



El Paso Children's Hospital	Policy: PAD-5.0
Department: PATIENT ACCESS	Effective Date: 1/14 Revision Date: 3/24

PATIENT FINANCIAL POLICY

POLICY

- This policy establishes a framework within which the El Paso Children's Hospital ("EPCH") will identify patients that may qualify for financial assistance under the charity care program. For administrative convenience, this policy also establishes the method by which EPCH may grant self-pay discounts.
- This policy is adopted in fulfillment of the obligations of EPCH under Chapter 311, Subchapters C and D of the Texas Health & Safety Code (the "Charity Care Statute") and the Internal Revenue Service's final regulations regarding additional requirements for charitable hospitals, published at 79 FEDERAL REGISTER 78,953 (the "Final Regulations"). This policy will be administered in accordance with the requirements of the Charity Care Statute and the Final Regulations.

RESPONSIBLE

Board of Directors
Patient Financial Services

POLICY REFERENCES

AD-09: Patient Transfer and Emergency Medical Treatment & Active Labor Act (EMTALA) Compliance

Texas Health & Safety Code, Chapter 311, Subchapters C and D

Internal Revenue Service, "Additional Requirements for Charitable Hospitals," 79 FEDERAL REGISTER 78,953 (Dec. 31, 2014)

LITERATURE REFERENCES

None

DEFINITIONS

None

PROCEDURE

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A. Types of Financial Assistance

Charity care is available under this policy. In applying this policy to the charity care program, EPCH will implement it in accordance with the requirements of Chapter 311, Subchapters C and D of the Texas Health & Safety Code (the “Charity Care Statute”) and the Internal Revenue Service’s Final Regulations regarding additional requirements for charitable hospitals.

Self-pay discounts are not financial assistance for purposes of this policy and are listed in this policy for administrative convenience. These discounts are not subject to the requirements of the Charity Care Statute or the Final Regulations

B. Eligibility Standards

1. Residency

Only residents of El Paso County, or those who meet the exception under Section II(A)(2) of this policy, are eligible for the charity care program. A patient may receive a self-pay discount regardless of residency.

a. General Definition of “Resident”

Any patient who resides or intends to reside in El Paso County will be considered a resident for purposes of this policy, except for any patient who: (1) is an inmate or resident of a state school or an institution operated by a state or federal agency; (2) moved to El Paso County solely to receive healthcare assistance; or (3) is a minor student primarily supported by parents who reside outside El Paso County.

b. Exception to Residency Requirement for Charity Care Program

If EPCH documents that a patient is an international migrant or refugee pursuant to Section III(C)(2) of this policy or homeless pursuant to Section II(B)(3) of this policy, that patient will be deemed a resident of El Paso County for purposes of the charity care program.

C. Income

A patient with annual household income at or below 200 percent of the federal poverty guidelines may be eligible for the charity care program as a financially indigent patient. A patient with annual household income over 200 percent but at or below 400 percent of the federal poverty guidelines may be eligible for the

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charity care program as a medically indigent patient if the patient's remaining bill exceeds 50 percent of the patient's annual household income and if the patient is unable to pay the remaining bill. Self-pay discounts may be available to all patients regardless of income.

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

1. Calculation of Family Members in Patient's Household

For an adult patient, EPCH will count the patient, the patient's spouse, and any qualifying dependents claimed on the most recent Internal Revenue Service Form W-2 or individual tax return for the patient and/or the patient's spouse.

For a minor patient, EPCH will count the patient, the patient's father and mother, and dependents of the patient's father and/or mother who are claimed on the most recent Internal Revenue Service Form W-2 or individual tax return for the patient's father and/or mother.

For an emancipated minor patient, EPCH will count the patient and any minor dependents of the patient that are claimed on the patient's most recent Internal Revenue Service Form W-2 or individual tax return.

2. Calculation of Patient's Annual Household Income

For an adult patient, EPCH will count the total annual gross income of the patient, the patient's spouse, and any adult dependent claimed on the most recent individual tax return for the patient and/or the patient's spouse.

