

CARE + PLUS (CHARITY CARE)

POLICY

This policy establishes a framework within which the El Paso Children's Hospital (EPCH), will identify patients that may qualify for the EPCH CARE +Plus (Charity Care) Program, provide charity care, and account for charity care in accordance with the requirements set forth for Medicaid Disproportionate Share hospitals.

RESPONSIBLE

Patient Financial Services Employees
Patient Access Employees

DEFINITIONS

Homeless - A person who lacks a fixed, regular, and adequate night time residence that is: (A) temporary living accommodations (B) an institution that provides temporary residence for individuals intended to be institutionalized, or (C) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings.

PROCEDURE

Charity Care Eligibility System

A. Application

To qualify for CARE +Plus (Charity Care), EPCH requires the completion of the financial assistance screening and application process. This process allows for the collection of information in accordance with state law and the income and documentation requirements set forth below. Patient Financial Services Employees may use an automated decision system to facilitate the financial assistance application process, to obtain a credit report for the sole purpose of determining eligibility for financial assistance and screen patient's potential eligibility for other third party resources. The CARE +Plus program is only available to those applicants who are not currently covered or potentially eligible for other third party resources. If denied government sponsored assistance due to compliance, charity assistance is not guaranteed as a result of such denial.

1. Information Provided by the Applicant. The EPCH shall require each applicant to provide at least the following information:

CARE + PLUS (CHARITY CARE)

- a. The applicant's full name and address
- b. The applicant's social security number, if available
- c. The number of persons in the applicant's household, including persons receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits
- d. The existence of insurance coverage or other hospital or healthcare benefits for which the applicant (or household members) is eligible
- e. Any transfer of title to real property that the applicant has made in the preceding 24 months
- f. The applicant's annual household income, excluding the income of any household member receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits
- g. The amount of the applicant's available resources and/or debt to income ratio

2. Calculation of Family Members. EPCH will request that patients applying for financial assistance verify the number of family members in their household.

a. Adults. In calculating the number of family members in an adult patient's household, include the patient, the patient's spouse, and any qualifying dependents claimed on the most recent IRS Form (W-2) or individual tax return,

b. Minors. In calculating the number of family members in a minor patient's household, include the patient, the patient's mother, dependents of the patient's mother, the patient's father, and dependents of the patient's father. Dependents must be claimed on the most recent IRS Form (W-2) or individual tax return.

c. Emancipated Minors. In calculating the number of family member(s) in the emancipated minor patient's household, include the patient and the legal minor dependents.

3. Income Calculation. Patients must provide their household's yearly income.

a. Adults. For adults, the term "yearly income" for purposes of classification as Financially Indigent or Medically Indigent in accordance with this policy means the sum of the total yearly gross income of the patient, the patient's spouse and any adult dependent claimed on the most recent individual tax return.

CARE + PLUS (CHARITY CARE)

b. Minors. If the patient is a minor, the term "Yearly Income" means total yearly gross income from the patient, the patient's mother, and the patient's father.

B. Income Verification

To be eligible for CARE +Plus, patient(s) or the responsible party must verify the income reported *during the financial assistance application process* in accordance with the documentation requirements set forth below.

1. Documentation Requirements

a. Documentation Available. The income reported during the *financial assistance application process* may be verified through any of the following mechanisms:

1) Income Indicators. By the provision of third-party financial documentation, including IRS Form W-2, wage and earnings statement; pay check remittance, individual tax returns, unemployment insurance, telephone verification by employer of the patient's income, bank statements, or other appropriate indicators of yearly, monthly, weekly, or hourly income.

2) Participation in a Public Benefit Program. By the provision of documentation showing current participation in a public benefit program such as Workers' Compensation, Medicaid, County Indigent Health Program, TANF (Temporary Assistance to Needs of Families), WIC (Women, Infants, and Children Program), Texas Healthy Kids, Children's Health Insurance Program, also known as Tex-Care Partnership; Unemployment Compensation Determination letter or other similar indigent related 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 "yearly income".

b. Documentation Unavailable. In cases where a patient is unable to provide documentation verifying income, EPCH may verify the

CARE + PLUS (CHARITY CARE)

patient's income by providing an explanation of why the patient is unable to provide documentation verifying income and:

1) Obtaining the Patient's Written Attestation. By having the patient or the responsible party sign the CARE +Plus *Notice of Approval form* attesting to the veracity of the income information provided; or

2) Obtaining the Patient's Verbal Attestation. Through the written attestation of EPCH personnel completing the *financial assistance application process* that the patient verbally verified EPCH's calculation of the income reported during the CARE +Plus *financial assistance application process*.

