

	<p>Financial Assistance and Charity Care Policy</p>	
<p>Procedure # 3085</p>	<p>Categories Administration / Non-Clinical →Patient Financial Services, Revenue Cycle</p>	<p>This Procedure Applies To: Texas Children's Hospital, Texas Children's Physician Services Organization, Texas Children's Women's Specialists</p>
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GENERAL POLICY

Texas Children’s Hospital, Texas Children’s Physician Services Organization, and Texas Children’s Women’s Specialists (collectively referred to herein as “TCH”) are committed to providing the highest quality care to its patients. TCH recognizes that some patients and/or their families may be unable to pay for all or a portion of the services provided by TCH and its substantially related entities. In furtherance of its charitable mission and values, TCH provides financial assistance to patients and/or their families who are low-income, uninsured or underinsured, ineligible for government health care programs, and who are otherwise unable to pay some or all of the bills related to services deemed “medically necessary” by Medicare, Medicaid, or industry standards. Financial assistance also may be available to other patients, and for other services, determined on a case-by-case basis in accordance with the procedures set forth herein.

No patient will be denied financial assistance because of gender, race, creed, color, national identity/ethnic origin, religion, age, sexual orientation or disability. In addition, TCH will provide, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for financial assistance.

DEFINITIONS

Bad Debt: Any balance due amount submitted for payment by the guarantor that has not paid in full and unlikely to be paid for various reasons resulting in an uncompensated care write-off.

Family Income or Gross Income: Includes earnings, unemployment compensation, workers’ compensation, Social Security, Supplemental Security Income, public assistance payments, veterans’ payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources. Family Income is based on the party or parties who are financially responsible for the patient. This may be verified by tax or other legal documentation.

Federal Poverty Level (“FPL”): A measure defined by the United States Department of Health and Human Services based on Gross Income and household size to indicate poverty threshold.

Financial Assistance: A full or partial reduction in charges incurred at TCH and its substantially related entities to patients for emergency or medically necessary services who

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have qualified for a discounted rate in accordance with the provisions of this Financial Assistance Policy. An Uninsured Self-Pay Patient or Underinsured Patient for the relevant service who is not eligible for coverage through a Government Healthcare Program or other insurance, and who has Family Income less than or equal to 400% of FPL, may be eligible to receive Financial Assistance in the form of discounted charges.

Financial Assistance Committee: A committee of TCH comprised of appropriate representatives from TCH and/or Medical Staff with responsibility for: 1) monthly review and approval of applications for Financial Assistance which fall outside the guidelines set up in the Charity Standard Operating Procedure and 2) monthly review of financial reports associated with Financial Assistance at TCH.

Financial Assistance Deductible: The portion of a TCH bill that is the patient's responsibility once approved for Financial Assistance. This amount may be determined by the Financial Assistance Committee, as exceptions to the sliding scale as set forth in this Charity Operating Procedure.

Financially Indigent: A patient who TCH has determined to be unable to pay some or all of the patient's bills due to the Family Income of the patient and/or the patient's family being below specified thresholds based on the FPL.

Government Healthcare Program: Any healthcare program operated or financed at least in part by the federal, state or local government, including but not limited to, Medicare, Medicaid, Children with Special Health Care Needs ("CSHCN"), and Children's Health Insurance Program ("CHIP").

Gross Charges: Charges that are billed to individuals receiving services at TCH.

Medically Indigent: A patient who TCH has determined to be unable to pay some or all of the patient's bills related to services deemed medically necessary by Medicare, Medicaid and Insurance industry standards, even though the patient and/or the patient's family have income that disqualify them from being Financially Indigent.

