

<b>CAPROCK HEALTH SYSTEM</b>	<b>POLICY NAME:</b>	CHARITY CARE: ADMINISTRATION OF FINANCIAL ASSISTANCE
	<b>POLICY #:</b>	1.13
	<b>DEPARTMENT/SERVICE:</b>	GOVERNING BODY
	<b>LOCATION:</b>	CAPROCK HOSPITAL
	<b>ORIGINATION DATE:</b>	
	<b>DATE OF LAST REVIEW:</b>	
	<b>APPROVED BY:</b>	GOVERNING BOARD

## PURPOSE

As part of its mission and commitment to the community, CapRock Health will assist uninsured and underinsured patients to meet their payment obligations and will ensure consistent and compliant billing and collection practices are applied to all patients.

## SCOPE & APPLICABILITY

This is an organization-wide policy.

## DEFINITIONS

**Financial Assistance** is the cost of providing free or discounted care to individuals who cannot afford to pay. This is also referred to as **Charity Care**.

**Bad debt** is the cost of providing care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.

## POLICY

It is the policy of CapRock Hospital to offer financial assistance to patients who are unable to pay their hospital bills due to difficult financial situations.

A designated business office representative with authority to offer financial assistance will review individual cases and determine the financial assistance that may be offered.

CapRock Hospital determines the need for financial assistance by reviewing the particular services requested or received, insurance coverage or other sources of payment, a person's historical financial profile, any patient payment received prior to qualification and current financial situation. CapRock Hospital may review credit reports and other publicly available information to determine, consistent with applicable legal requirements, estimated household size and income. This method allows for a fair and accurate way to assist patients who are experiencing financial hardship. Partial and/or full charity care will be granted based on the individual's ability to pay the bill.

***For Emergency Services, CapRock Hospital's policy is to provide emergency care to stabilize patients, regardless of their ability to pay.*** Following the medical screening evaluation, non-

emergent patients requiring charity care consideration should be reviewed and approved before additional services are provided.

When a patient's circumstances do not satisfy the requirements set forth in this policy, a patient with unusual mitigation factors may still be able to obtain financial assistance.

CapRock Hospital reserves the right to further limit the services covered by this policy.

### Limitations

CapRock Hospital's financial assistance does not include all costs that may be associated with medical services. The following is a non-exhaustive list of items or services that are not included in our financial assistance program:

- a. Transportation and Lodging: The patient is responsible for transportation to and from CapRock Hospital.
- b. Food: Food for visitors and significant others are the responsibility of the visitor and significant others.
- c. Durable Medical Equipment: Durable medical equipment provided is not eligible for financial assistance.
- d. Prescriptions: Staff may provide patients with eligible discount coupons as available to assistant patient with their prescriptions.
- e. Home Health Care, Post Service Care, and services provided by a third party: are not covered under this policy. Follow-up care may be coordinated, but approval for financial assistance is limited to services provided on-site and billed by CapRock Hospital.
- f. Medical Services not provided by CapRock Hospital are not covered under this policy.

### Eligibility Criteria

Eligible individuals include patients who do not have insurance and patients who have insurance but are underinsured.

Patients must cooperate with any insurance claim submission and exhaust their insurance or potential insurance coverage before becoming eligible for financial assistance.

Only United States citizens and residents of the United States are eligible for financial assistance.

Other factors affecting eligibility are as follows:

- **Income** – Assuming that other financial resources are not identified as viable funding sources, the Federal Poverty Income Guidelines will be used to determine the amount of charity care write-off. The Poverty Guidelines are updated annually, each January.
- **Evaluation of Assets** – the patient’s household savings, checking, investment assets, real property assets, and overall financial position will be considered.
- **Evaluation of the Patient’s Monthly Expenses** – review of living expenses includes medical expenses, and other basic needs.
- **Considerations**
  - a. Any special circumstances that the patient would like CapRock Hospital to consider.
  - b. Eligibility is contingent upon patient cooperation with the application process, including medical assistance application completion where applicable, and submission of all information that CapRock deems necessary in order to determine the level of any financial assistance that may be considered, including written permission for CapRock to check consumer credit information.
  - c. Priority is given to requests for care of local and regional patients.