3) Credit Report (for all adult family members). By the information provided on the credit report(s) which verifies the absence of available credit or income

c. *De minimis Accounts.* If the patient's account is of *de minimis* value, not to exceed \$500.00, EPCH personnel may verify the patient's income reported by the patient during the *financial assistance application process* by:

1) Obtaining the Patient's Written Attestation. Obtaining a *written statement* signed by the patient attesting to the veracity of the income information provided; and

2) Documenting Efforts to Obtain Documentation. Documenting two attempts by EPCH personnel to obtain documentation from the patient verifying income.

d. *Expired Patients.* Expired patients may be deemed to have no yearly income. Documentation of patient(s) expired status (death certificate) *or as noted on the EPCH host information system* (expired patient indicated = *) is required for expired patient(s) accounts to be eligible for charity care allowance(s).

e. *Homeless Patients.* Homeless patients may be deemed to have no yearly income. Documentation of patient-reported income

CARE + PLUS (CHARITY CARE)

during the *financial assistance application process* is not required for homeless patients.

For the purposes of this policy, prisoners/detainees pursuant to an Act of Congress or state law will not be considered homeless, and therefore not eligible for presumptive financial assistance under this policy.

2. *Verification Procedure.* In determining a patient's total income, EPCH may consider other financial assets and liabilities of the patient, as well as the patient's family income and the ability of the patient's family to pay. If a determination is made that a patient has the ability to pay the remainder of the bill, that determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation.

C. Residency Verification

1. *Residency Documentation.* In determining whether a patient resides or intends to reside in El Paso County, EPCH requires a minimum of two types of documentation verifying residency or intent to reside. Residence and intent to reside may be verified through any combination of the following: voting records, automobile registration, driver's license, other official identification, school enrollment records, property tax receipts, rent receipts (on lessor company letterhead), mortgage payment receipts, and utility receipts, mail addressed to patient or patient's spouse or children,

2. *Residency Exclusions.* A patient is not a resident if he or she is an inmate or resident of a state school or an institution operated by a state or federal agency, if the patient moved to El Paso County solely to receive healthcare assistance, or if the patient is a minor student primarily supported by parents who reside outside of El Paso County.

D. Classification Pending Income and Residency Verification

During the verification process, while the EPCH is collecting the information necessary to determine a patient's income and residency, the patient may be treated as private-pay in accordance with EPCH's policies.

E. Information Falsification

CARE + PLUS (CHARITY CARE)

Falsification of information may result in denial of financial assistance (CARE +*Plus*). If, after a patient is granted financial assistance, EPCH finds material provision(s) of the information provided during the *financial assistance application process* to be untrue, charity care status may be revoked and financial assistance may be withdrawn.

F. Classification as Financially Indigent

“Financially Indigent” means an uninsured or underinsured patient of EPCH who is a resident of El Paso County and who is accepted for care with no obligation or with a discounted obligation to pay for the services rendered, based on *the automated decision support system utilized by EPCH*.

1. Classification. Patients may be granted classification as Financially Indigent if El Paso County residency is established and their yearly income is less than or equal to 200% of the poverty guidelines updated annually in the *Federal Register* by the U.S. Department of Health and Human Services (“Federal Poverty Guidelines”).

2. Acceptance. If EPCH accepts a patient as Financially Indigent, the patient may be granted financial assistance (CARE +*Plus*) in accordance with *Schedule B of EPCH’s Financial Assistance Eligibility Discount Guidelines*.

G. Classification as Medically Indigent

“Medically Indigent” means a patient who is a resident of El Paso County and whose medical or hospital bills, after payment by third-party payers, exceed a specified percentage of the person’s income and who is unable to pay the remaining bill.

1. Initial Threshold. To be considered for classification as a Medically Indigent patient, the amount owed by the patient **after payment by all third-party payers** must exceed ten percent (10%) of the patient's yearly income, and the patient must be unable to pay the remaining amount owed. If the patient does not meet this initial threshold criteria, the patient cannot be classified as Medically Indigent.