Presumptive Eligibility: A patient who has not submitted a completed application for Financial Assistance, but whose circumstances fit within one or more of the following criteria

Homeless;

Enrolled or Eligible for Medicaid or CSHCN, but not on the date of service or for a non-covered service;

Enrolled in governmental programs for low-income individuals and program funds are not available (i.e. budget shortfall);

Referred for services by the Harris County Health System having eligibility criteria; or

Identified utilizing third party software, such as propensity to pay/financial assistance eligibility/enrollment as having eligibility criteria in accordance with this Financial Assistance Policy.

Under-insured Patient: A patient who has some insurance or third-party coverage but has out-of-pocket expenses (e.g. self-pay balances associated with high deductible/out of pocket or limited benefit plans) that exceed the patient's ability to pay and fall within the financial assistance sliding scale.

Uninsured Self-Pay Patient: A patient who has no insurance or third-party coverage to assist with meeting the patient's payment obligations.

PROCEDURE

1. OVERVIEW

- 1.1. The TCH Financial Counseling Department will identify patients who may be eligible for Financial Assistance.
- 1.2. A patient may also request Financial Assistance if not identified by the Financial Counseling Department. A patient requesting Financial Assistance will be referred to a Financial Counselor for guidance on the Financial Assistance process.
- 1.3. A patient seeking Financial Assistance may be asked to complete a Financial Assistance application. However, if applicable, Presumptive Eligibility may be determined in lieu of reviewing a Financial Assistance application. Patients who meet any of the criteria for Presumptive Eligibility may be deemed eligible for a discount and may not be asked to submit an application for Financial Assistance.
- 1.4. A patient may be eligible for Financial Assistance after all other financial resources available to the patient have been exhausted and the patient and patient's family are without sufficient income to cover out of pocket expenses, as determined by TCH. Existing and potential financial resources for the patient, including but not limited to, private health insurance and any Governmental Healthcare Program, will be reviewed.
- 1.5. Financial Assistance is only applicable to services deemed "medically necessary" by Medicare, Medicaid, or industry standards. In instances where medical necessity is unclear, the Financial Assistance Committee will follow up with the patient's physician to determine whether services are medically necessary.

2. ELIGIBILITY

- 2.1. Any patient receiving or seeking to receive emergency or medically necessary care at TCH may apply for Financial Assistance. Eligibility for Financial Assistance is generally reserved for U.S. citizens and residents. International and non-resident inquiries are referred to Texas Children's International and Destination Medicine Department. A patient who is not a U.S. citizen or resident may be considered Financially Indigent or Medically Indigent and the Financial Assistance Committee may approve Financial Assistance for such patient, taking into account the nature of the patient's illness, the likelihood that treatment will lead to a successful outcome, the disposition of similar cases, and the budgetary constraints of TCH.
- 2.2. Financial Assistance discount percentages, as set forth in Exhibit A attached hereto, are calculated using FPL, and may be updated in conjunction with FPL updates published in the Federal Register.

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- 2.3. If a patient's annual Family Income is 100% or below of the FPL, the patient may qualify for Medicaid. If Family Income is between 101% and 200% of the FPL, the patient may qualify for CHIP. If the patient does not qualify for any Governmental Healthcare Program and Family Income is below 400% of the FPL, the guidelines in [Exhibit A Federal Poverty Guidelines](#) will be applied to calculate the percentage of Financial Assistance to which the patient is entitled. [Exhibit A Federal Poverty Guidelines](#) will also act as a guideline for the Financial Assistance Deductible. If a patient is not eligible for a discount and would like additional Financial Assistance, such patient's Financial Assistance application will be referred to the Financial Assistance Committee for review and determination.
- 2.4. If a patient has Medicare but no secondary coverage and Family Income is within the FPL contained in this Financial Assistance Policy, the patient may be asked to apply for Medicaid prior to being considered for Financial Assistance.
- 2.5. In addition to using the FPL to determine a patient's eligibility for Financial Assistance, the following factors will be considered:
 - 2.5.1. Family Income: Family Income generally must fall within FPL with consideration to family size, geographic area, and other relevant factors.
 - 2.5.2. If a patient may qualify for coverage, the patient will be screened for all potential funding sources, including but not limited to, Medicaid, CSHCN, CHIP, Medicare (if applicable), and/or any potential commercial option.
 - 2.5.3. Good Faith: Patients are expected to cooperate with the application and review process. A parent's failure to cooperate in applying for a government program or financial assistance may be a consideration to deny Financial Assistance.

