



Policy Name:

Financial Assistance

Department/Service Line:

Policy Identifier:

Revenue Cycle
Management/Charity

Location:

HTPN

Origination Date:

09/02/1997

Date of Last Review:

02/01/2015

Approved By:

BHCS Board of Trustees Audit & Compliance Committee

SCOPE

This Financial Assistance Policy ("Policy") applies to HealthTexas Provider Network ("HTPN") an affiliate of Baylor Health Care System ("BHCS").

The HTPN Board of Directors and the BHCS Board of Trustees Audit & Compliance Committee are responsible for the oversight of this Policy.

Any material modifications to the standards set forth in this Policy must be approved by the HTPN Board of Directors and then the BHCS Board of Trustees Audit & Compliance Committee prior to implementation by HTPN.

The Financial Assistance Committee is responsible for establishing, approving and monitoring procedures and standard forms that operationalize the provisions of this Policy and other responsibilities outlined in this Policy.

PURPOSE

This Policy establishes the framework pursuant to which HTPN identifies patients that may qualify for financial assistance, provides financial assistance, and accounts for financial assistance. This policy also serves to meet the requirements set forth in state and federal laws and to help BHCS and its Affiliated Entities listed on Attachment A meet their charitable mission.

POLICY

Founded as a Christian ministry of healing, BHCS exists to serve all people through exemplary health care, education, research, and community service. As part of its mission and commitment to the community, BHCS and its Affiliated Entities, including HTPN, provide financial assistance to patients and members of the community who qualify for assistance pursuant to this Financial Assistance Policy.

1. ELIGIBILITY CRITERIA

All patients will be eligible to apply for financial assistance at any time during the continuum of care except for those services excluded from this Policy. Each patient's situation will be evaluated according to relevant circumstances, such as income, assets or other resources available to the patient or patient's family when determining the ability to pay the outstanding patient account balance. Taking this information into consideration, the attached Financial Assistance Eligibility Discount Guidelines (Attachment B) are utilized to determine what amount, if any, of the

outstanding patient account balance will be discounted after payment by all third parties.

When a patient's circumstances do not satisfy the requirements under the Financial Assistance Eligibility Discount Guidelines, a patient may still be able to obtain financial assistance. In these situations, the Financial Assistance Committee will review all available information and make a determination on the patient's eligibility for financial assistance.

PLEASE NOTE: The financial assistance offered under this Policy does not apply to initial transplant services or other provider fees billed separately from HTPN fees. HTPN reserves the right to further limit the services covered by this Financial Assistance Policy.

2. METHOD FOR APPLYING OR OBTAINING FINANCIAL ASSISTANCE

2.1 Application Process

Applying for financial assistance can be initiated by a patient requesting assistance in person at each HTPN practice location, over the phone by calling the physician's office, or through the mail.

Additionally, HTPN can initiate a Financial Assistance Application on behalf of the patient. It is ultimately the patient's responsibility to provide the necessary information to qualify for financial assistance. There is no assurance that the patient will qualify for financial assistance.

2.2 Community and Charitable Programs

Patients of certain approved community and charitable organizations and programs qualify for financial assistance under this Policy. For organizations or programs not approved under this policy, another Financial Assistance Application may be used as long as substantially the same items on the Financial Assistance Application are satisfied or documentation as to why they were not satisfied is included. The Financial Assistance Committee will be responsible for determining the approved organizations and programs.

2.3 Presumptive Eligibility for Financial Assistance

HTPN may review credit reports and other publicly available information to determine, consistent with applicable legal requirements, estimated household size and income amounts for the basis of determining financial assistance eligibility when a patient does not provide a Financial Assistance Application or supporting documentation.

3. LENGTH OF ELIGIBILITY

Once financial assistance has been approved, it is effective for all outstanding patient accounts and for all services provided within twelve (12) months after the Financial Assistance Application is signed by the patient or responsible party or the HTPN employee ("Date of Completion").

Approval under Section 2.3 above will only apply to the date(s) of service on the patient account balance being evaluated. Eligibility will not apply to accounts for future dates of service.

4. BASIS FOR CALCULATING AMOUNTS CHARGED

The level of financial assistance will be based on a classification as Financially Indigent, Medically Indigent, or Catastrophic Medically Indigent, as defined below.