For a minor patient, EPCH will count the total annual gross income of the patient, the patient's father, and the patient's mother.

For both adult and minor patients, EPCH will exclude the income of any individual receiving TANF, SSI, or Medicaid benefits.

3. Exceptions for Charity Care Program

For purposes of the charity care program, homeless patients, expired patients, and El Paso County inmates will be deemed to have no annual household income.

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EPCH may determine a patient is homeless if EPCH receives a letter from a homeless shelter indicating the patient is registered at that shelter. EPCH will only determine a patient is homeless if the patient lacks a fixed, regular, and adequate nighttime residence. Such a residence does not include (1) temporary living accommodations, (2) an institution that provides temporary residence for individuals intended to be institutionalized, or (3) a public or private place not designed for or ordinarily used as regular sleeping accommodations for human beings. Prisoners or detainees pursuant to state or federal law will not be considered homeless.

EPCH may determine a patient is expired based on a death certificate, the patient’s electronic medical record, or El Paso County public records.

D. Third Party Coverage

The charity care program is available only to patients who are not currently enrolled in or eligible for third-party coverage (such as commercial insurance, Medicare, Medicaid, SSI, the Crime Victims’ Compensation program, or other assistance programs), except for patients that EPCH documents as international migrants or refugees under to Section III(C)(2) of this policy.

Self-pay discounts are available only to patients who are not currently enrolled in or eligible for third-party coverage, unless EPCH applies a self-pay discount to a patient’s cost-sharing responsibility under Section V(D) of this policy.

These restrictions apply regardless of EPCH’s in-network or out-of-network status with a patient’s third-party coverage.

A patient with annual household income that is at least 100 percent but less than 150 percent of the federal poverty guidelines may be eligible for a fully subsidized health insurance marketplace plan under the Affordable Care Act. EPCH may deem such a patient to be eligible for third-party coverage and may assist the patient with the process of enrolling in a fully subsidized plan.

E. Application and Documentation

In order for a patient to receive financial assistance, EPCH requires the patient to complete a financial assistance application. EPCH may also use an automated decision system to facilitate the application process, to screen a patient’s potential eligibility for third-party resources, and to obtain a credit report. EPCH may use this credit report to assess whether a patient has disclosed all income on the application.

1. Deadline for Application and Documentation

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A patient must apply for financial assistance no more than 270 days after the first post-discharge billing date for the service that the patient seeks to have covered under the program. EPCH must receive both a completed application and any required income and residency documentation within this 270-day period. EPCH will not grant financial assistance for services where the first post-discharge billing date is more than 270 days prior to the date EPCH receives the completed application and all required documentation.

2. Information on Application

A complete financial assistance application must include:

- a. the patient's full name and address;
- b. the patient's social security number, if available;
- c. the number of persons in the patient's household;
- d. the patient's annual household income; and
- e. the existence of insurance coverage or other benefits for which the patient is eligible.

Falsification of this information may result in denial of financial assistance and/or revocation of financial assistance that EPCH has already granted to the patient. Providing information that a patient knows to be false can also result in a notification to law enforcement.

F. Income Documentation

1. General Requirements for Third-Party Documentation

A patient must provide third-party documentation to verify the annual household income the patient reports on the application. This documentation may include:

- a. Internal Revenue Service Form W-2;
- b. individual tax return;
- c. wage and earnings statement;
- d. paycheck remittance;
- e. bank statements;
- f. determination letter for Social Security, unemployment compensation, or workers' compensation;
- g. unemployment insurance;
- h. telephone verification by employer; or
- i. other appropriate indicators of yearly, monthly, weekly, or hourly income.

2. Exception for Participation in Public Benefit Program

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If a patient provides documentation of the patient's current participation in TANF, Medicaid, WIC, or the Children's Health Insurance Program, EPCH will deem the patient's annual household income to be at or below 200 percent of the federal poverty guidelines.

