

SUBJECT: Financial Assistance Policy including Charity Classification

POLICY STATEMENT: Hendrick Medical Center will provide medically necessary and appropriate treatment to all individuals regardless of their ability to pay. In compliance with IRS Section 501(r), this approved policy fulfills the requirement that Hendrick Medical Center's financial assistance policy and billing and collections policy be adopted by an authorized governing body of the hospital.

RULES:

1. There will be no discrimination under these policies related to eligibility or the provision of assistance because of race, color, creed, religion, sex or national origin.
2. Emergent or Medically Necessary services are defined as inpatient and outpatient services for uninsured or underinsured patients who cannot afford to pay for hospital services according to the guidelines of this policy. Financial assistance does not include contractual allowances from government programs and Insurance, or Uninsured Patient discounts, but may include insurance co-payments or deductibles or both as well as exhausted benefits. Qualified patients will have no obligation, or a discounted obligation to pay for any services received which are deemed to be eligible under the Hospital's Financial Assistance Program.
3. Assistance will only be considered after all efforts to obtain third party coverage have been exhausted.
4. Applicants must provide accurate and complete information regarding their financial circumstances by completing an application or Request for Assistance (RFA). Applications can be obtained at no cost through the Resource Assistance office on the hospital campus of 1900 Pine Street, Abilene Texas, by calling the Resource Assistance office at 325-670-4160, through the Emergency Department, or going online at www.HendrickHealth.org. Applications and required financial documentation must be returned to the Financial Assistance Office for review. The Resource Assistance Office is also available to assist individuals in completing the Financial Assistance Application. Misrepresentation of any facts may be cause for denial of assistance.
5. The Financial Assistance Policy will be made available on the Public Website and is readily available at all registration areas including the Emergency Department. A Spanish translation of the Financial Assistance Policy can be requested by calling the Business Office at 325-670-2434 or the Resource Assistance Office at 325-670-4160.

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6. The applicant is responsible for providing all supporting documentation required by the program. Failure to furnish required information within established time frames will be cause for denial. The facility will make every reasonable attempt through two letters to contact the patient for requested information. If the requested information is not received, the facility will begin the statement and collection process outlined in #18.
7. The applicant will be notified in writing of approval or denial. Reason for denial will be stated.
8. If an applicant is denied for assistance he or she has the right to appeal the decision by writing a letter of appeal to the Business Office Director. The letter should be delivered or mailed to 1900 Pine Street, Abilene, TX 79601.
9. The level of assistance is based on household income (which includes cash assets) and family size. Household income will be compared to Federal Poverty Income Levels (FPIL) adjusted for family size. To qualify as a member of the household, one must be an immediate family member of minor age or a full time student. Poverty guidelines are updated annually.

When household income is below 250% of the FPIL the applicant will be granted full assistance or 100% of billed charges.

When household income is above 250% of the FPIL the applicant will be granted partial assistance. This means the applicant will pay a portion of the Gross Billed charges. The discounts are applied according to the "sliding scale" below. Hendrick Medical Center will not charge any Financial Assistance eligible person more than the AGB amount.

10. Hendrick Medical Center will use the look back method to ensure approved financial assistance applicants are not being billed more than the amounts generally billed to individuals having insurance coverage. Payments from Commercial payers (including patient share) will be used to determine this percentage. The lookback method will be calculated at the end of each selected 12 month period and the AGB percentage will become effective no later than 120 days from the end of the 12 month period. This amount will be calculated on an annual basis and be reflected in the Financial Assistance Policy. The public may request a written explanation of the methodology for obtaining the AGB by requesting through the Business Services Office at 325-670-2437.