4.1 Financially Indigent

"Financially Indigent" means a patient whose Yearly Household Income (as defined below in section 5.2.i) is less than or equal to 200% of the Federal Poverty Guidelines ("FPG"). These Financially Indigent patients are eligible for a 100% discount on outstanding patient account balances based on Schedule A of the Financial Assistance Eligibility Discount Guidelines.

Example: A patient with a Household Size of 3 (as defined below in section 5.2.ii) and Yearly Household Income less than \$36,620 is eligible for a financial assistance discount of 100%.

4.2 Medically Indigent

"Medically Indigent" means a patient whose medical or hospital bills from all related or unrelated providers, after payment by all third parties, exceed a specified percentage of their Yearly Household Income (ranging from 5%-10%), whose Yearly Household Income is greater than 200% but less than or equal to 500% of the FPG and who is unable to pay the outstanding patient account balance. These Medically Indigent patients are eligible for a discount as set forth in Schedule B of the Financial Assistance Eligibility Discount Guidelines. However, in no case will the balance due, after the discount is applied, be more than 10% of patient's Yearly Household Income.

Example: A patient with a Household Size of 4 and Yearly Household Income of \$85,000 (between 350 - 400% of FPG) is eligible for a financial assistance discount of 60% if the patient's total outstanding bills, after all third-party payments, exceeds 10% of the Yearly Household Income. Assuming the patient's account balance is \$10,000 (which is greater than 10% of the Yearly Household Income), the patient is eligible for a 60% discount (\$6,000). The patient's remaining obligation would be 40% (\$4,000).

4.3 Catastrophic Medically Indigent

"Catastrophic Medically Indigent" means a patient whose medical or hospital bills from all related and unrelated providers, after payment by all third parties, exceed 50% of the patient's Yearly Household Income, whose Yearly Household Income is greater than 500% of the FPG and who is unable to pay the outstanding patient account balance. These Catastrophic Medically Indigent patients are eligible for a discount as set forth in Schedule C of the Financial Assistance Eligibility Discount Guidelines.

Example: A patient's outstanding obligation is \$90,000 and Yearly Household Income is \$80,000. The patient is eligible for a 90% discount as Catastrophic Medically Indigent. The patient is eligible for a discount of \$81,000 and the patient's account balance would be \$9,000.

4.4. Financial Assistance Eligibility Discount Guidelines

The Financial Assistance Eligibility Discount Guidelines are attached and are made a part of this Policy. The Financial Assistance Eligibility Discount Guidelines will be updated annually in accordance with the FPG as published in the Federal Register by the U.S. Department of Health and Human Services. The discount percentage will be adjusted annually to be consistent with the BHCS hospital financial assistance policy.

5. DETERMINATION OF FINANCIAL ASSISTANCE

5.1 Financial Assistance Assessment

Determination of financial assistance will be in accordance with procedures that may involve:

- 5.1.i. An application process, in which the patient or the patient's guarantor is required to supply information and documentation relevant to making a determination of financial need;
- 5.1.ii. The use of credit reports and other publicly available information that provide information on a patient's or a patient's guarantor's ability to pay; and
- 5.1.iii. A review of the patient's available assets, and all other financial resources available to the patient. If other assets are available, HTPN reserves the right to not grant financial assistance.

5.2 Definition of Household Income and Household Size

Determination of financial assistance will be based on the household income and size provided by the patient and/or by an estimated household income and size obtained from a third party vendor.

5.2.i. Household Income

- I. Adults: If the patient is an adult, "Yearly Household Income" means the sum of the total yearly gross income or estimated yearly income of the patient and the patient's spouse.
- II. Minors: If the patient is a minor, "Yearly Household Income" means the sum of the total yearly gross income or estimated yearly income of the patient, the patient's mother and the patient's father.

5.2.ii. Household Size

I. Adults: In calculating the Household Size, include the patient, the patient's spouse, and any dependents (as defined by the Internal Revenue Code).

II. Minors: In calculating the Household Size, include the patient, the patient's mother, the patient's father, dependents of the patient's mother, and dependents of the patient's father.

