

## CHARITY CARE AND FINANCIAL ASSISTANCE

**PURPOSE:** To establish a fair and consistent method to determine patient eligibility for charity care services and financial assistance for patients of University Health. This is a revised policy and supersedes policy dated 12/14/2021 [Key Words: Self-pay, Third-party Payer, Financially Indigent, Medically Indigent]

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### POLICY STATEMENT:

Charity care is one component of the University Health mission to provide integrated clinical services, education and research to benefit the health of the community. To that end, effective stewardship of resources requires establishment of fair and consistent guidelines to determine the amount of financial assistance available to patients who lack the financial resources to pay the full cost of health care services.

### I. DEFINITIONS

- A. **Bexar County Resident** is a person whose home or fixed place of habitation to which the person intends to return after a temporary absence is located in Bexar County.
- B. **Financially Indigent.** For the purposes of this policy, a person is “financially indigent” if he/she is uninsured or underinsured and has an Annual Gross Income less than or equal to 250% of the current Federal Poverty Guidelines. A patient is considered “uninsured” when he/she does not have any third party medical insurance. A patient is not uninsured if he/she has third party medical insurance of any kind, regardless of whether the third party medical insurance covers all of the charges incurred.

- C. **Homeless Person** is an individual, including international migrants, without permanent housing who may live on the streets, stay in a shelter, mission, single room occupancy facilities, abandoned building or vehicle: or in any other unstable or non-permanent situation.
  
- D. **Medically Indigent** is only applicable in instances where the patient has health insurance. Medically Indigent patients qualify for a discount of their financial responsibility after insurance payment the total amount due or outstanding medical bills are cumulatively in excess of 5% of the patient's household annual gross income, which is an individual's total earnings from all sources before taxes or other deductions. If financial screening reveals that an insured patient's income is in excess of 250% of Federal Poverty Guidelines and/or the patient's outstanding medical bills are not in excess of 5% of his/her household annual gross income, payment plans are available to assist patients with payment of their co-pay responsibility.

## II. FINANCIAL ASSISTANCE ELIGIBILITY

University Health provides care for emergency medical conditions to individuals regardless of whether they are eligible for financial assistance without discrimination. University Health will assist patients without health insurance to identify and apply for benefits for which they may be eligible, including Texas Medicaid, Children Health Insurance Program (CHIP), CareLink Financial Assistance Program, Texas Victim of Crime Compensation or grant funding. If screening reveals that the patient is not eligible for a government healthcare program, grant or any other funding, and unable to pay for their care, eligibility for financial assistance will be determined in accordance with this Policy.

Any member of the staff, including medical staff, nurses, financial counselors, social workers, case managers, and chaplains, may make referral of patients for financial assistance. The patient, a family member, or other advocate of the

patient, subject to applicable privacy laws, can request financial assistance as outlined in Attachment I of this Policy.

- A.** Eligibility for financial assistance will be determined in accordance with procedures that involve an individual assessment of financial need, and does not take into account age, sex, race, national origin, sexual orientation, gender identity or religious affiliation. All applicants will be treated with dignity and respect.

  - i. If retrospective review of a financial assistance application reveals that there is a possible alternate funding source, including Texas Medicaid, Children Health Insurance Program (CHIP), Texas Crime Victim Compensation, or motor vehicle accident auto insurance proceeds, patients may still enroll in CareLink, but additional financial assistance eligibility consideration is suspended until resolution of the alternate funding availability.
- B.** Applications are available to all patients seeking financial assistance thru "My Chart", the University Health website, CareLink offices, Emergency Department Patient Access staff, and/or from Financial Clearance staff.

  - i. Eligibility for assistance is governed by the current Federal Poverty Guidelines issued by the U.S. Department of Health and Human Services published at <https://aspe.hhs.gov/poverty-guidelines> and adapted by the State of Texas with an annual effective date of March 1. To determine a patient's annual household income relative to the federal poverty guidelines, University Health will calculate the number of family members in the patient's household and the amount of annual household gross income.
- C.** It is the responsibility of the patient to cooperate with University Health procedures to determine need for financial assistance, including providing complete and accurate information in the

application process, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capability to purchase health insurance will be encouraged to do so as permitted by law.

- D. If financial screening reveals that an uninsured patient's income is in excess of 250% of Federal Poverty Guidelines, payment plans are available to assist patients with payment of the self-pay 75% discounted rate that is automatically applied to accounts of uninsured patients.