#### Measure to Publicize the Financial Assistance Policy

The measures used to widely publicize this Policy to the community and patients include, but are not limited to the following:

- a. Community Notification
- b. Posting the Policy, Assistance Application and plain language summary on the CapRock Hospital website at the following location: (<https://caprockhealthsystem.com>)
- c. Informing and notifying visitors to the hospital about the Policy through conspicuous displays and other measures, such as posting of a notice in the emergency department, admitting areas and business offices.
- d. Personal Notification
- e. Financial Counselors may visit with patients in person
- f. Billing statements include a notice that informs and notifies recipients about the availability of financial assistance under the Policy including a phone number for inquiries about financial assistance and the website where additional information can be obtained.

- g. Staff discuss, when appropriate, in person or during billing and customer service phone contacts with patients.
- h. Paper copies of the Policy, Assistance Application and plain language summary are made available to all patients upon request and without charge including offering a plain language summary at intake or discharge.

#### Method For Applying or Obtaining Financial Assistance

Patients may apply for financial assistance after the service is rendered through the 365<sup>th</sup> day after the first billing statement is provided. A Financial Assistance Application is required.

Patients requesting financial assistance may do so over the phone (979-314-1105), through the mail or via the CapRock Health System website (<https://caprockhealthsystem.com>). Mailed requests should be sent to CapRock Hospital, 1630 Briarcrest Drive, Bryan, Texas, 77802 – Attention: Billing Department.

Patients or their representative can obtain a Financial Assistance Application by mail by contacting a business office representative at (979-314-1105), or downloading and printing the financial assistance application at no charge from CapRock Hospital's website.

All patients/guarantors who receive a Financial Assistance Application must complete and return the application within ten (10) working days (unless the patient calls with a legitimate reason to extend the deadline), along with the following documents that serve as the minimum information necessary to process an application for financial assistance. CapRock Hospital reserves the right to request additional documentation before finalizing a request for assistance:

- Proof of completion of Medical Assistance Application process, as applicable,
- Proof of household income (pay stubs for the past ninety days),
- A copy of 3 most recent bank statements from all banking or credit union institutions of the household,
- A copy of the 2 most recent tax returns, including all schedules of patient, spouse, or any person who claims the patient as a tax dependent, and
- Full disclosure of claims and/or income from personal injury and/or accident-related claims.

The Director of Business Services will review the Financial Assistance Application, and all returned financial statements for completeness. After reviewing the documents and applying the guidelines of this policy, the Director of Business Services will provide a

recommendation to the Chief Executive Officer. Once a decision has been made for or against financial assistance, a letter is sent to the applicant advising them of the decision.

No patient financial information will be shared outside of CapRock Hospital, unless authorized or required by law.

#### Basis for Calculating the Amounts Charged to Patients

The amount that a patient is expected to pay, and the amount of financial assistance offered, depends on the patient's insurance coverage and the patient's income and assets as set forth in the eligibility section of this Policy. The Federal Income Poverty Guidelines will be used in determining the amount of the write off and the amount charged to patients, if any, after an adjustment.

Amounts charged for emergency and medically necessary medical services to patients eligible for financial assistance will not be more than the amount generally billed to individuals with insurance covering such care.

#### Eligibility Criteria Considered for Financial Assistance

All patients will be eligible to qualify for financial assistance for emergency care and for non-emergency, medically necessary care provided at CapRock Hospital.

Each eligible patient's situation will be evaluated according to relevant circumstances, such as income or other resources available to the patient or patient's family when determining the ability to pay the patient account balance. Taking this information into consideration, the attached Eligible Financial Assistance Discount Guidelines (Attachment A) are utilized to determine what amount, if any, of the patient account balance will be discounted after payment by all third parties.

When a patient's circumstances do not satisfy the requirements under the Eligible Financial Assistance Discount Guidelines or Eligibility Criteria, a patient with unusual mitigating factors may still be able to obtain financial assistance. In these situations, the chief executive officer and Director of Business Services will review all available information and make a determination on the patient's eligibility for financial assistance.