5.3 Income Verification

Household income will be documented through any of the following mechanisms:

5.3.i. Third Party Documentation. By the provision of third party financial documentation including IRS Form W-2; Wages and Tax Statement; pay check remittance; individual tax return; telephone verification by employer; bank statements; Social Security payment remittance; Worker's Compensation payment remittance; unemployment insurance payment notice; Unemployment Compensation Determination Letters; response from a credit inquiry and other publicly available information; or other appropriate indicators of the patient's income. Third Party documentation provided under this subsection will be handled in accordance with BHCS' information security procedures and the requirements of securing protected health information.

5.3.ii. Participation in a 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; TexCare Partnership; or other similar means tested 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.

5.3.iii. In cases where third party documentation is unavailable, verification of the patient's Yearly Household Income can be done in either of the following ways:

I. Obtaining the patient's or responsible party's Written Attestation. By obtaining an Financial Assistance Application signed by the patient or responsible party attesting to the veracity of the patient's income information provided; or

II. Obtaining the patient's or responsible party's Verbal Attestation. Through the written attestation of the HTPN employee completing the Financial Assistance Application that the patient or responsible party verbally verified the patient's income information provided.

In both above instances where the patient or responsible party is unable to provide the requested third party verification of patient's income, the patient or responsible party is required to provide a reasonable explanation of why the patient or responsible party is unable to provide the required third party

verification. Reasonable attempts will be used to verify patient's attestation and supporting information.

5.3.iv.Expired Patients. Expired patients may be deemed to have no income for purposes of calculation of Yearly Household Income. Documentation of income is not required for expired patients; however, documentation of estate assets may be required.

5.4 Financial Assistance Disqualification

Disqualification after financial assistance has been granted, may be for reasons that include, but are not limited to, one of the following:

I. Information Falsification. Financial assistance will be denied to the patient if the patient or responsible party provides false information including information regarding their income, household size, assets or other resources available that might indicate a financial means to pay for care.

II. Third Party Settlement. Financial assistance will be denied if the patient receives a third party financial settlement associated with the care rendered by HTPN. The patient is expected to use the settlement amount to satisfy any patient account balances.

6. MEASURES TO PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

The following measures are used to publicize the Financial Assistance Policy to the community and patients:

6.1 Community Notification

6.1.i. Posting on the BHCS website at the following location:
<https://www.baylorhealth.com/mybaylor/financialassist/pages/default.aspx>

6.1.ii. Providing information when a patient calls the 1-800-4Baylor or by contacting HTPN.

6.1.iii. Annually posting a notice in the Dallas Morning News, the Fort Worth Star Telegram and/or other publications.

6.1.iv. Posting of a notice in the admitting areas and/or business offices.

6.2 Personal Notification

6.2.i. Billing statements will include a phone number for inquiries about financial assistance.

6.2.ii HTPN staff will discuss when appropriate, in person or during billing and customer service phone contacts with patients.

7. RELATIONSHIP TO COLLECTION POLICIES

- 7.1 During the verification process, while information to determine a patient's income is being collected, the patient may be treated as a private pay patient in accordance with other HTPN Policies, including the Debt Collection Policies.
- 7.2 After the patient's account is reduced by the discounts based on the Financial Assistance Eligibility Discount Guidelines, the patient is responsible for the remainder of the outstanding patient account balances. Once the patient qualifies for financial assistance, HTPN will not pursue collections on the amount qualified for financial assistance. However, patients will be required to pay a copay of \$10 for each visit. Patients will be invoiced for any remaining amounts in accordance with other HTPN Debt Collection Policies.
- 7.3 The Financial Assistance Policy does not affect any HTPN obligation under other laws or regulations. The Financial Assistance Policy also does not alter or modify other policies concerning efforts to obtain payments from third-party payors.

DEFINITIONS

When used in this Policy these terms have the following meaning:

Financial Assistance Committee: A committee comprised of representatives including, but not limited to, the following positions or departments: HTPN Chief Operating Officer, HTPN Chief Financial Officer, HTPN Vice President of Revenue Cycle, HTPN Director of Compliance, HTPN Director of Administration, a physician representative, BHCS Tax Management, BHCS Vice President of Revenue Cycle, BHCS Law department and others appointed by the Chair of the Committee deemed necessary to fulfill the responsibilities of the Committee. The Chair of the Committee shall be appointed by the HTPN Vice President of Revenue Cycle.

