

**TITLE: CHARITY CARE**

**POLICY:** The purpose of this policy is to comply with the Texas Administrative Code (TAC) “Payments to Public Health Providers for Charity Care” Public Health Provider – Charity Care Program (PHP-CCP) payments available under this section to help defray the uncompensated costs of charity care. The Charity-Care policy adheres to the principles of the Healthcare Financial Management Association Principles and Practices Board Statement which includes full or partial discounts given to uninsured consumers who meet the providers’ financial assistance policy. Charity care does not include bad debt, courtesy allowances, or discounts given to consumers who do not meet the provider’s charity care policy.

**I. Purpose**

The Center for Health Care Services (CHCS) is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, or otherwise unable to pay, for medically necessary care based on their individual financial situation. CHCS strives to ensure that the financial capacity of consumers who need quality healthcare services does not prevent them from seeking or receiving care.

Accordingly, this policy:

- Includes eligibility criteria for financial assistance – free and discounted (partial charity care)
- Describes the basis for calculating amounts charged to consumers served who are eligible for financial assistance under this policy
- Describes the method by which consumers served may apply for financial assistance
- Describes how CHCS will widely publicize the policy to the Community
- Limits the amounts that CHCS will charge for eligible services provided to consumers qualifying for financial assistance to the amount

generally received by CHCS from private and public insurance (Medicaid, Medicare, etc.).

Consumers are expected to cooperate with CHCS procedures for obtaining charity care or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay subject to the rules, regulations, and contractual requirements of CHCS's various funding agencies.

To manage its resource responsibly and to allow CHCS to provide the appropriate level of assistance to the greatest number of people in need, the Board of Trustees establishes the following guidelines for the provision of consumer charity care.

## II. DEFINITIONS

For this policy, the terms below are defined as follows:

**Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from CHCS's policy to provide healthcare services free or full or partial discounts to consumers who meet the established criteria. Charity care does not include bad debt, courtesy allowances or discounts given to patients who do not meet the established criteria.

**Bad Debt:** Healthcare services that have been or will be provided and cash inflow is anticipated for all or a portion of the charge. Includes the monthly Sliding Scale Fee Schedule charges not collected for consumers above 150% of FPL. Bad Debt is not eligible for reimbursement from federal charity care programs.

**Family:** According to the Census Bureau, a group of two (2) or more people who reside together and who are related by birth, marriage, or adoption. In addition, according to Internal Revenue Service rules, if a consumer claims

someone as a dependent on his/her income tax return, that person may be considered a dependent for purposes of the provision of financial assistance.

**Family Income:** Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance payments, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. Family Income is based on the definitions used by the Census Bureau.

**Uninsured:** A person who has no level of insurance or third-party assistance with meeting his/her payment obligations.

**Underinsured:** A person who has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

**Gross charges:** Total charges at CHCS's full established rates for the provision of consumer care services before deductions from revenue are applied.

**Sliding Scale Fee Schedule:** CHCS utilizes the Health and Human Services Commission (HHSC) Mental Health Monthly Ability to Pay (MAP) Fee Schedule and or/ HHSC ECI Sliding Fee Schedule.

**Partial Charity:** Consumers whose family income is above 150% but not more than 200% of the FPL are eligible to receive services at discount using Sliding Scale Fee Schedules.

### **III. SERVICES ELIGIBLE UNDER THIS POLICY**

For purposes of this policy, "charity care" or "financial assistance" refers to healthcare services provided by CHCS without charge or at a discount to qualifying consumers. The following healthcare services are eligible for charity care:

1. Behavioral health services
2. Immunizations
3. Public health services
4. Other preventive services

#### **IV. ELIGIBILITY FOR CHARITY CARE**

Eligibility for charity care will be considered for those consumers who are uninsured, underinsured, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity care is based on an individualized determination of financial need, and does not consider age, gender, race, social or immigrant status, sexual orientation, or religious affiliation.

#### **V. METHOD BY WHICH CONSUMERS MAY APPLY OR BE ASSESSED FOR CHARITY CARE**

Financial need is determined in accordance with procedures that involve an individual assessment of financial need; and may

- Include an application or assessment process, in which the consumer or the consumer's Legally Authorized Representative (LAR) are required to cooperate and supply personal financial and other information and documentation relevant to making a determination of financial need.
- Include the use of external publicly available data sources that provide information on a consumer's or LAR's ability to pay (such as credit scoring).
- Include reasonable efforts by CHCS to explore appropriate alternative sources of payment and coverage from public and private payment programs and assist consumers to apply for such programs.
- Consider the consumer's available assets, and all other financial resources available to the consumer.