3. Exception for Unavailable Documentation

If a patient is unable to provide documentation verifying income, and the patient's total charges exceed \$500, EPCH's Department of Enrollment Services at its sole discretion may choose to verify the income reported on the application by: (1) internally documenting why the patient is unable to provide documentation verifying income; and (2) obtaining a notarized written statement from the patient attesting to the income reported on the application; and (3) attempting to obtain a credit report for each adult member of the patient's household.

If a patient is unable to provide documentation verifying income, and the patient's total charges do not exceed \$500, EPCH's Department of Enrollment Services at its sole discretion may choose to verify the income reported on the application by documenting two unsuccessful attempts to obtain documentation from the patient.

G. Residency Documentation

1. General Requirements for Third-Party Documentation

A patient must provide at least two of the following types of documentation to verify that the patient resides or intends to reside in El Paso County:

- a. driver license;
- b. mail addressed to the patient (or to the patient's spouse or children, if the spouse or children live with the patient);
- c. voting records;
- d. automobile registration;
- e. other official identification;
- f. school enrollment records;
- g. property tax receipts;
- h. rent receipts (on official lessor company letterhead);
- i. mortgage payment receipts; and/or
- j. utility receipts.

If a patient provides documentation of the patient's current participation in TANF as an El Paso County resident, EPCH will not require a second type of documentation.

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If a patient provides a letter from a homeless shelter located in El Paso County indicating the patient is registered at that shelter, EPCH will not require a second type of documentation.

2. Exception for International Migrants and Refugees for Charity Care Program

For purposes of the charity care program, EPCH may verify the residency status of a patient who is an international migrant or refugee by (1) internally documenting an explanation of why the patient is unable to provide residency documentation and (2) obtaining the patient's written or verbal attestation. EPCH may deem the patient to meet the residency requirement of the charity care program regardless of whether the patient resides or intends to reside in El Paso County, regardless of the patient's detainee status with the United States Border Patrol, and regardless of the exclusions listed in clauses (2) and (3) of Section II(A)(1) of this policy.

3. Retention of Documentation

EPCH will retain the application and supporting documentation for seven years.

H. Approval and Enrollment

1. Approval of Financial Assistance

Following the completion of a financial assistance application and while EPCH is collecting the documentation necessary to verify a patient's income and residency, EPCH may treat the patient as private-pay in accordance with EPCH's other policies. If EPCH determines a patient is eligible for financial assistance, EPCH will issue a notice of approval to the patient.

2. Denial of Financial Assistance

If EPCH determines a patient is ineligible for financial assistance, EPCH may reassess this determination based on changes in income or residency and/or receipt of additional documentation, and the patient may appeal this determination pursuant to other EPCH policies.

3. Duration of Financial Assistance

When EPCH determines a patient is eligible for financial assistance, the patient will remain eligible for up to one year, subject to any changes to the patient's income, residency, or third-party coverage that might affect the patient's eligibility. The patient must report any such change to EPCH no later than the 14th

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day after the date on which the change occurs. If the patient fails to report a change that makes the patient ineligible, the patient may be liable to EPCH for any financial assistance provided after the date of the change.

4. Self-Pay Discounts

A patient who is ineligible for financial assistance under the charity care program may be eligible for a self-pay discount if EPCH determines the patient has no source of third-party coverage under other EPCH policies. This discount will be available regardless of whether the patient has completed the financial assistance application process. EPCH may apply the discount prior to a determination of the patient's eligibility for financial assistance.

5. Reservation of Rights

EPCH reserves the right to limit or deny financial assistance or discounts at its sole discretion in compliance with applicable law. This policy will not alter or modify other EPHC policies regarding efforts to obtain payments from third-party payors, patient transfers, or emergency care.

I. Program Benefits and Discounts

1. Amount of Financial Assistance

A patient approved for the charity care program will be billed the copayment amount that is listed on Attachment A of this policy for the service EPCH provided to the patient. The patient will receive a discount of 100 percent of the gross charges on the patient's account after the applicable copayment amount.