### III. FINANCIAL ASSISTANCE PROGRAMS

If a patient is determined to be ineligible for government healthcare programs, or grant funding, financial screening of uninsured patients includes determination of eligibility for the following programs:

- A. **CareLink** – University Health has responsibility to provide medical and hospital care to indigent residents of Bexar County. In support of this responsibility, the CareLink financial assistance program provides the opportunity to Bexar County residents to enroll in a managed care health care delivery model that includes assignment of a medical home, monthly contributions and co-payments based on the member's ability to pay that is determined based on household size and income. CareLink is not a health insurance program. It is a financial assistance "payer" of last resort, and is applicable only at University Health locations or contracted providers. Enrollment in CareLink is generally for a twelve-month term, and membership is reviewed annually to verify continued eligibility.
- B. **CareLink Retroactive Eligibility** for new CareLink members is available only for unpaid hospital bills from University Health for services provided within ninety (90) days immediately before the date of CareLink enrollment approval. Retroactive eligibility is not

applicable to separate unpaid physician charges beyond thirty (30) days.

- C. CareLink Homeless Assistance Program (HAP)** – A temporary assistance program for homeless persons enrolled with services at Haven for Hope to facilitate access to specialty care services within University Health. This program is also available for homeless patients hospitalized at University Hospital requiring follow up care after discharge. This temporary assistance is not retroactive and generally available for a term of ninety (90) days. Assistance exceeding the allotted days will be reviewed by CareLink on a case-by-case basis, but will not exceed one year.
- D. University Health Charity Care Program** – available to uninsured Bexar County and non-Bexar County residents with unpaid hospital bills incurred during the ninety (90) day period prior to submission of application for assistance.
- E. University Health Charity Care Program Retroactive Eligibility**  
Patients approved for the University Health Charity Care Program are eligible for charity assistance on all charges incurred during the ninety (90) day period prior to submission of application for assistance.
- F. University Health Charity Care Program Prospective Eligibility**  
If no other funding or financial assistance option is available, including CareLink enrollment, patients approved for the Charity Care Program are eligible for charity assistance on all charges incurred during the nine (9) month period after date of approval of application unless financial situation of patient changes and/or alternate funding source becomes available.

#### **IV. PRESUMPTIVE FINANCIAL ASSISTANCE ELIGIBILITY**

In instances when there is no financial assistance application or documentation on file to support eligibility for charity care, University

Health will utilize healthcare industry recognized third party predictive model software. This is designed to systematically estimate a patient's income based on demographic data and publicly available databases to determine a patient's eligibility for charity.

Presumptive eligibility can also be determined during the screening and application process and systematically applied to the following patient accounts:

- A.** Homeless Person
- B.** An inmate of a Bexar County correctional facility who has no alternate third party payer
- C.** Recipient of Grant funding, but receives healthcare services not covered by the grant, such as Ryan White Funds, which excludes inpatient services.
- D.** Texas Attorney General Crime Compensation beneficiary, but alternate funding, including possible auto liability insurance, is exhausted after payment of incurred healthcare charges.
- E.** Previous eligibility for Texas Emergency Medicaid, Healthy Texas Women, or other Medicaid benefits, but now ineligible due to reasons other than financial, e.g., non-citizen status, exhausted Medicaid benefits, such as "spell of illness", or loss of benefits due to bench warrant.
- F.** Participation by the patient or by a member of patient's household in any of the following programs: Medicaid, County Indigent Health Program, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Women, Infant, Children Program (WIC), Children's Health Insurance Program, or other similar indigent assistance program.
- G.** Low Income/Subsidized housing residents without alternate funding as supported by proof of residence.

- H.** Minor children seeking services as allowed by Texas Family Code Section 32
- I.** Co-pay responsibility of Medicare beneficiaries who are otherwise eligible, but denied enrollment in MedLink due to residency.
- J.** Charges incurred by End Stage Renal Disease (ESRD) patients who financially qualify for American Kidney Funds while pending enrollment in that program.
- K.** Services provided due to a Court Order.
- L.** Charges incurred by uninsured students enrolled in universities who are recipients of any federal education grant, such as a Pell Grant, and provide proof of enrollment and grant funding benefits.
- M.** Deceased patient with no known and/or insolvent estate.

Once presumptive financial assistance eligibility is systematically determined, then the patient's account qualifies for a one hundred percent (100%) write-off of the account balance.

## **V. UNINSURED DISCOUNT**

As part of its mission to benefit the health of the community, all University Health patients without any kind of healthcare coverage receive financial assistance through an uninsured standardized discount of seventy-five percent (75%) of total charges (75% Uninsured Discount). This discount is available to all uninsured patients and is not based on financial need. Uninsured patients do not need to apply for this discount due to its automatic application to account(s) except in instances when a patient has procured and paid a cash quote amount prior to treatment. This discount is applicable to services provided by University Health, and includes professional services provided by University Medicine Associates (UMA). The 75% Uninsured Discount is based on the hospital's overall cost to charge ratio. University Health reserves the right to periodically review the cost to charge ratio and modify the allowed discount accordingly. In the event that a patient asserts inability to pay the

Uninsured Discount rate due on the account, the patient is directed to complete the Financial Assistance Application to determine if he/she qualifies for any financial assistance programs and/or additional discount based on household size and income.