CapRock Hospital will notify the patient about the decision within a reasonable time after submitting a completed patient financial assistance request.

CapRock Hospital may provide assistance, but a patient is responsible for applying to public programs for available coverage. The patient is also expected to pursue public or private health insurance payment options for care provided by CapRock Hospital.

A patient's request will be deemed complete after CapRock Hospital receives a complete Financial Assistance Application, and all required documentation, as applicable, noted in the Eligibility Criteria section of the Policy.

Delivery of charity care does not obligate CapRock Hospital to provide continuing care unless the services and support are unique to our organization or patient stabilization of a medical emergency. Patients will be required to re-apply for charity care for each visit.

CapRock Hospital makes every reasonable attempt to collect from insurance companies and other third-party payers. Financial hardship and charity care adjustments may be considered for those patients whose income and assets will not allow full payment within a reasonable time.

#### Basis For Calculating the Level of Financial Assistance

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

#### **Financially Indigent**

"Financially Indigent" means a patient whose Yearly Household Income is less than or equal to 200% of the Federal Poverty Guidelines. These Financially Indigent patients are eligible for a 100% discount on patient account balances based on the Financially Indigent Classification table of the Eligible Financial Assistance Discount Guidelines (Attachment A).

#### **Medically Indigent**

"Medically Indigent" means a patient whose medical bills from CapRock Hospital, after payment by all third parties, are equal to or greater than 5% of their Yearly Household Income and, whose Yearly Household Income is greater than 200% but less than or equal to 500% of the Federal Poverty Guidelines as set forth in the Medically Indigent Classification table of the Eligible Financial Assistance Discount Guidelines (Attachment A). These Medically Indigent patients will owe the lesser of the patient's account balance or 10% of the patient's gross charges not to exceed the calculated amounts generally billed for such care.

Example: A patient with a Household Size of 4 and Yearly Household Income of \$85,000 (between 200 - 500% of Federal Poverty Guidelines) is eligible for a financial assistance discount down to the lesser of the patient's account balance or 10% of gross charges (not to exceed the calculated amounts generally billed for such care) amount if the patient's total outstanding bills, after all third-party payments, are equal to or greater than 5% of the Yearly Household Income.

Patient's gross charges: \$50,000

Account balance after all third-party payments: \$10,000

Account Balance is equal to or greater than 5% of the Yearly Household Income: Yes

Account Balance is less than 10% of patient's gross charges: No

Calculated amount generally billed to patient after third-party payments: \$15,000

Patient's remaining obligation would be: \$5,000

If the patient's remaining balance is already less than 10% of gross charges or the calculated amount generally billed to patients after third-party payments amount, the patient will receive no additional fee reduction and will be responsible for paying the remaining balance.

### **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.

#### **Household Income**

##### 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.

##### 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 or legal guardian(s).

#### **Household Size**

##### Adults:

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

##### 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.

Financial Assistance may also consist of extended payment options.

CapRock Hospital reserves the right to reverse financial assistance adjustments and pursue appropriate reimbursement or collections. This may occur as a result of a variety of reasons, such as, but not limited to, newly discovered information such as insurance coverage, pursuit of a personal injury claim related to the services in question, or applicant does not meet the terms of the financial assistance.

### Reasons for Denial

Denial for financial assistance may be for reasons that include, but are not limited to one of the following:

- a. **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.
- b. **Failure to cooperate and fully pursue his or her options for other payor sources for payment.** A patient must exhaust all other payment options, including private coverage, federal, state and local medical assistance programs, and other forms of assistance provided by third-parties and fully cooperate and comply with eligibility requirements for any other healthcare program(s) and identifiable funding sources, including COBRA coverage (a federal law allowing for a time-limited extension of employee healthcare benefits), for which the patient may be qualified prior to being qualified for financial assistance.
- c. **Sufficient income and/or asset level.** A patient's income level and assets are deemed appropriate to meet financial obligations without assistance.
- d. **Patient is uncooperative or unresponsive to the reasonable efforts of CapRock Hospital to work with the patient.**
- e. **Requests for care when there is no identifiable means of obtaining long-term support (e.g. medication) needed to sustain the initial successful outcomes of care.**
- f. **Incomplete Financial Assistance Application despite reasonable efforts by CapRock Hospital to work with the patient.**
- g. **Third-Party settlement.** Financial assistance will be denied or revoked if the patient receives a third-party financial settlement associated with the care rendered by CapRock Hospital. The patient is expected to use the settlement amount to satisfy any patient account balances.