- Include a review of the consumer's outstanding accounts receivable for prior services rendered and the consumer's payment history.

A request or assessment for charity care and a determination of financial need can be done at any point in the collection cycle but is preferred to be completed within the first 30 days of treatment. The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the consumer's or LAR's eligibility for charity care.

CHCS's values of human dignity and stewardship shall be reflected in the application, financial need determination and granting of charity care. Requests for charity care shall be processed promptly with notification to the consumer or LAR in writing within 30 days of receipt of a completed application or assessment.

## **VI. PRESUMPTIVE FINANCIAL ASSISTANCE ELIGIBILITY**

There are instances when a consumer may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the consumer served or through other sources, which provide sufficient evidence to provide the consumer with charity care assistance. In the event there is no evidence to support a consumer's eligibility for charity care, CHCS can use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Once charity care eligibility is determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write-off of the account balance. Presumptive eligibility may be determined based on individual life circumstances that may include:

- State-funded prescription programs.
- Homeless or received care from a homeless clinic.
- Participation in Women, Infants and Children programs (WIC).
- Food stamp eligibility

- Subsidized school lunch program eligibility.
- Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down).
- Low income/subsidized housing is provided as a valid address; and
- Consumer is deceased with no known estate.

## **VII. ELIGIBILITY CRITERIA AND AMOUNTS CHARGED TO CONSUMERS**

Services eligible under this Policy are made available to consumers on Sliding Scale Fee Schedules, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. The basis for the amounts charged to consumers serviced who qualify for financial assistance is as follows:

- Consumers whose family income is at or below 150% of the FPL are eligible to receive services at a discount of 100%.
- Consumers whose family income is above 150% but not more than 200% of the FPL are eligible to receive services at a discount (partial charity care) using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
- Consumers whose family income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of CHCS; however, the discounted rates shall not be greater than the amounts generally billed to private or public insurance and discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.

## **VIII. COMMUNICATION OF THE CHARITY CARE PROGRAM TO CONSUMERS AND WITHIN THE COMMUNITY**

Notification about charity care available from CHCS, includes a contact number, and is disseminated by various means, which includes, but are not limited to, the publication of notices in monthly statements and by posting notices in clinics, waiting areas, intake and assessment, business offices, and financial services that are located in Center facilities, and other public places as elected. CHCS widely publicizes a summary of this charity care policy its website, in brochures available in consumer access sites and at other places within the community serviced by CHCS. Such notices and summary information are provided in accordance with CHCS's Accommodations for Consumers with Language Interpretive Needs A.D. 7.19

## **IX. RELATIONSHIP TO COLLECTION POLICIES**

CHCS develops policies and procedures for internal and external collection practices (including actions CHCS may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the consumer qualifies for charity care, a consumer's good faith effort to apply for charity care from CHCS, and a consumer's good faith effort to comply with his or her payment agreements with CHCS. For consumers who qualify for charity care and who are cooperating in good faith to resolve their discounted bills, CHCS may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. CHCS will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any consumer without first making reasonable efforts to determine whether that consumer is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

- Validating that the consumer owes the unpaid charges and that all sources of third-party payment have been identified and billed by CHCS.

- Documentation that CHCS has attempted to offer the consumer the opportunity to apply or be assessed for charity care pursuant to this policy and that the consumer has not complied with CHCS's financial assessment requirements.
- Documentation that the consumer does not qualify for financial assistance on a presumptive basis.
- Documentation that the consumer has been offered a payment plan but has not honored the terms of that plan.

## **X. REGULATORY REQUIREMENTS**

Implementation of this Policy does not negate or supersede compliance with all other federal, state, and local laws, rules, and regulations applicable to the services outlined herein.

## **XI. REFERENCES**

- Texas Administrative Code Rules, Chapter 355
- <https://pfd.hhs.texas.gov/acute-care/public-health-provider-charity-care-program>
- Attachment T, HHSC Public Health Provider Charity Care Program
- List of Participating Providers: located on <https://chcsbc.org/locations/>