2. Acceptance. EPCH may accept a patient who meets the Initial

CARE + PLUS (CHARITY CARE)

Threshold criteria for Medically Indigent and who meets either of the two acceptance criteria set forth below:

a. **Yearly income must be between 200% and 500% of the Federal Poverty Guidelines.** The patient's income must be greater than 200% but less than or equal to 500% of the Federal Poverty Guidelines. In these instances, EPCH will determine the amount of financial assistance granted to these patients in accordance with *Schedule C of EPCH's Financial Assistance Eligibility Discount Guidelines*.

b. **Catastrophic Medical Indigence.** The patient's remaining bill must be greater than 50% of the patient's yearly income, and the patient's income must be greater than 500% of the Federal Poverty Guidelines. In these instances, EPCH may determine the amount of financial assistance granted to these patients in accordance with *Schedule D of EPCH's Financial Assistance Eligibility Discount Guidelines* rather than *Schedule C*.

H. Approval Procedures

EPCH will complete the *financial assistance screening process utilizing the automated decision support system* for each patient granted status as Financially Indigent or Medically Indigent. The *CARE +Plus Notice of Approval* allows for the documentation of the administrative review and approval process utilized by the EPCH to grant financial assistance.

I. CARE +Plus Program (Charity Care) Grant Period

1. Patient(s) who qualify for the *CARE +Plus Program* shall be granted financial assistance for a period of three (3) months, absent a change of circumstances that would render the patient as no longer meeting the program criteria.
2. Patient(s) who are potentially eligible for other third party resources within the three (3) month period will only be granted financial assistance for the period up until eligibility for another program is effective.

J. Document Retention Procedures

EPCH will maintain documentation for a period of three (3) years sufficient to identify each patient granted status as Financially Indigent or

CARE + PLUS (CHARITY CARE)

Medically Indigent, the patient's income, the method used to verify the patient's income and residence, the amount owed by the patient, and the person who approved granting the patient status as Financially Indigent or Medically Indigent.

K. Possible Coverage through other Funding Sources

The EPCH financial assistance programs are considered "payers of last resort". A patient may be required to demonstrate ineligibility for other funding sources to include, but not be limited to, commercial insurance(s), Medicare, Medicaid, Social Security Supplemental Income (SSI), Crime Victims Compensation (CVC), or other assistance program(s).

L. Reservation of Rights

EPCH reserves the right to limit or deny financial assistance at its sole discretion.

M. Non-covered Services

EPCH reserves the right to designate certain services that are not subject to this CARE +*Plus* (*Charity Care*) Policy.

N. No Effect on Other EPCH Policies

This policy shall not alter or modify other EPCH policies regarding efforts to obtain payments from third-party payers, patient transfers, or emergency care.

O. Presumptive Eligibility

Recognizing that some patients will be unresponsive to the charity care application process due to a variety of reasons including but not limited to:

1. Lack of documentation required to comply with the traditional charity care application requirements.
2. Lack of the educational level to understand and complete the charity care application.
3. Fear that information gathered during the application process will be used in the collection process in the event that the application is denied.

CARE + PLUS (CHARITY CARE)

4. Out of state patients that do not respond to completion of a Medicaid application or financial assistance application.

In the absence of information provided by the patient or in cases where the information provided by the patient is incomplete, an assessment process utilizing a predictive model will be deployed to determine charity care eligibility. The predictive model incorporates income and household size estimates, a socio-economic need factor (WIC, Supplemental Nutrition Assistance Program, HUD Programs), census block data, credit reports, as well as information on homeownership.

The application of the predictive scoring process and presumptive financial assistance will be deployed prior to secondary bad debt assignment for all patients that have not applied for charity care and have not made a payment on their account. EPCH is not obligated to notify the patient that they have received presumptive charity care and EPCH reserves the right to deem accounts as charity care at any time during this process.

FORMS

Application For Financial Assistance
Solicitud Para Asistencia Financiera
Notice of Approval for Financial Assistance (Care + Plus)
Notificación de Aprobación Para Asistencia Financiera (Atención Y Más)

CARE + PLUS (CHARITY CARE)



Chief Executive Officer

Date

Chief Financial Officer

Date

Vice President of Operations

Date