2. Copayment Amounts

The copayment amounts listed in Attachment A of this policy vary depending on the type of service and the patient's income level. Attachment A is updated periodically to reflect changes to the federal poverty guidelines, but any changes to the copayment amounts will constitute a change to this policy itself and will require approval by the Board of Directors or by the EPCHD Chief Financial Officer as designee of the Board of Directors.

3. Amount of Self-Pay Discounts

For a patient approved for a self-pay discount, EPCH will reduce the patient's charges to 20 percent of charges. EPCH reserves the right to exclude certain services from a self-pay discount.

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4. Application to Patient Cost-Sharing Responsibility

For a patient who does not otherwise qualify for a self-pay discount, patient cost-sharing responsibility (e.g., copayments and deductibles) may exceed 20 percent of charges. EPCH’s patient financial services office may evaluate on a case-by-case basis whether the applicable third-party payor’s policies permit EPCH to discount the patient’s cost-sharing responsibility. If and to the extent permitted by the third-party payor’s policies, EPCH may discount the patient’s cost-sharing responsibility to 20 percent of charges.

J. Compliance with Internal Revenue Service Final Regulations

1. Limitation on Charges for Emergency or Other Medically Necessary Care

a. Limitation on Charges

Following a determination that a patient is eligible for financial assistance under this policy, the patient will not be charged more for emergency or other medically necessary care than the amounts generally billed to individuals who have insurance covering such care (the Amounts Generally Billed or AGB). EPCH will implement this requirement by calculating an AGB Percentage, as described below, and multiplying a patient’s gross charges for emergency and other medically necessary care by the AGB Percentage. The result of this calculation is the maximum that EPCH will bill an eligible patient for emergency and other medically necessary care. In no case will amounts billed to a patient for any care, including care that is not medically necessary, exceed the gross charges for that care.

b. Determining Amounts Generally Billed (“AGB”)

No less frequently than once every 12 months, EPCH will calculate a percentage (the AGB Percentage) that is equal to:

- (1) The sum of all claims for emergency or other medically necessary care paid by Medicare fee-for-service as the primary payor during the preceding 12 months (including any associated portions of these claims paid through co-insurance or deductibles); divided by
- (2) The sum of gross charges for the same claims. EPCH will begin applying a new AGB Percentage no more than 45 days after the end of the 12-month period for which the AGB Percentage is calculated.

c. Availability of Additional Information

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Because the AGB calculation will be regularly updated, it is not included in this policy. Members of the public may obtain this information from EPCH free of charge and in writing, by contacting EPCH's Patient Financial Services Office at (915) 242-8377.

K. Actions in Event of Nonpayment

EPCH will not take any extraordinary collections actions against a patient unless and until reasonable efforts are taken to determine the eligibility of the patient for financial assistance under the charity care program. Extraordinary collections actions may include:

- (1) selling a patient's debt to another party;
- (2) reporting adverse information about the patient to a consumer credit reporting agency or credit bureau;
- (3) deferring or denying medically necessary care because of nonpayment of previous bills for care; and/or
- (4) actions that require a legal or judicial process.

EPCH will inform the patient that nonpayment of a bill will result in referring the patient's account to bad debt at 120 days from the date EPCH provided the first post-discharge billing statement for the care for potential collection purposes. However, the patient can apply for financial assistance under the charity care program up to 270 days from the date EPCH provided the first post-discharge billing statement for the care, even if the account is in bad debt. If a patient has not already completed a financial assistance application to determine eligibility under this policy, then EPCH will use reasonable efforts to notify the patient of the availability of financial assistance, which includes notifying the patient in writing of the availability of financial assistance, identifying any extraordinary collections actions that EPCH may initiate and providing a deadline after which the actions may be initiated. The notification shall also include a plain-language summary of this Financial Assistance Policy. EPCH's Department of Patient Financial Services shall have final authority to determine whether reasonable efforts have been taken before engaging in any extraordinary collections actions. Any extraordinary collections actions will be immediately suspended upon receiving a financial assistance application or if there is reason to believe a patient is eligible for financial assistance under the charity care program within the 270-day time period.