3. ELIGIBILITY DETERMINATION

- 3.1. Financial Counselors will utilize the Federal Poverty Guidelines outlined in Exhibit A ([Exhibit A Federal Poverty Guidelines](#)) to determine the appropriate amount of Financial Assistance available to patients, and the amount of any applicable Financial Assistance Deductible or patient portion due.
- 3.2. A patient who can afford to pay for a portion of the services provided by TCH is expected to do so, even if the patient is Medically Indigent. The Financial Assistance Deductible is the amount the patient will be responsible for once approved for Financial Assistance.

A determination of eligibility for Financial Assistance is effective for six months from the approval date, and is applicable toward all outstanding balances at the time of approval. Financial Assistance may be extended for a period longer than six months as an exception with leadership approval.
- 3.3. If approved, Financial Assistance will apply to balances after all third party payment has been collected. If any payer source has made payment during the period of Financial Assistance approval, the payment(s) will be applied to the balance owed by the patient, and Financial Assistance will apply to the remaining balance. If a patient made payments

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during the period of Financial Assistance approval, the patient payment(s) will be refunded.

- 3.4. The Financial Assistance Committee retains the authority to change a previous decision regarding a patient's eligibility for Financial Assistance or may adjust the extent of Financial Assistance on a case-by-case basis. The Financial Assistance Committee will review:
 - 3.4.1 Cases not compliant for seeking assistance from government programs (refer to section 2.5.5)
 - 3.4.2 Non-US citizen residents with requests for assistance greater than \$125,000
 - 3.4.3 Cases requesting financial assistance with an FPL greater than 400% and/or those determined to be Medically Indigent
 - 3.4.4 Cases submitted at the discretion of the Director of Patient Access or Revenue Cycle/Customer Service
 - 3.4.5 Patient Appeals
- 3.5 A patient's eligibility for Financial Assistance may be reevaluated when one or more of the following occur:
 - 3.5.1 Subsequent rendering of services;
 - 3.5.2 Change in Family Income;
 - 3.5.3 Family size change;
 - 3.5.4 Six months has elapsed since the patient qualified for Financial Assistance; or
 - 3.5.5 The Financial Assistance process is not completed.

4 AMOUNTS CHARGED TO A PATIENT

- 4.1 TCH uses a "sliding scale" to determine the percentage discount applicable to a patient who qualifies for Financial Assistance.
- 4.2 If a patient/family is not eligible to participate in a Government Healthcare Program, TCH offers the following Financial Assistance to Uninsured Self-Pay Patients or Under-insured Patients using the sliding scale and the most current FPL referenced in [Exhibit A Federal Poverty Guidelines](#):
- 4.3 With Gross Income between 0% and 250% of the FPL, there is a 100% discount off billed charges.
- 4.4 With Gross Income between 251% and 325% of the FPL, there is a 75% discount off billed charges.
- 4.5 With Gross Income between 326% and 400% of the FPL, there is a 57% discount off billed charges.

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- 4.6 With Gross Income greater than 400% of the FPL that do not qualify for Financial Assistance, and the patient is uninsured there is a self-pay discount of charges.
- 4.7 Patients are expected to meet his/her Financial Assistance Deductible and be re-evaluated at least every six months to continue receiving financial assistance.

