Status **Active** PolicyStat ID **16268326**

Origination	01/2016
Last Approved	11/2024
Effective	11/2024
Last Revised	11/2024
Next Review	11/2027
Owner	Angela Law: Mgr Admin Svcs
Document Area	MHS POLICY - Leadership
Applicability	Methodist Healthcare System

Financial Assistance Policy

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SCOPE: Financial Assistance Policy for Methodist Hospital, Methodist Children's Hospital, Methodist Hospital Specialty and Transplant, Methodist Hospital Metropolitan, Methodist Hospital Texsan, Methodist Hospital Northeast, Methodist Hospital Stone Oak, Methodist Hospital Atascosa, Methodist Hospital Hill Country, Methodist Hospital Landmark, Methodist Hospital Westover Hills, Methodist Hospital Stone Oak Rehabilitation Center, and Methodist Rehabilitation Hospital Texsan, (the "Hospital"), ("MHS").

PURPOSE: This policy is intended to comply with the financial assistance and emergency care policies required by Internal Revenue Section 501(r)-4 ("501(r)") and shall be interpreted to so comply. This policy applies to all medically necessary care and emergency care provided by the Hospital and any substantially related entity of the Hospital. This policy supports the charitable purpose and mission of the Methodist Healthcare Ministries.

In order to ensure that all patients are adequately informed about this policy, MHS has undertaken the following:

- This policy as well as the applications and instructions for completion and the plain language summary of this plan are available on the MHS WEBSITE at www.sahealth.com under "Charity". Both English and Spanish versions of these documents are posted to the website.
- At registration, patients are provided paper copies of this policy, the Financial Assistance Application, and the plain language summary of this plan.
- The Financial Assistance Applications are available at all the hospital patient admission and patient accounting service areas, by mail at San Antonio SSC, PO Box 292369, Nashville, TN 37229-2369 and on the MHS website.
- Signs that prominently present information about the charity mission and guidelines

are present at all points of admission.

- A patient brochure, entitled "A Guide to Your Hospital Bill", a copy of which is attached as Exhibit A shall be provided to patients. This brochure explains the billing process and also provides Information on the financial assistance policy.
- Information regarding the policy is published annually in the public notices section of the ***San Antonio Express News.***
- Paper copies of this policy, the Financial Assistance Application, and the plain language summary of this policy will be made available on request and without charge, both by mail at San Antonio SSC, PO Box 292369, Nashville, TN 37229-2369 and in the emergency rooms and admission areas.
- Conspicuous written notice shall be included on all patient bills of this policy, telephone number of the office or department that provides information about this policy and the application process and the MHS website address (www.sahealth.com) where this policy, the Financial Assistance Application, and the plain language summary of this policy.
- Conspicuous notices and displays about this policy shall be displayed throughout the Hospital including the emergency rooms and admissions areas.

CHARITY CARE ELIGIBILITY SYSTEM

A. **Application** In order to qualify for financial assistance, the Hospital requires the completion of the Methodist System Financial Assistance Application, a copy of which is attached as Exhibit B. The application allows for the collection of information in accordance with state law, the income and documentation requirements set forth below, and 501(r). Approved applications are valid for 9 months for all services provided. If the patient span of illness has continued beyond the initial 9 month eligibility period the Hospitals should re-verify financial assistance status. Methodist Healthcare System may use electronic validation from a third party vendor (i.e. credit scoring methodology) to provide Financial Assistance to patients who have not met the requirement of completing a Financial Assistance Application.

1. ***Calculation of Immediate Family Members*** The Hospital will request that patients requesting financial assistance verify the number of family members in their household.
    i. *Adults* In calculating the number of family members in an adult patient's household include the patient, the patient's spouse and any dependents.
    ii. *Minors* In calculating the number of family members in a minor patient's household, include the patient, the patient's mother, dependents of the patient's mother, the patient's father, and dependents of the patient's father.
2. ***Income Calculation*** Patients must provide their household's yearly income.
    i. *Adults* For Adults, the term "yearly income" for purposes of classification as Financially Indigent or Medically Indigent in accordance with the Policy means the sum of the total yearly gross income of the patient and the patient's spouse.
    ii. *Minors* If the patient is a minor, the term "yearly income" means total yearly gross income from the patient, the patient's mother

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and the patient's father.

B. **Income Verification** Patients or the responsible party must verify the income reported on the Financial Assistance Application in accordance with the Documentation Requirements set forth below.

1. ***Documentation Requirements***

i. *Documentation Available* The income reported on the Financial Assistance Application may be verified through any of the following mechanisms:

a. **Income Indicators** By providing any of the following items including IRS Form W-2, Wage and Tax Statement; Pay Check Remittance; Individual Tax Returns; telephone verification by employer; bank statements; Social Security payment remittances, unemployment insurance payment notices, Unemployment Compensation Determination Letters, electronic validation of income from a third party vendor (i.e. credit scoring methodology); or other appropriate indicators of yearly, monthly, weekly or hourly income.

b. **Participation in a Public Benefit Program** By the provision of documentation showing current participation in a public benefit program such as Medicaid; County Indigent Health Program; AFDC: Food Stamps; WIC; Texas Healthy Kids; Children's Health Insurance Program; or other similar indigency related programs. Proof of participation in any of the above programs indicates that the patient has been deemed Financially Indigent and therefore, is not required to provide his or her income on the Financial Assistance Application.