PROCEDURES

There are no procedures associated with this Policy.

REFERENCES

<u>Regulatory Agency</u>	<u>Citation Reference</u>
Texas Health and Safety Code	Chapter 311
Internal Revenue Code	Section 501(r)

RELATED INTERNAL DOCUMENTS

<u>Document Identifier</u>	<u>Document Name</u>
	Financial Assistance Affirmation Statement
	Financial Assistance Application

ATTACHMENTS

<u>Document Identifier</u>	<u>Document Name</u>
	Attachment A - BHCS Affiliated Entities
	Attachment B - Financial Assistance Eligibility Discount Guidelines



Policy Name:

Financial Assistance

Department/Service Line:

Policy Identifier:

Revenue Cycle

Management/Charity

Location:

HTPN

Origination Date:

09/02/1997

Date of Last Review:

02/01/2015

Approved By:

BHCS Board of Trustees Audit & Compliance Committee

Financial Assistance Policy

Attachment A

List of Entities

Baylor Health Care System

Baylor University Medical Center

Baylor Institute Rehabilitation at Gaston Episcopal Hospital

Baylor Medical Centers at Garland and McKinney

- *Baylor Medical Center at Garland*
- *Baylor Medical Center at McKinney*

Baylor Regional Medical Center at Grapevine

Baylor Regional Medical Center at Plano

Baylor Medical Center at Waxahachie

Baylor All Saints Medical Center

Baylor Medical Center at Irving

Baylor Specialty Health Centers

- *Our Children's House at Baylor*

Baylor Heart and Vascular Center, LLP

Texas Heart Hospital of the Southwest, LLP

Baylor Medical Center at Carrollton

The above listed affiliated entities do not include all Baylor Health Care System controlled affiliated entities that may have adopted a charity care policy individually.



Policy Name:

Financial Assistance

Department/Service Line:

Policy Identifier:

Revenue Cycle Management/Charity

Location:

HTPN

Origination Date:

09/02/1997

Date of Last Review:

02/01/2015

Approved By:

BHCS Board of Trustees Audit & Compliance Committee

Baylor Health Care System							
Financial Assistance Eligibility Discount Guidelines							
Attachment B							
2/1/2015							
Based on Federal Poverty Guidelines Issued 1/22/2015							
Schedule A		Schedule B					
Financially Indigent Classification		Medically Indigent Classification					
		Balance due must be equal to or greater than the specified % of the patient's Yearly Income for eligibility					
		Specified Bill %					
		5% 5% 5% 10% 10%					
Number in Household	200%	Number in Household	250%	300%	350%	400%	500%
1	23,540	1	29,425	35,310	41,195	47,080	58,850
2	31,860	2	39,825	47,790	55,755	63,720	79,650
3	40,180	3	50,225	60,270	70,315	80,360	100,450
4	48,500	4	60,625	72,750	84,875	97,000	121,250
5	56,820	5	71,025	85,230	99,435	113,640	142,050
6	65,140	6	81,425	97,710	113,995	130,280	162,850
7	73,460	7	91,825	110,190	128,555	146,920	183,650
8	81,780	8	102,225	122,670	143,115	163,560	204,450
Discount	100% of Balance Due	Discount	90% of Balance Due*	80% of Balance Due*	70% of Balance Due*	60% of Balance Due*	55% of Balance Due*
Schedule C							
Catastrophic Eligibility as Medically Indigent							
If Patient's Yearly Income exceeds 500% of Federal Poverty Guidelines							
Balance Due					Discount		
Balance Due is equal to or greater than 100% of the patient's Yearly Income					90% of Balance Due		
Balance Due is equal to or greater than 90% and less than 100% of the patient's Yearly Income.					85% of Balance Due		
Balance Due is equal to or greater than 80% and less than 90% of the patient's Yearly Income.					80% of Balance Due		
Balance Due is equal to or greater than 70% and less than 80% of the patient's Yearly Income.					75% of Balance Due		
Balance Due is equal to or greater than 60% and less than 70% of the patient's Yearly Income.					70% of Balance Due		
Balance Due is equal to or greater than 50% and less than 60% of the patient's Yearly Income.					65% of Balance Due		
*However, in no case will Patient's Balance Due after Discount is applied be more than 10% of Patient's Yearly Income.							