## **VI. PATIENT RESPONSIBILITY**

- A.** After a patient's account is adjusted to reflect any discounts allowed pursuant to this Policy, the patient will then be responsible for payment of the remaining balance of his or her outstanding patient account(s), if any. Patient invoices will reflect the amount assessed to be patient responsibility designated by their health insurance plan, or if no insurance plan, will reflect the 75% Uninsured Discount of total charges unless there is an applicable cash quote amount or charity eligibility review and adjustment of the account accordingly.
- B.** The 75% Uninsured Discount of total charges is void if it is determined that there is alternate funding available to patient such as health insurance, crime compensation funds or automobile insurance.
- C.** Patients who assert inability to pay the 75% Uninsured Discount rate on the account must complete the Financial Assistance Application. Upon approval of the application, the patient is advised of the adjusted patient responsibility amount due, if any, as determined by household size and income. The patient statement after determination of financial assistance will reflect the adjusted amount due. Upon enrollment in CareLink, its members remain responsible for payment of their monthly contractual obligation as determined by household size and income.
- D.** Insured patients seeking financial assistance due to inability to pay their health insurance co-pay responsibility and meets the definition of Medically Indigent, then the patient will remain responsible for the



amount assessed as patient responsibility, if any, after review of all factors submitted in support of assistance.

- E. All patients, including the uninsured, are offered reasonable payment plans and are treated fairly and respectfully regarding collection of unpaid balances in accordance with the Fair Debt Collection Practices Act. (FDCPA). Unpaid outstanding patient balances that are adjusted as outlined in this policy are also subject to the FDCPA.
- F. This Policy is not applicable if the patient or guarantor provides false information about financial eligibility, or if there is failure to make every reasonable effort to timely apply for and receive third party benefits for which they may be eligible for retroactive payment of incurred charges. If a patient is eligible for CareLink and/or Medicaid and refuses enrollment, the patient is not eligible for further charity assistance.
- G. In the event that a patient initiates an application for CareLink and/or Charity assistance, but does not complete the application within ninety (90) days of initiation of the application for assistance, the application will be closed out. If still in need of assistance, the patient will then need to re-apply.

## **V. REGULATORY COMPLIANCE**

### **A. EMTALA**

In implementing this Policy, University Health shall comply with all federal, state laws and regulations, including Emergency Medical Treatment and Active Labor Act (EMTALA). As further discussed in Policy 8.03, no patient will be screened for financial assistance or

payment information prior to the provision of emergency medical screening and treatment.

## **B. Community Notification**

1. Information about the University Health Financial Assistance Program is available through posted notices in the Emergency Department, registration areas, and on the University Health website. <https://www.universityhealth.com/patient-visitor-resources/patients/financial-assistance-health-coverage>
2. This Policy, Plain Language Summary, and Financial Assistance applications are available on the University Health website and are available to patients upon request at no charge. This information is available in English and Spanish and translated for patients or guarantors who speak other languages.
3. University Health billing statements include written notice informing patients about the availability of Financial Assistance, including both a telephone number and website address where patients may obtain additional information.
4. University Health posts a notice in the principal newspaper that serves the Bexar County service area.

## **C. Reporting Requirements**

University Health will comply with all federal, state and local laws, rules, regulations and reporting requirements that apply to this Policy. Regulatory compliance requires tracking of all Financial Assistance provided as required by the federal Affordable Care Act (ACA), Texas Health and Human Services Commission as well as accurate annual reporting to the Internal Revenue Services.

**REFERENCES/BIBLIOGRAPHY:**

Chapter 61, Texas Health & Safety Code  
Chapter 281, Texas Health & Safety Code  
Chapter 311, Texas Health & Safety Code  
Internal Revenue Service 79 Federal Register 78,953  
Internal Revenue Code Section 501 (c) (3)  
42 USC 254b Section 330 Public Health Service Act  
University Health Policy No. 8.04, CareLink

**OFFICE OF PRIMARY RESPONSIBILITY:**

**Executive Vice President/Chief Revenue Officer**

## ATTACHMENT I

### ASSISTANCE ELIGIBILITY

**Charity Care** is the unreimbursed cost to a hospital of providing, funding, or otherwise financially supporting medically necessary health care services on an inpatient or outpatient basis to a person classified by the hospital as financially or medically indigent. To utilize resources wisely in financial support of medically necessary health care services in the community, the following guidelines govern determination of the amount of financial assistance available to patients who lack the financial resources to pay for their medically necessary health care services.

