Rice Medical Center
Policy & Procedure

DEPARTMENT: Business Office
EFFECTIVE DATE: April 1, 1996
REVISION DATES: February 1997, April 2000, August 2006
October 2, 2013, December 2, 2014
March 26, 2018, December 20, 2018
December 9, 2025

APPROVAL: _____
Kurt Sunderman, CEO

CHARITY CARE

POLICY

CAHRMC dba Rice Medical Center, Rice Medical Associates – Eagle Lake, and Rice Medical Associates – East Bernard (referenced hereinafter as "the Hospital) are committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to deliver compassionate, high quality, affordable healthcare services and to advocate for those who are poor and disenfranchised the Hospital strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

Charity care will be provided to all patients who present themselves for care at the Hospital without regard to race, creed, color or national origin, and who are classified as financially indigent or medically indigent according to the eligibility system.

Charity is not considered to be substitute for personal responsibility. Patients are expected to cooperate with all procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so.

Elective patients (as defined by Medicare) will generally not qualify, however exceptions may be made on an individual basis consistent with the principles set out in this Charity Care Policy. Charity determination is conditional and does not apply to Third Party claims such as lawsuits, settlements, hospital liens or any third party payment or liability. The Hospital retains its rights to recover the full balance from any third party resource to the fullest extent allowed by law.

DEFINITIONS

For the purpose of this policy, the terms below are defined as follows:

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their tax return, they may be considered a dependent for purposed of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

1. Included earning, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, 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
2. Noncash benefits (food stamps and housing subsidies) do not count
3. Determined on before-tax basis
4. If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count)

Uninsured: The patient has no level of insurance, denied benefits or third party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expensed that exceed his/het financial abilities.

Eligibility of Charity Care

1. **FINACIALLY INDIGENT**
   - **a.** A financially indigent patient is a person who may be uninsured, underinsured may be financial hardship and is accepted to care with no obligation or a discounted obligation to pay for the services rendered based on the hospital's eligibility criteria set forth in this policy.

   - **b.** To be eligibility for charity care as a financially indigent patient, a person's income may be at or below 200 percent of the federal poverty guidelines. The hospital may consider other financial assets and liabilities of the person when determining eligibility, including a patient's participation in other programs targeted to assist the financially indigent.

   - **c.** The hospital will use the most current poverty income guidelines issued by the U.S. Department of Health and Human Services to determine and individual's eligibility for charity care as a financially indigent patient.

The poverty income guidelines are published in the Federal Register in February of each year and, for the purpose of this policy, will become effective the first day of the month following the month of publication.

d. In no event will the hospital establish eligibility criteria for financially indigent patient which set the income level of charity care lower than that required for counties under the Texas Indigent Health Care and Treatment Act, or higher than 200 percent of the federal poverty income guidelines. The hospital may, however, adjust the eligibility criteria from time to time, based on the financial resources of the hospital and as necessary to meet the charity care needs of the community.

2. MEDICALLY INDIGENT

a. A medically indigent patient is a person who's medical or hospital bills, after payment by third-party payers exceed a specified percentage of the person's annual gross income as set forth in this policy and whose is unable to pay the remaining bill.

b. To be eligible for charity as a medically indigent patient, the amount owed by the patient on the hospital bill after payment by third-party payers must exceed 200% of the patient's annual income.

c. A determination of a patient's ability to pay the remainder of the bill will be based on whether the patient can be reasonably expected to pay the account in full over a 2 – year period.

d. If a determination is made that a patient has the ability to pay the remainder of the bill, such determination does not result in a re-assessment of the patient's ability to pay at a later date.

3. PROCEDURE

1. Method by Which Patients May Apply for Charity Care
    a. Financial need will be determined in accordance with procedures that individual assessment of financial need: and may
        1) Include an application process, in which the patient or the patients guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;
        2) Include the use of external publically available data sources that provide information on a patient's or a patient's guarantor's ability to pay;
        3) Include reasonable efforts by the Hospital to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs:
        4) Take into account the patient's available assets, and all other financial recourses available to the patient; and

5) Include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.

b. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.

c. There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write off of the account balance. In conjunction with the regular application procedures for charity care, presumptive eligibility for financial indigence may be determined on the bases of individual life circumstances that may include:

1) State-funded prescription program,
2) Homeless or received care from a homeless clinic,
3) Participation in Women's, Infants and Children's program
4) Food stamp eligibility,
5) Subsidized school lunch program eligibility,
6) Low income/subsidized housing,
7) Patient is deceased with no known estate,
8) Patients with unpaid balances on three or more accounts,
9) Insurance denials,
10) Eligibility for other state or local assistance programs that are unfunded,
11) Supplemental Nutrition Assistance Program (SNAP),
12) Medicaid,
13) Children's Health Insurance Program (CHIP),
14) Temporary Assistance for Needy Families (TANF),
15) Unemployment insurance, or
16) Other similar third-party means tested programs.

d. The Hospital values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and the Hospital shall notify the patient or applicant in writing within 30 days of receipt of a completed application.

