Driscoll Health System

Chapter: Patient and Financial Services	**Subchapter:** Patient Financial Services and Central Business Office	**Effective Date:** 4/18/2024
Title: SBO Financial Assistance and Charity Care		

☐ Driscoll Health System (DHS) (all)
☒ Department: SBO
☒ Driscoll Children's Hospital and clinics (DCH)
☐ Driscoll Health Plan (DHP)
☒ DCH Rio Grande Valley and clinics (DCHRGV)
☒ CPSST

PURPOSE:
To establish guidelines for financial assistance and charity care at DHS and for Children's Physician Services of South Texas (CPSST) (collectively, "Driscoll").

PERSONS AFFECTED:
Patient Access Services staff, Patient Financial Services and Physician Central Business Office staff, and clinic medical office supervisors

DEFINITIONS/RELATED INFORMATION:
Amounts Generally Billed (AGB):

a. Driscoll provides financial assistance and charity care to qualified patients as set forth in this policy.
b. After the patient's account is reduced by the amount of financial assistance and charity care, the patient is responsible for the remainder of the outstanding charges which shall be no more than the AGB. The AGB means the amounts generally billed for emergency or other medically necessary care. Driscoll uses the "look-back" method as defined by the Internal Revenue Service Code Section 501(r) to determine the AGB. The look-back method calculates the AGB on allowed claims based upon payments from Medicare, Medicaid, and other private insurance payers (including patient's share) and is calculated on an annual basis.
c. The AGB will be published annually on the Driscoll website in the "Financial Assistance Summary".
d. Driscoll may change the method of determining the AGB but must ensure the summary financial assistance policy is updated prior to applying any changes. The established percentage will be applied to patient's full billable charges. Patients may request information on the amount generally billed calculation by calling the business office at 361-694-5111.

Calculation of Income:

a. Total household income on the Financial Summary means the sum of the total yearly gross income of each patient and the patient's spouse.
b. If the patient is a minor, the total yearly gross income is the income from the patient's parent(s), or patient's legal guardian.

Catastrophic Cap: Means a person who's medical or hospital bills after payment from third- party payers, if any, exceeds 100% of the patient's gross annual household income and the person is financially unable to pay the remaining bill.

Classification: Driscoll may classify all patients based on income level, as determined in accordance with the Assistance Application, as follows:

Type of Write-Off	Income Level	Write-Off %	Catastrophic Cap
Financially Indigent	0-500% of FPL	100%	0%
Medically Indigent	501-600% of FPL	75%	100%
Medically Indigent	601-700% of FPL	65%	100%
Medically Indigent	701-800% of FPL	55%	100%
Medically Indigent	801-900% of FPL	45%	100%

Emergency Medically Necessary Care: Determined by physician and/or case management medical director.

Expired Patients: Expired patients with no estate may be deemed to have no income for purposes of the Driscoll calculation of income. Documentation of income is not required for expired patients with no estate.

Federal Poverty Level (FPL): A measure of income level issued annually by the U.S. Department of Health and Human Services (HHS). Federal poverty levels are used to determine eligibility for certain programs and benefits. Federal poverty guidelines are published annually by the Federal Government and can be found at https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

Financial Assistance and Charity Care Guidelines:

a. An account will be considered for a possible financial assistance and charity care whenever the family size and income is below 900% of the federal poverty standard as published in the federal register.
b. The amount of financial assistance and charity care is determined based upon the patient's placement on the table (classification). If the patient receives less than 100% write-off, their ability to pay is capped according to the catastrophic cap.
c. Persons qualified for Medicaid by the Texas HHS will be eligible for financial assistance and charity care for those amounts due from the patient, that are unpaid by the Medicaid program due to exhausted benefits, non-covered, spend down due to Medicaid as secondary payer, etc.
d. Persons who are unable to complete the documentation requirements for financial assistance and charity care due to extenuating circumstances (i.e., death, disability, or unable to locate such as homeless persons, prisoners) may be presumed eligible for financial assistance and charity care on a case-by-case basis by the administration of Driscoll.
e. Persons who have been eligible for Medicaid for anytime during the three (3) month period before, during, or after their care may be considered eligible for 100% financial assistance and charity care for any amount not paid by Medicaid.
f. All financial assistance and charity care must be consistent with the terms of Clara Driscoll's will.

