents within thirty (30) days of MHHS's request unless compelling circumstances are brought to MHHS's attention. Except in cases of Presumptive Eligibility, the application for Financial Assistance must be completed and signed by the patient (or guarantor/ representative).

f. A financial counselor can assist the applicant in the process of applying for Financial Assistance. If the patient is deceased and a responsible party is not identified, an MHHS representative may generate the request and complete the application using available information and documents.

4. Family Income

a. The patient may provide one or more of the following documents to establish Family income, if such documents are available. If there is more than one employed person in the patient's Family, each person must submit one or more of the documents below:

   i. Most recently filed federal income tax return;
   ii. Most recent W-2 and 1099 forms;
   iii. Most recent pay stub (or, if applies, copy of unemployment statement, social security letter, etc.);
   iv. A statement from employer if paid in cash; or
   v. Any other verification from a third-party regarding Family income.

b. An application for Financial Assistance will not be deemed incomplete based on failure to provide documentation, if the patient has provided at least one of the documents reflecting the income for each Family member (including the patient) listed above and has signed the certification, or in the case of a patient unable to provide such documents, who has signed the certification.

c. Except in cases of Presumptive Eligibility, the applicant must sign the application certification. MHHS may rescind or modify a determination if later evidence demonstrates the applicant provided materially false information.

d. Additional Documentation: MHHS's FAP does not require documentation of assets or expenses. However, Applicants may elect to provide additional documentation regarding assets, expenses, income, outstanding debts or other circumstances which would show financial hardship to support a request for Financial Assistance equal to or greater than the amounts to which they are otherwise eligible pursuant to this FAP.

5. False or Misleading Information: If it is determined that an applicant has intentionally provided materially false or misleading information regarding their ability to pay medical expenses, MHHS may deny the applicant's current or future applications. In the case of false information provided in the absence of bad faith, MHHS will base its determination upon the corrected information. If Financial Assistance has already been granted based on the patient's intentional provision of materially false information, MHHS may void the prior grant of Financial Assistance, in which case MHHS retains all legal rights to seek payment from the patient of any amounts which may be due. If the provision of materially false information was unintentional, MHHS will revise the determination based upon the corrected information.

CROSS-REFERENCES:

Patient Transfer Policy (EMTALA and Texas Transfer Act Compliance)
Financial Assistance Plain Language Summary
Financial Assistance Application
Billing and Collections Policy

EXHIBITS:

Exhibit A - Memorial Hermann Hospital Facilities
Exhibit B - Amounts Generally Billed Calculation
Exhibit C - Federal Poverty Guidelines