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HENDRICK MEDICAL CENTER												
INCOME BASED DISCOUNT MATRIX FOR 09/01/2016			Based on HHS poverty guidelines information located at http://aspe.hhs.gov/poverty/poverty.htm \$11,880.00 for the first family member and \$4,160 for each additional family member.									
			FAMILY SIZE & INCOME									
			1	2	3	4	5	6	7	8	9	10
FPIL/MONTH			990	1,335	1,680	2,025	2,370	2,715	3,061	3,408	3,754	4,101
FPIL/YEAR			11,880	16,020	20,160	24,300	28,440	32,580	36,730	40,890	45,050	49,210
DISCOUNT %	PATIENT %	INCOME AS A % OF FPIL	FAMILY SIZE & INCOME (including Cash Assets)									
100%	0%	250%	1	2	3	4	5	6	7	8	9	10
			29,700	40,050	50,400	60,750	71,100	81,450	91,825	102,225	112,625	123,025
98%	2%	251% - 260%	30,888	41,652	52,416	63,180	73,944	84,708	95,498	106,314	117,130	127,946
95%	5%	261% - 270%	32,076	43,254	54,432	65,610	76,788	87,966	99,171	110,403	121,635	132,867
92%	8%	271% - 280%	33,264	44,856	56,448	68,040	79,632	91,224	102,844	114,492	126,140	137,788
90%	10%	281% - 290%	34,452	46,458	58,464	70,470	82,476	94,482	106,517	118,581	130,645	142,709
88%	12%	291% - 300%	35,640	48,060	60,480	72,900	85,320	97,740	110,190	122,670	135,150	147,630
86%	14%	301% - 325%	38,610	52,065	65,520	78,975	92,430	105,885	119,373	132,893	146,413	159,933
84%	16%	326% - 350%	41,580	56,070	70,560	85,050	99,540	114,030	128,555	143,115	157,675	172,235
82%	18%	351% - 375%	44,550	60,075	75,600	91,125	106,650	122,175	137,738	153,338	168,938	184,538
80%	20%	376% - 400%	47,520	64,080	80,640	97,200	113,760	130,320	146,920	163,560	180,200	196,840
		> 400%	Not Financially Eligible for Income Based Discounts - Consider for Medical Indigency or Uninsured Discount									

11. Once Financial Assistance eligibility is determined, the individual will not be charged more for emergency or other medically necessary care than the amounts generally billed (AGB) to individuals who have insurance covering such care.
12. The Hospital reserves the right to limit charity care on a monthly and annual basis consistent with Texas state law and the right to refuse Financial Assistance for elective services. Income based discounts for qualified applicants are available for all emergency and other medically necessary care provided by the hospital.
13. The following information is required for consideration for Financial Assistance Eligibility:

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- Gross household income
 - Cash Assets
 - Family Size
 - Employment Status
 - Bank Statements (2 month minimum)
 - Other financial resources such as unemployment benefits
 - Other financial obligations
 - The amount and frequency of hospital/medical bills
 - Federal Poverty Income Guidelines
 - Completion of the Hospital's Financial Assistance application form with supporting documentation received within the required time frame.
 - Most current tax return or current income verification
 - Pay Stubs (2 month minimum)
 - Social Security award letter, proof of deposit or copy of SS check
 - Veterans Administration letter, proof of deposit or copy of VA check
 - Detail or monetary amount of level of support being provided by the indigent care providers such as Red Cross and/or household members or letter of gross income from employer.
 - Payer exhausted benefit coverage for covered services to determine presumptive eligibility
14. Cash assets are included in determining income. Cash assets are defined as current cash value of checking account, savings account, cash surrender value of Life Ins, stocks, bonds CD's, mutual funds, and other similar investments.
15. A Medically Indigent patient is a person with a catastrophic illness or injury whose unpaid hospital charges exceed their ability to pay and their gross household income does not exceed 400% of the current Federal Poverty Guidelines. The amount owed by the patient on the hospital bill after payment by third party payers must meet or exceed 20% of their annual gross household income. Patients must complete a financial assistance application provide all required financial documentation (#13) and be determined eligible as a medically indigent patient to have their financial obligation discounted. The Medically Indigent discount will coincide with the income based discount matrix in # 10.
16. Bad debts will be considered for assistance if they are 6 months or less old from the date of application. If a bad debt is older than 6 months old, a letter can be written to the Business Office Supervisor explaining circumstances and why the

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applicant would like for the account to be considered for assistance. Each patient is looked at case by case and it is also taken into consideration if the applicant has a payment history on active accounts.