- a. **How to Apply** The patient or Guarantor is required to complete and submit a Financial Assistance application and supporting documents within ninety (90) days of the date of first date of service that pertains to the care for which the patient or Guarantor is seeking Financial Assistance. Applications are available at “My Chart”, on the University Health website, all CareLink Offices, Financial Clearance Office, and at the Patient Access Desk in the Emergency Department.
- b. Completed applications, including all required information and documentation can be submitted electronically as directed at “My Chart” or on the University Health website. Paper applications can be submitted for eligibility determination to the address on the application or by hand delivery to any CareLink office location or to Financial Counselors at University Hospital.
- c. Applicants are notified at their designated preferred point of contact; email, My Chart, or US Mail when their application is incomplete and are given an opportunity to provide the missing documentation or information within ninety (90) days from the date of that application was submitted. Written notice to persons with incomplete applications will include instructions on where to submit the requested information, contact information and contact

information of staff who can provide assistance with the application process. Information about collection efforts will also be provided if University Health does not receive the information requested within the ninety (90) day period.

- d. Despite not completing an application, an uninsured patient will still be eligible to receive an 75% Uninsured Discount as described in Section V of this Policy and/or may be eligible for charity care based on determination of **Presumptive Financial Assistance Eligibility** as described in Section IV of this Policy.

## **I. Determination of Eligibility**

To determine a patient's annual household income relative to the federal poverty guidelines, University Health will calculate the number of family members in the patient's household and the amount of annual household income.

- a. **Family**: As defined by the U.S. Census Bureau: a group of two or more people who reside together and who are related by birth, adoption, marriage, or domestic partnership. Spouses who live apart, but are not divorced are included, unless it can be demonstrated that they have lived apart for at least two years, with separate addresses, separate financial accounts, and separate income tax returns. Common Law or Informal Marriages are included in this definition.

### **b. Calculation of Family Member in Patient's Household**

1. **Adults**- If the patient is an adult, University Health will count the patient, the patient's spouse and any qualifying dependents claimed on the most recent individual tax return.
2. **Minors** – If the patient is a minor, University Health will count the patient, the patient's mother, the patient's father, dependents of the mother and dependents of the patient's father.

### **c. Calculation of Income**

The applicant must verify the reported income on the Financial Assistance Application in accordance with the following requirements:

1. Most current paycheck remittance or employer verification to include wages and tax statement;
2. If no check stubs, copies of bank statements reflecting deposits made;
3. If self- employed, must submit most current personal income tax return and current profit and loss statement;
4. Proof of participation in governmental assistance programs such as Medicaid or Aid to Families with Dependent Children (AFDC);
5. Social Security or unemployment compensation determination letters;
6. Alimony and child support; and/or
7. Pension or retirement earnings.

With the exception of IRS W-2 and income tax return for the preceding year, documentation must reflect status of income for the 90-day period preceding the date of application.

8. If unable to provide documentation to verify income, patient must provide information to explain how he/she is meeting living expenses. University Health will verify the patient's income based on the patient's written statement regarding his/her income and the reason for the inability to provide documentation. In such instances, University Health reserves the right to request additional documentation to determine eligibility for financial assistance.

### **III. CareLink Membership Distinctions for Financial Assistance**

Proof of residency in Bexar County is a requirement for CareLink membership as detailed in Policy 8.04. Financial responsibility for CareLink members is calculated in accordance with University Health Policy 8.04. If ineligible for a CareLink program, but approved for the University Health Charity Care Program, the basis for the amounts to be paid by qualifying patients is listed below in Section IV.

### **IV. Calculation of Amount owed after Charity Review**

The accounts of patients who are ineligible for CareLink or any alternate payer source, but qualify as **financially indigent** based on completion and submission of a Financial Assistance Application will be reviewed. Determination of financial assistance under this policy is based on a sliding fee scale, in accordance with financial need, as governed by Federal Poverty Levels (FPL) in effect at the time of the services provided.

- a. Patient with family income at or below 100% of the FPL are eligible to receive a 100% discount on Uninsured Discount assessed on the original patient statement;
- b. Patient with family income above 100%, but not more than 175 % of the FPL are eligible for a 50% discount on Uninsured Discount assessed on the original patient statement;
- c. Patient with family income above 176%, but not more than 250 % of the FPL are eligible for a 25% discount on Uninsured Discount assessed on the original patient statement.

### **V. Review, Notification and Appeal**

- a. If a charity adjustment is approved, the available assistance and discount will be applied to the identified visit(s) and for nine months after submission of request for assistance unless the patient's financial situation changes and/or alternative funding source becomes available. Patient remains responsible for the remaining balance of his or her outstanding patient account(s), if any.
- b. Written notice will be provided to the applicant advising of the amount

that the patient owes, if any.

- c. Written notice of denial of application will be provided to the applicant with instructions on the appeal process.
- d. If a denied applicant believes that his or her application was not properly considered, that person can submit a written request for reconsideration within 45 days of the decision date. The request should include information that was not submitted with the original application that supports the applicant's reason for appeal. Appeals are reviewed by designated University Health staff and appeal decisions are final.