4. IDENTIFICATION OF CHARITY CASES

a. The hospital will post notice of its charity care program and how a patient may apply for charity care.

b. The Business Office will attempt to identify all cases that will qualify as charity at the time of admission. Patients identified as possible charity cases may be asked to complete a financial assessment form, "Attachment S"
c. The Business Office will refer those patients who may qualify for financial assistance from a governmental program to the appropriate program, such as Medicaid. Patients who are eligible for Medicaid and other indigent health care programs do not qualify as financially indigent, but the unreimbursed costs of providing services to recipients of these programs shall be reported as government-sponsored indigent health care.
d. As soon as sufficient information is available concerning the patient's financial resources and eligibility for governmental assistance, a determination will be made concerning the patient's eligibility for charity. No collection efforts will be pursued on charity account after such determination is made.

5. FACTORS TO BE CONSIDERED FOR CHARITY DETERMINATION

a. The following factors are to be considered in determining the eligibility of the patient for charity care:
    i. Gross amount of income
    ii. Family size
    iii. Employment status and future earning capacity
    iv. Other financial resources
    v. Other financial obligations
    vi. The amount and frequency of hospital/medical bills
    vii. Participation in other means-tested programs as described herein.

b. The federal poverty income guidelines are included in this policy as Attachment "B". The definitions of "family", "income" and "exclusions from income" are included in the poverty guidelines and will be used in all charity eligibility determinations.

6. FAILURE TO PROVIDE APPROPRATE INFORMATION

Failure to provide information necessary to complete a financial assessment may result in a negative determination, but the amount may be reconsidered upon receipt of the required information. A determination of eligibility for charity may be made without a completed assessment form if the patient or information is not reasonably available and eligibility is warranted under the circumstances.

7. TIME FRAME FOR ELIGIBILITY DETERMINATION

A determination of eligibility will be made by the Business Office within 30 working days after receipt of all information necessary to make a determination

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8. DOCUMENTATION OF ELIGIBILITY DETERMINATION

Once the eligibility determination has been made, the results of the determination will be noted in the comments sections of the admissions records, and a copy will be sent to the appropriate hospital departments.

9. REPORTING OF CHARITY CARE

Information regarding the amount of charity care provided by the hospital in its fiscal year shall be aggregated are included in the hospital's annual report filed with the Bureau of State Health. This report also will include information concerning the provision of government-sponsored indigent health care and other community benefits.

10. SLIDING SCALE DETERMINATION

If an individual fails to qualify for full indigent health care but qualifies under the 200% sliding scale policy, a portion of their cost may be written off to charity. A determination will be made based on the overall income of the person applying for charity. If the individual's income is above the national poverty guideline but less than 200% of the poverty guideline (as shown in Figure 1) a discount will be applied to the balance owed after insurance and other third parties have paid. This discount will be applied based on the size of the family unit and the annual income earned by the individual.

11. MAXIMUM CHARITY AMOUNT PER PATIENT PER YEAR

There is not maximum charity amount per patient per year. However, the limit for indigent is $16,000 per patient per year. This limit may be exceeded, under special circumstances as defined by and with the approval of the CEO.

PRESUMPTIVE CHARITY APPLICATION CHECKLIST

You may qualify for financial assistance if you are currently enrolled in one of the specific assistance programs below. Please carefully review the list and indicate any you are enrolled in, and/or if one or more items correctly applies to you.

1.	State-funded prescription program	☐
2.	Homeless or received care from a homeless clinic	☐
3.	Participation in Women's, Infants and Children's program (WIC)	☐
4.	Food stamp eligibility	☐
5.	Subsidized school lunch program eligibility	☐
6.	Resides in low income/subsidized housing	☐
7.	Patient is deceased with no known estate	☐
8.	Patients with unpaid balances on three or more accounts	☐
9.	Insurance denials	☐
10.	Eligibility for other state or local assistance programs that are unfunded	☐
11.	Supplemental Nutrition Assistance Program (SNAP)	☐
12.	Medicaid	☐
13.	Children's Health Insurance Program (CHIP)	☐
14.	Temporary Assistance for Needy Families (TANF)	☐
15.	Unemployment insurance	☐
16.	Other similar third-party means tested programs	☐
17.	1-16 doesn't apply to the patient	☐

Application Certification: I certify that the information in the application is true and correct to the best of my knowledge. I understand that the information provided may be verified and I authorize Rice Medical Center / Rice Medical Associates to contact third parties if necessary to verify the accuracy of the information provided in this application. I understand that if I knowingly provide untrue information in this application, I will be ineligible for financial assistance, any financial assistance granted to me may be reversed, and I will be responsible for the payment of the hospital / clinic bill.

Account Number: _____ **Medical Record Number:** _____

Patient Name: _____ **Guarantor Name:** _____

Guarantor Signature: _____ **Date:** _____

CAHRMC, LLC Employee Signature: _____

☐ **Approved** ☐ **Denied** **Comments:** _____

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