

 Texas Children's	<h2 style="text-align: center;">Charity Care Policy for The Center</h2>	
<p style="text-align: center;">Policy # 3147</p>	<p style="text-align: center;">Categories Clinical → Front Office, The Center for Children and Women</p>	<p style="text-align: center;">This Policy Applies To: Texas Children's Health Plan, The Center for Children and Women</p>
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POLICY STATEMENT:

The Center is a wholly owned subsidiary corporation of Texas Children’s Health Plan, a 501 (c)(3) tax exempt organization which is a subsidiary corporation of Texas Children’s and an affiliate of Texas Children’s Hospital. The Center is committed to providing the highest quality care and recognizes that some of its patients and/or patient families are unable to pay for some or all of their care. It is the policy of The Center, in coordination with other Texas Children’s entities, to provide financial assistance to patients who are financially or medically indigent in furtherance of the mission and values of Texas Children’s and its affiliated entities.

This policy sets forth the standards and processes by which The Center provides discounted care to patients who are financially or medically indigent. Financial assistance will be available to patients who qualify. Charity Care is only applicable to services deemed “medically necessary” by Medicare, Medicaid, or industry standards.

Financial assistance from The Center is considered as a “last resort” and is based upon patients meeting eligibility requirements. The Center will identify eligible patients and determine the amount of financial assistance available in connection with The Center’s available resources, need to maintain financial stability and desire to continue to provide the highest quality care to its patients. If a member is approved for Charity Care at one of The Center’s location, the patient can use the approved charity care at any of The Center’s locations. The Center does not have authority to grant charity care for other Texas Children’s entities, nor do other Texas Children’s entities have authority to approve charity care on behalf of The Center.

No patient will be denied financial assistance because of his or her race, religion, or national origin or any other basis which is prohibited by law. In implementing this policy, The Center will comply with all applicable federal, state and local laws, rules and regulations.

DEFINITIONS:

Bad Debt: charges that a patient is able but unwilling to pay or refuses to pay.

Charges: For purposes of this policy only, charges that are generally billed for services provided to individuals who seek care at The Center regardless of insurance coverage.

Charity Care: Includes the following: (1) the unreimbursed cost to The Center for services provided to a patient receiving services or treatment who meets The Center's criteria of financially or medically indigent, and/or (2) the cost to The Center for services provided to an uninsured patient who does not have the ability to pay.

Charity Care Committee: The Center will establish a Charity Care Committee comprised of the two Medical Directors, the Director of The Center, and the Chief Financial Officer.

Charity Care Deductible: The portion of a charity patient's bill that is the patient's responsibility. This amount may be determined by a designated staff member, as set forth in this policy. This would include a Patient Access Specialist, Enrollment Specialist, Social Worker, Center Practice Leader, and/or Director of Operation.

Family Income or Gross 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 definitions used by U.S. Bureau of the Census.

Federal Poverty Guidelines ("FPG"): Guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

Financial Assistance: Care provided at a discounted rate. A patient who is uninsured for the relevant service and who is not eligible for coverage through a Government Healthcare Program or other insurance, and who has family income in excess of 200% but less than 400% of FPG, will be eligible to receive Financial Assistance in the form of a discount off charges.

Financially Indigent: A patient who The Center has determined is unable to pay some or all of the patient's bills due to the patient's and/or the patient's family's income being below specified thresholds based on the FPG and/or because their monetary assets are below specified thresholds.

Government Healthcare Program: Any healthcare program operated or financed at least in part by the federal, state or local government (includes but is not limited to Medicare, Medicaid, and CHIP).

Medically Indigent: A patient who The Center has determined to be unable to pay some or all of his or her bills because such bills exceed a certain percentage of the patient's or patient's family's income and/or assets (e.g. due to catastrophic cost or other conditions), even though the patient and/or family have income or assets that disqualify them from meeting the criteria for financially indigent.

Service Area: Includes the counties for which Texas Children's Health Plan is licensed by Texas Department of Insurance to serve.

Under-insured Patient: A patient who has some insurance or third-party coverage but has out-of-pocket expenses (self-pay balances) that exceeds the patient's ability to pay.

Uninsured Self-Pay Patient: A patient who has no insurance or third party coverage to assist with meeting the patient's payment obligations.