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ii. *Documentation Unavailable* In cases where the patient is unable to provide the documentation verifying yearly income, the Hospital may verify the patients income **by providing an explanation of why the patient is unable to provide documentation verifying income and**:

a. Obtaining the Patients Written Attestation. The patient or responsible party sign the Financial Assistance Application attesting to the accuracy of the income information provided: **or**

b. Obtaining the Patient's Verbal Attestation. Through the written attestation of MHS Personnel completing the Financial Assistance Application that patient verbally verified the Hospital's calculation of the income reported on the Financial Assistance Application.

iii. *De Minimis Accounts* If the patient's account of de minimis value, not to exceed $500, the Hospital may verify the income reported

by the patient on the Financial Assistance Application by:

a. **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**

b. **Documenting Efforts to Obtain Documentation.** Under this de minimis account section there is no requirement to provide an explanation of why the patient is unable to provide documentation verifying income. However, there must be two different documented attempts by the Hospital to obtain documentation from the patient verifying income.

iv. *Expired Patients* Patients that expire and research documented through family contact and/or courthouse records indicate that an estate does not exist may be considered for a charity discount, and income verification is not required.

2. ***Verification Procedures*** In determining a patient's total income, the Hospital may consider other financial assets of liabilities of the patient as well as the patient's family income and the patient's family's ability to pay. If a determination is made that a patient has the ability to pay the remainder of the bill, such determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation.
3. ***Classification Pending Income Verification The*** Hospital may consider a request for financial assistance at any time before, during or after the dates of service. 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 the Hospital policies.
4. ***Inconsistent or Incomplete Information*** This policy in no way limits the Hospital's ability to conduct additional due diligence concerning a patient's ability to pay if information provided by the patient during the application process appears to inconsistent or incomplete. For example, MHS may choose to inquire why little or no assets were reported if a patient's income is high.
5. ***Information Falsification*** Falsification of information may result in denial of the Financial Assistance Application. If after a patient is granted financial assistance, the Hospital finds material provision(s) of the Financial Assistance to be untrue, charity care status maybe revoked and the financial assistance maybe withdrawn.
6. ***Charges Billed for Medical Services Provided*** **501(r) requires hospitals to limit the amounts charged for emergency and other medically necessary care provided to individuals eligible for financial assistance to no more than amounts generally billed to insured individuals .** The charges billed the patient for medical care will not exceed the amounts generally billed to Medicare fee for service patients together with all private health insurers paying claims to the Hospitals during the prior 12 month period ended December 31 of each calendar year, updated on an annual basis. This method of determined charge billed for care is an allowable method to

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determine charges under 501(r).

C. **Classification as Financially Indigent** Financially Indigent means an uninsured or underinsured person who is accepted for care with no obligation or with a discounted obligation to pay for the services rendered, based on the Charity Care Eligibility System.

1. ***Classification*** Patients may only be granted classification as Financially Indigent if their Yearly Income is less than or equal to 200% of the poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services ("Federal Poverty Guidelines"). The updated Federal Poverty Guidelines should be applied beginning the first day of the month following their release.
2. ***Acceptance*** If the Hospital accepts a patient as Financially Indigent, the patient may be granted financial assistance in accordance with **Schedule A** of **MHS Financial Assistance Eligibility Discount Guidelines,** attached as Exhibit C.

D. **Classification as Medically Indigent** Medically Indigent means a patient whose medical or hospital bills, after payment by third-party payers, exceed a specified percentage of the person's Yearly Income, and who is unable to pay the remaining bill.

1. ***Initial Assessment*** To be considered for classification as a Medically Indigent patient, the amount owed by the patient after payment by all third-party payers must exceed ten percent (10%) of the patient's Yearly Income and the patient must be unable to pay the remaining bill. If the patient does not meet this initial assessment criteria, the patient may not be classified as Medically Indigent.
2. ***Acceptance*** MHS may accept a patient who meets the Initial Assessment criteria for Medically Indigent and who meets either of the two acceptance criteria set forth below:
    i. **Yearly Income Must be between 200% and 500% of the Federal Poverty Guidelines**. The patient's income must be greater than 200% but less than or equal to 500% of the Federal Poverty Guidelines. In these instances, the Hospital will determine the amount of financial assistance granted to these patients in accordance with **Schedule B** of **MHS Financial Assistance Eligibility Discount Guidelines** attached as Exhibit C.
    ii. Catastrophic Medical Indigence Patients with abnormally large accounts may qualify as catastrophically eligible when their remaining balance exceeds a specified percentage of their income. In such cases, MHS will determine the amount of financial assistance by calculating the amount of necessary to reduce the remaining balance to a reasonable percentage of their patient's income in accordance with **Schedule C** of **MHS Financial Assistance Eligibility Discount Guidelines**, attached as Exhibit C. In situations where a patient qualifies under both categories of medical indigence. D2(i) and D2(ii), the Hospital may, at its option, apply the schedule that results in the greater discount.