Financially Indigent: An uninsured or underinsured person who is accepted for care with no obligation or discounted obligation to pay for the services rendered based on the Driscoll's eligibility determination.

a. To be eligible for financial assistance and charity care as a financially indigent patient, a household's income shall be at or below 500% of the federal poverty guidelines

(*Attachment A*). Driscoll may consider other financial assets and liabilities of the person when determining eligibility.

b. Driscoll will use the most current poverty income guidelines issued by the U.S. HHS as a guide to determine an individual's eligibility for financial assistance and charity care as a financially indigent patient. The poverty guidelines are published in the federal register in January or February of each year and, for purposes of this policy, will become effective the first day of the month following the month of publication.
c. In no event will Driscoll establish eligibility criteria for financially indigent patients that set the income level for financial assistance and charity care lower than that required for counties under the Texas Indigent Health Care and Treatment Act, or no higher than 900% of the federal poverty income guidelines. Driscoll, however, may adjust the eligibility criteria from time to time based on the financial resources of Driscoll and as necessary to meet the charity needs of the community.

Gross Annual Household Income: All income (before taxes) from all sources for all persons considered to be included in the household.

Household: A family unit consisting of parents and their natural or adopted children less than twenty-one (21) years of age. Single parent households are included. Dependent parents or grandparents may also be included based on special circumstances and facility consideration.

Medically Indigent: A person whose medical or hospital bill after payment by third-party payers, if any, exceed a specified percentage of the patient's gross annual household income, in accordance with the hospital's eligibility determination system, and the person is financially unable to pay the remaining bill.

a. To be eligible for financial assistance and charity care as a medically indigent patient, a household's income shall be between 501% and 900% of the federal poverty guidelines (*Attachment A*) and the patient must be unable to pay the remaining bill. Driscoll may consider other financial assets and liabilities of the person when determining ability to pay.

Presumptive Eligibility: Due to a variety of circumstances, all documentation/information may not be available on an account to determine charity. Yet, there is an indication that the patient/guarantor is unable to pay all or part. Verbal and/or written attestations may be considered. These accounts may be deemed charity based on management's determination. Driscoll will also use this for episodes of care.

Re-Determinations:

a. If a determination is made that a patient has the ability to pay the remainder of a bill, that determination does not prevent a reassessment of the patient's ability to pay at a later date.
b. If a determination is made that a patient does not have the ability to pay, the remainder of the bill may be considered for charity. Future earning potential may be considered.

Uncompensated, Charitable Care: The unreimbursed/unpaid portion of a patient's bill for which:

a. The patient/guarantor is responsible
b. The patient/guarantor is unable to pay
c. There are no alternative funding resources available

POLICY:

1. This policy currently applies to medically necessary services billed by Driscoll. A full list of physicians practicing at Driscoll is accessible at the following link: http://www.driscollchildrens.org/find-a-physician. This list is updated at least quarterly. A paper copy will be provided upon request for those without computer access.

2. Financial assistance and charity care will be provided to patients who present themselves for emergency medically necessary care at Driscoll who have a proven inability to pay for their emergency medically necessary medical care as determined though evaluation by Patient Access Services Financial Counselors.

3. The final decision to write-off any account to financial assistance and charity care is based entirely on the judgment of Driscoll management. In no way is this policy to be construed that Driscoll are required to write-off any account to financial assistance and charity. Each account is considered on its own merits. A financial assistance and charity write-off of a particular account does not create an obligation on the part of Driscoll to do a financial assistance and charity write-off for any other account for the same patient or for any other patient.

PROCEDURE:

1. Driscoll will utilize an internal automated eligibility system for determining eligibility for financial assistance and charity care.