This section applies to charity care copayment amounts, and these amounts are due at the time of service. It does not apply to remaining balances after the application of self-pay discounts.

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L. Widely Publicizing the Financial Assistance Policy and Related Documents

1. Availability on Website

EPCH will maintain updated copies of the following documents on its website in both English and Spanish: (1) this Financial Assistance Policy; (2) a plain-language summary of the Financial Assistance Policy; and (3) all financial assistance application forms.

EPCH’s website will make these documents available to any individual with access to the Internet, without requiring special computer hardware or software (other than software that is readily available to members of the public without payment of any fee), and without payment of a fee to EPCH. Upon request, EPCH will provide any individual with the direct URL address for the webpage on which the documents are posted.

2. Availability of Paper Copies

EPCH will make paper copies of these documents available upon request and without charge, both in the hospital facility and by mail, in English and in Spanish. Paper copies will be available in multiple locations in the hospital facility, including the emergency department and the registration area.

3. Notification of Financial Assistance Policy

EPCH will inform and notify visitors to the hospital facility about this Financial Assistance Policy through conspicuous public displays or other measures reasonably calculated to attract visitors’ attention. These displays and other measures will inform and notify visitors that EPCH offers financial assistance, and that additional information is available on the EPCH website or upon request from the hospital’s Patient Financial Services office at (915) 242-8377. These displays will be available in multiple locations in the hospital, including the emergency department and the registration area.

EPCH will inform and notify residents of the community served by EPCH about this Policy. EPCH will annually publish notice of the charity care program in a local newspaper of general circulation in El Paso County. This notice will be written in language readily understandable to the average reader.

4. Applicability of Policies to Other Providers

Patients may receive care in the EPCH hospital facility from providers other than EPCH itself. This policy and Policy and Procedure will apply to medically

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necessary services provided in the hospital by providers employed by the hospital, and by providers who are members of the physician groups listed Attachment B.

Attachment B provides a list of all providers who provide medically necessary services in the hospital. Attachment B also specifies, for each provider, whether this policy will apply to medically necessary services provided in the hospital by the provider, consistent with the standard set forth in paragraph a. of this section. EPCH's Medical Staff Services office will update Attachment B on a monthly basis and make it available on the EPCH website. Such updates will not require the approval of the Board of Directors.

M. Notification of Patients of Estimated Financial Responsibility

By law, patients are entitled to receive an estimate of their financial responsibility for hospital services. Except in the case of emergency services, EPCH will notify patients whom EPCH identifies as potentially uninsured or underinsured that they may obtain an estimate of their financial responsibility for hospital services, and EPCH will provide estimates to those patients upon request. Estimates shall be written and provided during normal business hours. Estimates shall provide the patient with an estimate of the amount the hospital will require the patient to pay for the health care services and supplies that are reasonably expected to be provided to the patient by the hospital, based upon the average length of stay and services provided for the patient's diagnosis, except for emergency services that must be provided to the patient immediately.

N. Emergency Room Arrangements

EPCH will offer payment arrangements when a patient is unable to pay emergency room charges at the time of service. EPCH will:

- (1) provide estimated prices to the patient;
- (2) complete a payment agreement;
- (3) inform the guarantor that non-compliance with the payment schedule in the payment agreement will result in referring the account to bad debt for potential collection purposes;
- (4) retain a copy of the payment agreement in the financial folder in the registration host system; and
- (5) set up a monthly payment schedule in the financial system for monthly tracking.

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ATTACHMENTS

None

FORMS

None

System Generated Footer

Attachments: [PAD-5.0-Financial Assistance Application \(English\)](#), [PAD-5.0-Financial Assistance Application \(Spanish\)](#)

Approval Signatures:

Committee Approvals:

Board of Directors: 7/23, 3/24
Board Quality Committee: 4/21, 3/24
Hospital Quality & Patient Safety Committee: 4/21, 3/24
Medical Executive Committee: 7/23, 3/24
Policies & Procedures Committee: 7/23, 3/24

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