- h. Withholding third-party payments or settlement funds provided directly to the patient.** Withholding insurance payment and/or insurance settlement funds, including insurance payments sent to the patient to cover services provided by CapRock Hospital, or withholding funds from personal injury and/or accident-related claims will result in denial of financial assistance and CapRock Hospital will pursue appropriate reimbursement or collections.

### Equal Opportunity

CapRock Hospital is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

CapRock Hospital will not consider: Bad debt, contractual allowances, perceived underpayments for procedures, public programs, cases paid through a charitable contribution, professional courtesy discounts, community service or outreach programs, or employment status as a means to determine financial assistance.

### Indigent Care

Emergency room patients who cannot pay their bills may be classified as "charity" if they do not have a job, mailing address, residence, or insurance.

### Government Assistance

In determining whether an individual qualifies for charity care or financial assistance, other county or governmental assistance programs will be considered. Many applicants are not aware that they may be eligible for public health insurance programs or have not pursued an application.

CapRock Hospital will help the individual determine eligibility for governmental or other assistance, as appropriate. Persons who are eligible for programs but who were not covered at the time that medical services were provided may be granted financial assistance, provided that the patient completes an application for government assistance.

### Care Provided During the Verification Process

During the verification process, while information to determine a patient's income is being collected, the patient may be treated as a self-pay patient in accordance with other applicable CapRock Hospital policies.

### Patient Responsibility After Approved for Financial Assistance

After the patient's account is reduced by the discounts based approved financial assistance, the patient is responsible for the remainder of the outstanding patient account balances, which shall be no more than amounts generally billed to individuals who have insurance coverage.

Once the patient qualifies for financial assistance, CapRock Hospital will not pursue collections on the amount qualified for financial assistance. Patients will be invoiced for any remaining amounts in accordance with the agreed upon financial assistance.

### Collection Actions

CapRock Hospital will not engage in extraordinary collection actions before it makes a reasonable effort to determine whether a patient is eligible for financial assistance under this Policy. Collection activity will proceed based on a separate collection policy of the hospital.

If a collection agency identifies a patient as meeting CapRock Hospital's financial assistance eligibility criteria, the patient's account may be considered for financial assistance. Collection activity will be suspended on these accounts and CapRock Hospital will review the Financial Assistance Application.

If the entire account balance is adjusted, the account will be returned to CapRock Hospital. If a partial adjustment occurs, if the patient fails to cooperate with the financial assistance process, or if the patient is not eligible for financial assistance, collection activity will resume.

### Confidentiality

CapRock Hospital staff will uphold the confidentiality and individual dignity of each patient. CapRock Hospital will meet all HIPAA requirements for handling personal health and financial information.

### Policy Review

This policy will be reviewed by the Governing Board annually.

# CAPROCK HOSPITAL

## Eligible Financial Assistance Discount Guidelines Attachment A

Based on Federal Poverty Guidelines Issued on 1/19/2024

<b>Financially Indigent Classification</b>		<b>Medically Indigent Classification</b>	
Patient's Yearly Household Income must be equal to or less than the following:		Balance Due must be equal to or greater than 5% of the patient's Yearly Household Income for eligibility, and such Yearly Household Income must be equal to or less than the following:	
Number in Household	200% Federal Poverty Guidelines	Number in Household	500% Federal Poverty Guidelines
1	\$30,120	1	\$75,300
2	\$40,880	2	\$102,200
3	\$51,640	3	\$129,100
4	\$62,400	4	\$156,000
5	\$73,160	5	\$182,900
6	\$83,920	6	\$209,800
7	\$94,680	7	\$236,700
8	\$105,440	8	\$263,600
Patient Responsibility	0% of Balance Due	Patient Responsibility	0% of Balance Due