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E. **Approval Procedures** The Hospital will complete a Financial Assistance Approval Worksheet for each discount granted. The Financial Assistance Approval Worksheet allows for the documentation of the administrative review and approval process utilized by the Hospital to grant financial assistance.

   In reviewing an application for approval, a Hospital manager or the level of PAS Director or BOM or above, in his or her discretion, make further inquiry into available information, such as assets, etc., to determine a patient's ability to pay. Such manager may also, in his or her discretion, make further inquiry regarding qualifying the patient for governmental or other funding.

F. **ZIP Code Write-Off Eligibility** The Hospital will accept uninsured residential indigent patients as eligible for charity write-off upon exhaustion of insurance eligibility determination (i.e. Medicaid) and efforts to obtain a completed Charity application with supporting proof of income. This write-off will apply to all patient types. A residential indigent patient is an uninsured person who is accepted for care with no obligation or with a discounted obligation to pay for services rendered, and lives in specifically defined ZIP codes – those with high poverty populations.

G. **Document Retention Procedures** Hospital or Patient Account Services will maintain documentation in accordance with MHS retention policies sufficient to identify each patient granted status as Financially Indigent or Medically Indigent, the patient's income, the method used to verify the patient's income, the amount owed by the patient, and the person who approved granting the patient status as Financially Indigent or Medically Indigent. (Government programs such as Medicaid may require such supporting documentation to be retained up to, and in some cases exceeding, seven years).

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OTHER PROVIDERS USING THE HOSPITAL

Attached as Exhibit D is a list of all providers delivering emergency and other medically necessary services in the Hospital and which of those providers are covered by this Financial Assistance Policy. The attached Exhibit D is updated at least quarterly.

DETERMINATION PROCESS AND COLLECTION ACTIVITIES

A. **Notification of Policy** The Hospital will provide at admission (i) paper copies of this policy, the Financial Assistance Application, and a plain language summary of this policy and make these available in the Hospital's emergency rooms and (ii) make reasonable efforts to orally notify the patient about his policy and how the patient may obtain assistance with the application process. Each patient receiving medically necessary services or emergency services will be sent a bill for charges which notifies the patient of the availability of financial assistance under this policy and provides with the bill a plain language summary of this policy and notifies the patient that the Hospital may sell the patient's debt to a collection agency and/or report the nonpayment of the bill to credit reporting agencies or credit bureaus.

B. **Application Period** The Financial Assistance Application will be accepted and processed for a period of 240 days after the bill described above is provided.

C. **Incomplete Application** If a patient timely submits an incomplete application, the Hospital will provide the patient written notice of the additional information and/or documentation required under this policy or the Financial Assistance Application and a telephone number and physical location of an office or department that can assist or provide information to the patient. The patient will have 30 days to provide the missing information or documentation.

D. **Notification of Financial Assistance** Once completed application is made the Hospital will make eligibility determination under this policy. The hospital has final authority for making the eligibility determination. If eligibility determined, the Hospital will provide the patient a bill that shows the amount, if any, the patient owes the Hospital and how that amount was determined and states the amounts generally billed (ABG) for the care. The Hospital will refund to the patient any amount the patient paid in excess of the amount the patient personally owes under the determination.

E. **Collection Activities** The Hospital, with the information provided by the patient and under the processes defined in this Financial Assistance Policy, will determine the appropriate level of financial assistance to be afforded to the patient. No extraordinary collection efforts (as defined by 501(r) to include selling the debt, reporting credit reporting agencies or credit bureaus, deferring or denying medically necessary care based on nonpayment for previous services or taking any legal or judicial actions) will be taken by the Hospital until reasonable efforts have been made as provided in this policy to determine eligibility for financial assistance under this policy no earlier than 120 days after the bill described above in "A. Notification of Policy" has been provided to the patient. After a final determination is made regarding eligibility for financial assistance, the Hospital may utilize the services of a collection agency or report adverse information about the responsible individual to credit reporting agencies or credit bureaus for any nonpayment for services not eligible for financial assistance.

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NO EFFECT ON OTHER HOSPITAL POLICIES

This Policy shall not alter or modify other Hospital policies regarding efforts to obtain payments from third-party payers, patient transfers, or emergency care.

Attachments

MHS Financial Asst Elg Discount.pdf

Approval Signatures

Step Description	Approver	Date

Division Chief Financial Officer	Enrique Bernal: Div CFO San Antonio	11/2024
	Angela Law: Executive Admin Asst	11/2024

Applicability

MHS Division, Methodist Children's Hospital, Methodist Hospital, Methodist Hospital Atascosa, Methodist Hospital Hill Country, Methodist Hospital Landmark, Methodist Hospital Westover Hills, Methodist Specialty and Transplant Hospital, Methodist Stone Oak Hospital, Methodist Texsan Hospital, Metropolitan Methodist Hospital, Northeast Methodist Hospital

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