POLICY

1. OVERVIEW

- 1.1. The Center will identify patients who may be eligible for Financial Assistance.
- 1.2. A patient requiring Financial Assistance or Charity Care or thought to require such assistance will be referred to an Enrollment Specialist or a Social Worker.
- 1.3. A patient seeking Financial Assistance or Charity Care must complete an application with an Enrollment Specialist or a Social Worker. An application will be made available to anyone requesting one.
- 1.4. A patient is only eligible for Charity Care after all other financial resources available to the patient have been exhausted and the patient and patient's family are without sufficient income to cover out of pocket expenses, as determined by The Center. Existing and potential financial resources for the patient, such as, but not limited to, private health insurance, CHIP, agency funding, Medicare and/or Medicaid, will be reviewed.
- 1.5. Charity Care is only applicable to services deemed "medically necessary" by Medicare, Medicaid, or industry standards. In instances where medical necessity is unclear, a Medical Director for The Center or the Chief Medical Officer may be consulted.

2. ELIGIBILITY

- 2.1. Eligibility is based upon Citizenship (US Citizen) and Residency (Service Area). Patients who are U.S. citizens and live in the Service Area are eligible for Charity Care per this policy.
- 2.2. Charity Care discount percentages are calculated using FPG, and may be updated in conjunction with FPG updates published in the Federal Register.
- 2.3. If a patient's annual family income is 100% or below of the FPG, the patient will most likely qualify for Medicaid depending on their age. If the income is 101-200% of the FPG, or the patient does not qualify for Medicaid, the patient may qualify for CHIP, depending on their age. If the patient does not qualify for Medicaid, CHIP or any other program and the family income is below 400% of the FPG, the guidelines in Exhibit A will be applied to calculate the percentage of Financial Assistance to which the patient is entitled, and what the Charity Care Deductible will be. An assessment of eligibility for

Medicaid or CHIP will be performed, and if a patient is deemed eligible, the patient will be required to apply for Medicaid or CHIP prior to being considered for Charity Care.

- 2.4. If a patient has Medicare but no secondary coverage and income is within the FPG contained in this policy, the patient is required to apply for Medicaid prior to being considered for Charity Care.
- 2.5. A patient who is not a legal U.S. resident or resides outside of the Service Area may be considered Financially Indigent or Medically Indigent under appropriate circumstances. Such applications will be evaluated by the Charity Care Committee, taking into account the nature of the child's illness, the likelihood that treatment will lead to a successful outcome, the disposition of similar cases involving children who are legal U.S. residents, and the budgetary constraints of The Center.
- 2.6. In addition to using the FPG to determine a patient's eligibility for Financial Assistance, the following factors will be considered:
 - 2.6.1. Family Income. Gross income generally must fall within FPG with consideration to family size, geographic area, and other relevant factors.
 - 2.6.2. Denials. A patient must have applied for and been denied medical coverage by all potential funding sources including, but not limited to: Medicaid, Special HealthCare Needs (CSHCN), CHIP, Medicare (if applicable), and/or any potential commercial program.
 - 2.6.3. Employment Status
 - 2.6.4. Current Financial Obligations

3. ELIGIBILITY DETERMINATION

- 3.1. Enrollment Specialist, Social Worker or Patient Access Specialist may determine the appropriate amount of Financial Assistance available to patients, and the amount of any applicable Charity Care Deductible in relation to the amount due after applying all other resources. The Center Practice Leader or the Director of Operations may approve the request for Charity Care in accordance with the FPG.
- 3.2. A patient who can afford to pay for a portion of the services provided by The Center is expected to do so, even if the patient is Financially or Medically Indigent. The patient's portion of the bill will be described as the patient's Charity Care Deductible. Patients who have a Charity Care Deductible will be required to pay the deductible.
- 3.3. A determination of eligibility for Charity Care is effective for six (6) months and is applicable toward all balances incurred at The Center prior to an approved Charity Care application.
- 3.4. If a Charity Care application is approved, Charity Care will apply to balances after all third party coverage has been collected. Whenever other funding is available, whether or not the patient has been approved for Charity Care, agency funding must be secured prior to the service being scheduled and covered by Charity Care.