2. Patient presenting for emergent services with expressed inability to pay will be screened for financial assistance.
   a. Screening will consist of eligibility for funding such as Medicaid and other programs assisting with hospital/medical bills.
   b. Screening will require cooperation with the provision of proof of income be it through three (3) months of bank statements and/or prior year income tax return, wage statements, etc.
   c. Screening will require a response to specific questions regarding patient finances, including household number.
      - Adults: In calculating the number of people in an adult patient's household, Driscoll will include the patient, the spouse and any dependents.
      - Minors: In calculating the number of people in a minor patient's household, Driscoll will include the patient, the patient's mother and any dependents of the patient's mother, the patient's father and any dependents of the patient's father.

3. Patients shall apply for financial assistance by completing the Financial Assistance Application. These applications shall be picked up, free of charge at the hospital, printed from the website, or mailed to the family for completion. The families can contact Financial Counselors at 361-694-4758 for a copy of the application.

4. Income Verification: Driscoll shall request that the patient/parent/legal guardian verify the income set forth in the Financial Assistance Application.
   a. Documentation Verifying Income: Income will be verified through any of the following mechanisms: IRS form, W-2 earnings statement, paycheck remittance, social security, worker's compensation, or unemployment compensation letter of determination, telephone verification by employer of the patient's annual gross income. If the patient has not provided this documentation, Driscoll will send the patient a letter requesting documentation in a form approved by the Patient Access Services Department.
   b. Documentation Unavailable: In cases where the patient is unable to provide documentation verifying income, Driscoll will verify the patient's income by having the patient sign the financial summary attesting to the veracity of the income information

provided, or through written attestation of Driscoll staff completing the Financial Assistance Application that the patient verbally verified Driscoll's calculation of income. In instances where the patient is unable to provide the requested documentation to verify income, Driscoll will require that an explanation be provided of the reason the patient is unable to provide the requested documentation.

c. Classification Pending Verification: During the verification process, while Driscoll is collecting the information necessary to determine a patient's income, the patient will be treated as a private pay in accordance with Driscoll policies.

5. Failure to Provide Information: Failure to provide information necessary to complete a financial assessment will result in a negative determination, but the account will be reconsidered upon receipt of the required information.
   a. A determination of eligibility for financial assistance and charity care will be made without a completed assessment form if the patient or information is not reasonably available and eligibility is warranted under the circumstances. An example would be a homeless person.

6. Falsification of Information: Falsification of information will result in the denial of the Financial Assistance Application. If after a patient is granted financial assistance as either Financially Indigent or Medically Indigent, and Driscoll finds material provision(s) of the Financial Assistance Application to be untrue, the financial assistance will be withdrawn.

7. Factors to be Considered for Charity Determination:
   a. Gross income.
   b. Family size.
   c. Employment status and future earning capacity.
   d. Residency.
   e. Other financial resources could be mitigated:
      - The value of other property.
      - The value of other vehicles.
      - The amount of monies set aside for education.
      - The amount of obtained in legal settlements.
      - The amount or value of other resources.
   f. Other financial obligations could be mitigated:
      - The amount and frequency of all hospital/medical bills.
      - The amount of debt.
      - Other financial obligations not part of debt.

8. Approved Procedures: Driscoll will complete a financial assistance approval form ("Approval Form") for each patient granted status as Financially Indigent or Medically Indigent. The Approval Form allows for the documentation of the administrative review and approval process utilized by the hospital to grant financial assistance. Any deviation in the Approval Form must be approved by the Chief Financial Officer (CFO). The patient will be mailed a separate form letter of notification of eligibility or non-eligibility after internal approvals are met. This form letter is signed by the Financial Counselor.
   a. Persons with coverage form an entity/insurer that does not have a contractual relationship with Driscoll will be eligible for financial assistance and charity care, excluding any

amounts of the charges or potion of total charges that the covered patient is responsible for paying.

b. Insured persons that were determined to be uninsured for their entire hospital stay (i.e., exhausted coverage upon admission) will be eligible for financial assistance and charity care.