5 BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS

- 5.1 The amounts charged to patients eligible for Financial Assistance under this Financial Assistance Policy for emergency and medically necessary care will not exceed amounts generally billed (“AGB”) to individuals who have insurance covering these types of services. TCH determines AGB for any emergency or medically necessary care it provides to a patient eligible for Financial Assistance under the “look-back” method, which is calculated by multiplying TCH’s Gross Charges for the care by a percentage of Gross Charges (the “AGB percentage”). In calculating the AGB percentage (which is done by TCH’s Government Reporting department within 120 days before the start of each fiscal year), TCH includes the claims allowed during a prior 12-month period by Medicaid fee-for-service and all private health insurers that pay claims to TCH. TCH begins applying the AGB percentage by the 120th day after the end of the 12-month period used to calculate the AGB percentage.
- 5.2 Members of the public may readily obtain the applicable AGB percentage and accompanying description for the calculation in writing and free of charge by calling Customer Service at 832-824-2300 or by visiting TCH’s Main Admissions Office on the 3rd floor of West Tower, 6621 Fannin St., Houston, Texas 77030.

6 APPLICATION FOR FINANCIAL ASSISTANCE

- 6.1 A Financial Assistance application may be completed by anyone who requests it or is identified with a need. Exceptions are subject to leadership approval. A sample application is attached as [Exhibit B – Financial Assistance Application](#). Any TCH employee or physician may refer a patient to a Financial Counselor to initiate a Financial Assistance application. Financial Assistance may be granted at any stage of TCH’s revenue cycle.
- 6.2 The patient or family submitting an application must cooperate with the application process to be considered for Financial Assistance. If a patient does not cooperate with the application process, Financial Assistance may be denied or revoked. Such cooperation is not a precondition to the receipt of medically necessary treatment or emergency care. When submitting a completed application, the patient may be required to provide the following documentation: any evidence of third party coverage, employment status, verification of employment and income, proof of residency, and family size.
 - 6.2.1 Proof of household income including any of the following:
 - 6.2.1.1 Most recent federal income tax returns if self employed

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- 6.2.1.2 Last 2 pay check stubs, or written verification of wages from employer, or current W2 forms
 - 6.2.1.3 Unemployment, disability, or child support payments
 - 6.2.1.4 Social Security check or bank statement showing deposit
 - 6.2.1.5 Most current 2 bank statements
- 6.3 If a patient/family is unable to provide proof of household income pursuant to Section 6.2 and/or reports no household income, TCH shall make a good faith attempt to verify any household income, or lack thereof, via a third party screening service. In addition, the patient/family may be required to provide a reasonable written statement of why the requested documentation is unable to be provided or of the living support or assistance the patient/family receives. TCH may, in its sole discretion, accept such written statement as verification of income.
- 6.4 Financial assistance screening may be used to determine presumptive eligibility when an application is not possible.
- 6.5 Financial Counseling will provide a written decision regarding a patient's eligibility for Financial Assistance to the applicant within 60 days of receipt of Financial Assistance determination. This notification will include the discount amount approved and if payment is expected from the patient; the notification does not include specific reasons for the determination.
- 6.6 A patient whose Financial Assistance application has been denied may appeal such determination through the Financial Counseling Department. Appeals should include supporting documents that demonstrate inability to pay that were not available or included at the time of the initial consideration.
- 6.6.1 Supporting documentation for appeals may include a hardship letter explaining why the patient/family cannot meet your financial obligation to Texas Children's Hospital and a Listing of current household expenses such as Mortgage/Rent, Utilities, Loans, Credit Cards, Food, Child Support, Medical and Auto Insurance, Medical Bills/Medications and other types of expenses incurred each month
- 6.7 Patients denied Financial Assistance can request to set up a payment plan administered through Customer Service or Financial Counseling.
- 6.8 Patient Financial Services will retain all records relating to Financial Assistance for seven years or stored in electronic form from a third party partner.
- 6.9 Financial Assistance applications are available at no charge, and can be found online at <https://www.texaschildrens.org/financial-assistance>, by calling Customer Service at 832-824-2300 to request that an application by mail, by visiting TCH's Main Admissions Office on the 3rd floor of West Tower, 6621 Fannin St., Houston, Texas 77030, or through MyChart. TCH will provide a translation of its Financial Assistance Policy, Financial Assistance Application, and a plain language summary of its Financial Assistance Policy to accommodate all significant populations that have limited English proficiency.

