

Charity Care

I. Purpose:

MHMR operating procedure to provide charity care to patients who have healthcare needs and are uninsured, underinsured, or otherwise unable to pay, for medically necessary care based on their individual financial situation. MHMR strives to ensure that the financial capacity of patients who need quality healthcare services does not prevent them from seeking or receiving care.

II. Scope:

All MHMR programs or specific program/division

III. Responsibility:

All MHMR employees or specific positions.

IV. Overview:

- A. Eligibility for Charity Care
- B. Application and Assessment Process
- C. Presumptive Financial Assistance Eligibility
- D. Patient Charges
- E. Communication of the Charity Care Program to Patients
- F. Relationship to Collection

V. Procedure:

A. Eligibility for Charity Care

1. Eligibility for charity care will be considered for those patients who are uninsured, underinsured, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity care is based on an individualized determination of financial need, and does not consider age, gender, race, social or immigrant status, sexual orientation, or religious affiliation.
2. Services eligible to patients on Sliding Scale Fee Schedules, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. The basis for the amounts charged to patients served who qualify for financial assistance is as follows:
 - a. Patients whose family income is at or below 150% of the FPL are eligible to receive services at a discount of 100%.
 - b. Patients whose family income is above 150% but not more than 200% of the FPL are eligible to receive services at a discount (partial charity care) at rates discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
 - c. Patients whose family income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence; however, the discounted rates shall not be greater than the amounts generally billed to private or public insurance and discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
3. The following services are eligible for charity care:
 - a. Behavioral health services
 - b. Immunizations
 - c. Public health services
 - d. Other preventative services

B. Application and Assessment Process

1. Financial need is determined in accordance with procedures that involve an individual assessment of financial need; and may include:
 - a. An application or assessment process, in which the patient or the patient's Legally Authorized Representative (LAR) are required to cooperate and supply personal financial and other information and documentation relevant to making a determination of financial need.
 - b. The use of external publicly available data sources that provide information on a patient's or LAR's ability to pay (such as credit scoring).
 - c. Include reasonable efforts by MHMR to explore appropriate alternative sources of

- payment and coverage from public and private payment programs, and to assist patients to apply for such programs.
- d. Consider the patient's available assets, and all other financial resources available to the patient.
 - e. A review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
2. A request or assessment for charity care and a determination of financial need can be done at any point in the collection cycle but is preferred to be completed within the first 30 days of treatment. The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the patient's or LAR's eligibility for charity care.
 3. Requests for charity care shall be processed promptly with notification to the patient or LAR in writing within 30 days of receipt of a completed application or assessment.

C. Presumptive Financial Assistance Eligibility

1. There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient served or through other sources, which provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, MHMR can use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. 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. Presumptive eligibility may be determined based on individual life circumstances that may include:
 - a. State-funded prescription programs
 - b. Homeless or received care from a homeless clinic
 - c. Participation in Women, Infants and Children programs (WIC)
 - d. Food stamp eligibility
 - e. Subsidized school lunch program eligibility
 - f. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down)
 - g. Low income/subsidized housing is provided as a valid address; and
 - h. Patient is deceased with no known estate

D. Patient Charges

1. The basis for the amounts charged to patients served who qualify for financial assistance is as follows:
 - a. Patients whose family income is at or below 150% of the FPL are eligible to receive services at a discount of 100%
 - b. Patients whose family income is above 150% but not more than 200% of the FPL are

eligible to receive services at a discount (partial charity care) at rates discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs

- c. Patients whose family income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at MHMR's discretion; however, the discounted rates shall not be greater than the amounts generally billed to private or public insurance and discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs

E. Communication of the Charity Care Program to Patients

1. Notification about charity care includes a contact number, and is disseminated by various means, which includes, but are not limited to:
 - a. Publication of notices in monthly statements and by posting notices in clinics,
 - b. Waiting areas,
 - c. Intake and assessment,
 - d. and other public places as elected.
2. MHMR widely publicizes a summary of this charity care policy on the MHMR's website, in brochures available in patient access sites and at other places within the community. Such notices and summary information are provided in accordance with MHMR's Cultural and Linguistic Competency Plan.

F. Relationship to Collection

1. MHMR takes into account the extent to which the patient qualifies for charity care, a patient's good faith effort to apply for charity care, and a patient's good faith effort to comply with his or her payment agreements. For patients who qualify for charity care and who are cooperating in good faith to resolve their discounted bills, MHMR may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. MHMR will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions as allowed by Texas and Federal law for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:
 - a. Validating that the patient owes the unpaid charges and that all sources of third-party payment have been identified and billed.
 - b. Documentation that the MHMR has attempted to offer the patient the opportunity to apply or be assessed for charity care pursuant to this policy and that the patient has not complied with the Center's financial assessment requirements.
 - c. Documentation that the patient does not qualify for financial assistance on a presumptive basis.

- d. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

VI. Definitions:

- Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care provide healthcare services for free or at a discount to patients who meet the established criteria.
- Family: A group of two (2) or more people who reside together and who are related by birth, marriage, or adoption. In addition, according to Internal Revenue Service rules, if a patient claims someone as a dependent on his/her income tax return, that person may be considered a dependent for purposes of the provision of financial assistance.
- Uninsured: A person who has no level of insurance or third-party assistance with meeting his/her payment obligations
- Underinsured: A person who has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.
- Gross Charges: Total charges at the full established rates for the provision of patient care services before deductions from revenue are applied.
- Sliding Scale Fee Schedules: Patient financial share calculated utilizing rules, regulations, and contractual requirements of the Center's various funding agencies. (HHSC MH/IDD; HHSC ECI; HHSC Autism; TCOOMMI, etc.)

VII. References:

- Healthcare Financial Management Association guidance found in the June, 2019 Statement 15: "Valuation and Financial Statement Presentation of Charity Care, Implicit Price Concessions and Bad Debts by Institutional Health Care Providers" in relation Charity Care.
- TAC Rule §355.8215