9. Document Retention Procedures: Driscoll will maintain documentation using the charity care management system 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.

10. Duration Cycle of Continued Eligibility: Determinations are made on each episode of care. Driscoll will use determinations made within the last three (3) months to presumptively qualify for the current episode of care.

11. Modification or Change in Policy: The Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), Director of Patient Financial Services and Physician's Central Business Office, and Patient Access Services Director must approve any modifications to the standards set forth in this policy prior to implementation by Driscoll.

12. Non-Covered Services: Driscoll reserves the right to exclude non-medically necessary services from its financial assistance and charity care policy.

13. No Effect on Other Driscoll Policies: This financial assistance and charity care policy shall not alter or modify other policies regarding efforts to obtain payments from third-party payers, patient transfers or emergency care.

14. Actions Taken in the Event of Non-Payment: In the event of non-payment, Driscoll will take the actions outlined in its separate billing and collection policy. A copy of the billing and collection policy can be obtained free of charge by accessing the menu on the Driscoll Children's Hospital website and selecting the link "Patient and Family Services" and then "Financial Assistance" or by contacting the Director of Patient Financial Services and Physician's Central Business Office at 361-694-5111, option five (5). Under no circumstances will Driscoll engage in any extraordinary collection actions before making a reasonable attempt to determine if a patient is eligible for assistance under this policy.

15. Reporting of Financial Assistance and Charity Care: Information regarding the amount of charity care provided by the hospital in its fiscal year, shall be aggregated and included in the hospital's annual report, which is filed with the bureau of state health data and policy analysis of the Texas HHS. This report also includes information concerning the provision of government sponsored indigent health care and other community benefits.

16. Charity Care Approval Guidelines:
    a. Charity care write-offs will be documented in the appropriate form and entered into the charity care management system.
    b. The following approval levels will be adhered to:

0 to $10,000.00	Patient Access Services Director

$10,001.00 - $50,000.00	Patient Financial Services and Physician Central Billing Office Director
> $50,0001.00	CFO

INTERNAL CROSS- REFERENCES:
Poverty Guidelines – Attachment A

REFERENCES:

1. Patient Protection and Affordable Care Act of 2010.
2. Internal Revenue Code Section 501(r).
3. Annual update of the HHS Poverty Guidelines can be found online here: Poverty Guidelines | ASPE (hhs.gov). Retrieved on 4/18/2024

Attachment A

POVERTY GUIDELINES ARE AS FOLLOWS FOR 2024

PERSONS IN FAMILY	POVERTY GUIDELINE
1	$ 15,060.00
2	$ 20,440.00
3	$ 25,820.00
4	$ 31,200.00
5	$ 36,580.00
6	$ 41,960.00
7	$ 47,340.00
8	$ 52,720.00

For families with more than eight (8) members, add $6,190.00 for each individual person.

Poverty guidelines are subject to change each year per updates in Federal Register published in first quarter of the calendar year. The Director Admissions-Registration Services is responsible for ensuring update to the process as indicated by new publications.

Experian (Formally Search America):
Use of Experian data in lieu of patient provided documentation is allowed for low dollar accounts or expired patients.

Notification and Application Period:
Patients will have a total of one hundred-twenty (120) days from the first billing statement received after discharge from the hospital to submit an assistance application before additional collections efforts including placement with an outside collection agency with possible reporting to their credit file.

At the end of the one hundred-twenty (120) day notification period, the patient will have an additional one hundred-twenty (120) days to submit a completed application for final financial assistance determination.

Collection efforts will cease if the assistance application is received at any time within the two hundred-forty (240) day period and application information completed prior to the end of the application period which is a total of two hundred-forty (240) days from the first billing statement after patient's discharge.

Financial Assistance Applications will not be accepted nor processed once all notification and application requirements have been met and two hundred-forty (240) days from the first billing statement after the patient discharge date has expired.