- 3.5. A patient's eligibility for Financial Assistance may be reevaluated when one or more of the following occur:
 - 3.5.1. Subsequent rendering of services
 - 3.5.2. Income change
 - 3.5.3. Family size change
 - 3.5.4. When any part of the patient's account is Bad Debt or is in collections
 - 3.5.5. Six months has elapsed since the patient qualified for Financial Assistance

4. AMOUNTS CHARGED TO PATIENT

- 4.1. The Center uses a "sliding scale" to determine the percentage discount applicable to a patient who qualifies for Financial Assistance. See Exhibit A.
- 4.2. If a patient/family is not eligible to participate in a Government Healthcare Program, The Center offers the following financial assistance to Uninsured Self-Pay Patients:
 - 4.2.1. With Gross Income between 0% and 100% of the FPG, there is a 75% discount off billed charges.
 - 4.2.2. With Gross Income between 101% and 200% of the FPG, there is a 50% discount off billed charges.
 - 4.2.3. With Gross Income between 201% and 400% of the FPG, there is a 25% discount off billed charges
- 4.3. A Medically Indigent patient is expected to pay a portion of the patient's bill. This portion is referred to as the Charity Care Deductible. Any portion of a bill that is not paid by a third party that is in excess of the Charity Care Deductible may be considered Charity Care by The Center. There may be occasions when a patient/family has experienced a catastrophic illness and cannot afford to pay the entire Charity Care Deductible. A payment plan (not to exceed 6 months) may be approved by the Center Practice Leader or the Director of Operations.
- 4.4. A Medically Indigent patient must meet his/her Charity Care Deductible and be re-evaluated at least every six (6) months in order to continue receiving Financial Assistance.
- 4.5. If a patient/family has out-of-pocket expenses, separate and apart from the patient's medical bills, that total more than 25% of the patient's/family's annual gross income, The Center will work with the patient/family on a payment plan so they will not be required to pay more than 25% of their gross income in any one year.

5. Application for Charity Care

- 5.1. An application may be completed by anyone who requests it or is identified with a need. A sample application is attached as Exhibit B. Any employee, physician, or provider of The Center may refer a patient to the Enrollment Specialist or Social Worker to initiate a Charity Care application. Charity Care may be granted at any stage of The Center's revenue cycle.

- 5.2. If the payment falls within the FPG, the Center Practice Leader or Director of Operations may approve the request for Charity Care if the patient resides in the Service Area and the family meets all other requirements. All other applications must be forwarded to the Charity Care Committee.
 - 5.3. The Enrollment Specialist or the Center Practice Leader will provide a written decision regarding a patient's eligibility for Charity Care to the applicant within 30 days of receipt of a completed application. This notification will include the discount amount approved, the payment that is expected from the patient, and reasons for any denial (if the request is denied).
 - 5.4. If a patient does not have Medicaid or other private agency funding, but may qualify, the patient must cooperate with the application process to be considered for Charity Care. If a patient does not cooperate with the application process, Charity Care will be denied or revoked if active approval is on file and the patient will be responsible for any balances. The patient is required to provide the following documentation, at a minimum: any evidence of third party coverage, employment status, verification of employment and income, proof of residency, and family size. Verification of income may include one or more of the following:
 - 5.4.1. Prior Year Tax Returns;
 - 5.4.2. Current Pay Stubs (last 2months) or written verification of wages from Employer;
 - 5.4.3. Social Security Check;
 - 5.4.4. Bank Statement;
 - 5.4.5. Disability check
 - 5.5. A patient who does not provide the requested information or does not cooperate with efforts to secure coverage from a Governmental Healthcare Program will not be eligible for Charity Care or Financial Assistance. Such cooperation is not a precondition to the receipt of medically necessary treatment or emergency care.
 - 5.6. Denials may be appealed through the Charity Care Committee. Appeals should include supporting documents that demonstrate inability to pay that were not available or included at the time of the initial consideration.
 - 5.7. The Center and the Charity Care Committee will retain all records relating to Charity Care for seven years.
- 6. Non-payment**
- 6.1. If a patient does not pay the Charity Care Deductible and fails to renegotiate a payment plan (if applicable), the uncollected balance will be considered Bad Debt.
 - 6.2. The Center may use any and all efforts allowed under the law to collect Bad Debt.

7. Publication

In accordance with law, The Center will post information regarding the availability of Financial Assistance and Charity Care, and the existence of this policy. Information and instructions for applying for Financial Assistance and Charity Care will be posted in key public areas throughout The Center where patients present for services. This policy, a summary and the application will be available upon request in English and in Spanish and a link to these items will be available on The Center’s website.

8. Exceptions

Extenuating circumstances may arise in determining eligibility for patients who do not meet established criteria. The Charity Care Committee is charged with reviewing and approving such cases.

RELATED DOCUMENTS:

- [Charity Care Application for The Center \(Exhibit A\)](#)
- [Charity Care Methodology Form The Center \(Exhibit B\)](#)

REFERENCES:

- TEXAS HEALTH AND SAFETY CODE ANN. §§ 311.031 - 311.048
- TEXAS TAX CODE § 153.310, § 171.063
- Medicaid Conditions of Participation

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