- 17. Financial indigence status is granted and reviewed on a six-month basis from the date of application.
- 18. When a patient portion is assigned as a result of the sliding scale, an acceptable payment plan is expected. If nonpayment occurs, the account will be moved through the collection process to a collection agency with possible debt reporting. The account will be aged no less than 300 days prior to going to bad debt.

Collection Process

- 1.) Four patient statements to be mailed to patients address on file. Statements sent in 30 day increments up to 150 days.
 - 2.) Placement with primary collection agency. Average placement 150 days. Agency will send a minimum of one letter and will attempt multiple calls.
 - 3.) Placement with secondary collection agency. Agency will send a minimum of one letter and will attempt multiple calls.
- 19. Approval for assistance must come from the appropriate level of management.

Applications are reviewed and approved at the Business Services Supervisor level.

Any single discounts over \$10,000 must be approved on a transaction by transaction basis according to the table below.

\$10,000 -\$50,000	Director of Business Services
Over \$50,000	Chief Financial Officer or his designee.

- 20. Presumptive eligibility is granted to currently qualified Medicaid, CIHCP, and Alliance for Women and Children recipients. Presumptive Eligibility is awarded at 100%.
- 21. Income Based Discounts (IBD)/charity adjustments for qualified Medicaid, CIHCP, and Alliance for Women and Children recipients require only proof of eligibility through NextBar/Passport and/or system notes. Authorization as outlined in rule #19 will apply.

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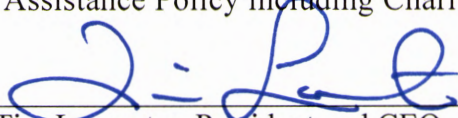
22. Presumptive eligibility is also determined by using a third-party (PARO) to conduct an electronic review of patient information to assess financial need. This review utilizes a healthcare industry recognized predictive model that is based on public record databases. The model's rule-based, electronic technology is calibrated to Hendricks historical approvals for financial assistance under the general application process. Any payments made to presumptive eligibility accounts will be refunded upon completion of the written application for charity assistance.
23. Any services for Crime Victim patients who have services after 30 consecutive days and related to the crime will be considered for charity if required documentation is provided. Presumptive Eligibility is awarded at 100%
24. Presumptive eligibility is granted to deceased patients who have no will to be probated. Presumptive Eligibility is awarded at 100%
25. For deceased patients with an account balance \$2,500.00 or less only minimal evidence will be required to demonstrate there is no estate or no other responsible party this qualifying the visit for assistance. Presumptive Eligibility is awarded at 100%
26. For homeless patients they must have no temporary or permanent address and make a declaration that they are homeless. Research must be done by using all resources available to establish that the patient is homeless. Presumptive Eligibility is awarded at 100%
27. Please see addendum A for a listing of providers providing care at Hendrick Medical Center.
28. HPN and HAN providers do not participate in the Charity Assistance Program.

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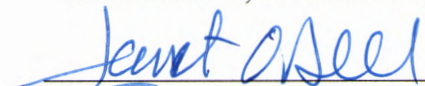
Recommended By:



Tim Lancaster, President and CEO

8-31-18
Date

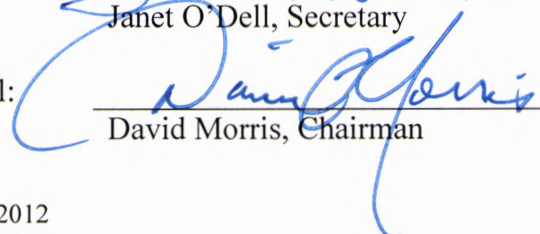
Board Approval:



Janet O'Dell, Secretary

8-31-18
Date

Board Approval:



David Morris, Chairman

8-31-18
Date

Approved: 10/04/2012
Reviewed: 05/05/2015

Reviewed: 08/28/2018
Approved: 08/31/2018