



"Working Together to Help People Help Themselves"

BOARD OF TRUSTEES POLICY

Number and Title: 3.03.01.06 Charity Care

Section: MANAGEMENT SYSTEMS

Reference:

Initial Date: 07/28/22

Effective Date: 08/30/22

Approved By: _____

Board Chairperson

08/30/22

Approval Date

PURPOSE:

MHMR Concho Valley (MHMRCV) is committed to providing charity care to individuals who have healthcare needs and are uninsured, underinsured, or otherwise unable to pay, for medically necessary care based on their individual financial situation. MHMRCV strives to ensure that the financial capacity of individuals who need quality healthcare services does not prevent them from seeking or receiving care. Accordingly, this policy includes a description of:

- Eligibility criteria for financial assistance – free and discounted (partial charity care);
- The basis for calculating amounts charged to individuals served eligible for financial assistance under this policy/procedure;
- The method by which individuals served may apply for financial assistance;
- How MHMRCV will widely publicize this policy/procedure to the Community;
- The limitations on the amounts that MHMRCV will charge for eligible services provided to individuals qualifying for financial assistance to the amount generally billed (received by) MHMRCV for private and public insurance (Medicaid, Medicare, etc.).

It is anticipated that individuals will cooperate with MHMRCV's policy/procedure 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 MHMRCV's various funding agencies. As a trauma informed organization, this policy/procedure complies with the trauma informed principles of: safety, trustworthiness and transparency, peer support and mutual self-help, collaboration and mutuality, empowerment, voice and choice, and cultural, historical and gender issues.

DEFINITIONS:

- (a) **Charity Care** - Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from MHMRCV's policy/procedure to provide healthcare services free or at a discount to individuals who meet the established criteria.
- (b) **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 individuals above 150% of FPL. Bad Debt is not eligible for reimbursement from federal charity care programs
- (c) **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 an individual 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.

- (d) Family Income - Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:
- Earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, 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.
 - Noncash benefits (such as food stamps and housing subsidies) do not count.
 - Determined on a before-tax basis.
 - Excludes capital gains or losses; and
 - If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).
- (e) Uninsured - A person who has no level of insurance or third-party assistance with meeting his/her payment obligations.
- (f) 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.
- (g) Gross charges - Total charges at MHMRCV's full established rates for the provision of individual care services before deductions from revenue are applied.
- (h) Sliding Scale Fee Schedules - Individual financial share calculated utilizing rules, regulations, and contractual requirements of MHMRCV's various funding agencies. (HHSC MH/IDD; HHSC Autism; TCOOMMI, etc.)

POLICY:

.001 Eligible Services

- (a) For purpose of this policy/procedure, "charity care" or "financial assistance," refers to healthcare services provided by MHMRCV without charge or at a discount to qualifying individuals.
- (b) The following healthcare services are eligible for charity care:
- (1) Behavioral health services;
 - (2) Immunizations;
 - (3) Public health services; and
 - (4) Other preventative services.

.002 Eligibility for Charity Care

- (a) Eligibility for charity care will be considered for those individuals 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/procedure.
- (b) 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.

.003 Method by Which Individuals May Apply or be Assessed for Charity Care

- (a) Financial need is determined in accordance with policies/procedures that involve an individual assessment of financial need; and may
 - (1) Include an application or assessment process, in which the individual or the individual's Legally Authorized Representative (LAR) are required to cooperate and supply personal financial and other information and documentation relevant to deciding of financial need.
 - (2) Include the use of external publicly available data sources that provide information on an individual's or LAR's ability to pay (such as credit scoring).
 - (3) Include reasonable efforts by MHMRCV to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist individuals to apply for such programs.
 - (4) Consider the individual's available assets, and all other financial resources available to the individual.
 - (5) Include a review of the individual's outstanding accounts receivable for prior services rendered and the individual's payment history.
- (b) 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.
- (c) The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the individual's or LAR's eligibility for charity care.
- (d) MHMRCV's values of human dignity and stewardship shall be reflected in the application, financial need determination and granting of charity care.
- (e) Requests for charity care shall be processed promptly with notification to the individual or LAR in writing within 30 days of receipt of a completed application or assessment.

.004 Presumptive Financial Assistance Eligibility

- (a) There are instances when an individual may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation.
- (b) Often there is adequate information provided by the individual served or through other sources, which provide sufficient evidence to provide the individual with charity care assistance.
- (c) In the event there is no evidence to support an individual's eligibility for charity care, MHMRCV can use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts.
- (d) Once 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.
- (e) Presumptive eligibility may be determined based on individual life circumstances that may include:
 - (1) State-funded prescription programs;

- (2) Homeless or received care from a homeless clinic;
- (3) Participation in Women, Infants and Children programs (WIC);
- (4) Food stamp eligibility;
- (5) Subsidized school lunch program eligibility;
- (6) Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
- (7) Low income/subsidized housing is provided as a valid address; and
- (8) Individual is deceased with no known estate.

.005 Eligibility Criteria and Amounts Charged to Individuals

- (a) Services eligible under this policy/procedure are made available to individuals 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.
- (b) The basis for the amounts charged to individuals served who qualify for financial assistance is as follows:
 - (1) Individuals whose family income is at or below 150% of the FPL are eligible to receive services at a discount of 100%.
 - (2) Individuals 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) at rates discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
 - (3) Individuals 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 MHMRCV; 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.

.006 Communication of the Charity Care Program to Individuals and Within the Community

- (a) Notification about charity care available from MHMRCV includes a contact number and is disseminated by various means, which includes, but is 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.
- (b) MHMRCV widely publicizes a summary of this charity care policy/procedure on MHMRCV website, in brochures available in individual access sites and at other places within the community served by MHMRCV.
- (c) Such notices and summary information are provided in accordance with MHMRCV's Cultural and Linguistic Competency Plan.

.007 Relationship to Collection Policies/Procedures

- (a) MHMRCV develops policies/procedures for internal and external collection practices (including actions MHMRCV may take in the event of non-payment, including collections action and reporting to credit agencies) that consider the extent to which the individual qualifies for charity care, an individual's good faith effort to apply for charity care from MHMRCV, and an individual's good faith effort to comply with his or her payment agreements with MHMRCV.
- (b) For individuals who qualify for charity care and who are cooperating in good faith to resolve their discounted bills, MHMRCV may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts.
- (c) MHMRCV will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any individual without first making reasonable efforts to determine whether that individual is eligible for charity care under this financial assistance policy.
- (d) Reasonable efforts shall include:
 - (1) Validating that the individual owes the unpaid charges and that all sources of third-party payment have been identified and billed by MHMRCV.
 - (2) Documentation that MHMRCV has attempted to offer the individual the opportunity to apply or be assessed for charity care pursuant to this policy and that the individual has not complied with MHMRCV's financial assessment requirements.
 - (3) Documentation that the individual does not qualify for financial assistance on a presumptive basis.
 - (4) Documentation that the individual has been offered a payment plan but has not honored the terms of that plan.

.008 Regulatory Requirements

- (a) Implementation of this policy/procedure does not negate or supersede compliance with all other federal, state, and local laws, rules, and regulations applicable to the services outlined herein.

.009 Staff Training Requirements

- (a) Staff will adhere to parameters outlined in TAC Rule §355.8215; and
- (b) Healthcare Financial Management Association guidance found in the June 2019 Statement 15: "Valuation and Financial Statement Presentation of Charity Care, Implicit Price Concessions and Bad Debts by Institutional Health Care Providers" in relation Charity Care.