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6.10 A translated Financial Assistance application can be requested by calling Customer Service at 832-824-2300 or visiting TCH's Main Admissions Office on the 3rd floor of West Tower, 6621 Fannin St., Houston, Texas 77030.

7 NON-PAYMENT

7.1 If a patient does not pay the Financial Assistance Deductible and fails to renegotiate a payment plan (if applicable), the uncollected balance may be considered a Bad Debt and will follow standard Patient/Family Collection Policy and Procedures.

7.2 The guidelines for the management and collection of patient account receivables is described in the Patient/Family Collections Policy in English and Spanish. The link to the webpage: <https://www.texaschildrens.org/patients-and-visitors/insurance-and-billing-assistance/financial-arrangements>

8 LIST OF PROVIDERS WHO PROVIDE EMERGENCY AND OTHER MEDICALLY NECESSARY CARE AT TCH

8.1 TCH maintains a list of providers (which is updated each fiscal quarter), other than TCH and its substantially related entities, who provide emergency and other medically necessary care at TCH facilities and are covered by TCH's Financial Assistance Policy. A copy of such list of providers is available at no charge, and can be found online at <https://www.texaschildrens.org/financial-assistance>, or by calling Customer Service at 832-824-2300 to request a list by mail, or by visiting TCH's Main Admissions Office on the 3rd floor of West Tower, 6621 Fannin St., Houston, Texas 77030.

9 AVAILABILITY OF THE FINANCIAL ASSISTANCE POLICY, PLAIN LANGUAGE SUMMARY OF THE FINANCIAL ASSISTANCE POLICY, AND FINANCIAL ASSISTANCE APPLICATION

9.1 TCH will make information regarding Financial Assistance widely available to all patients. TCH will offer information that includes this Financial Assistance Policy, the Financial Assistance application, instructions on applying, and a plain language summary of this Financial Assistance Policy on its website (available at http://www.texaschildrens.org/Financial_Assistance.aspx). In addition, this information will be available upon request and without charge, both by mail and in public places within TCH, including the Emergency Center and Admission areas. TCH will notify and inform members of the community served by TCH about this Financial Assistance policy by publishing the information on patient guarantor statements. TCH will also have public displays that notify and inform patients about this Financial Assistance Policy. Information will be available in English, Spanish, or other languages spoken by significant populations served by TCH. Patients can contact TCH for information regarding Financial Assistance. Financial Counseling may be reached at 832-824-5505 for Main Campus, 832-227-2120 for West Campus and 832-826-3300 for Pavilion for Women. Information is also available through Customer Service at 832-824-2300.

10 EXCEPTIONS

10.1 Extenuating circumstances may arise in determining eligibility for patients who do not meet the above established criteria. The Financial Assistance Committee is charged with reviewing and approving such cases.

RELATED DOCUMENTS

- [Exhibit A Federal Poverty Guidelines](#)
- [Patient/Family Collections Policy](#)
- [Patient/Family Collections Procedure](#)
- [Exhibit B – Financial Assistance Application](#)
- [Admissions Policy](#)

REFERENCES

ASSOCIATED LAWS AND REGULATIONS
 TEXAS HEALTH AND SAFETY CODE ANN. §§ 311.031-311.048
 TEXAS TAX CODE § 153.310, § 171.063
 Medicaid Conditions of Participation
 Section 501(r) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder

ASSOCIATED LAWS AND REGULATIONS
 TEXAS HEALTH AND SAFETY CODE ANN. §§ 311.031 - 311.048
 TEXASTAXCODE § 153.310, § 171.063
 Medicaid Conditions of Participation
 Patient Protection and Affordable Care Act of 2010 section 501 (r)

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