



Charity Care & Financial Assistance

Approved: 8/28/19 – MSRDP

Revised:

PURPOSE

To define eligibility criteria for qualified Texas Residents applying for charity discounts (Financial Indigence) at UT Health Austin (“UTHA”); to define the process by which patients are evaluated for assistance; and to provide consistency in the review and approval process.

UTHA accepts charity cases on a limited basis consistent with The University of Texas System Regents’ Rules and Regulations, its contractual obligations to its affiliated partners, and its healthcare and educational missions. This policy is intended as a general guideline to define the parameters of who may be eligible for charity care. If a patient is financially eligible for charity care, they may qualify to receive services, based on a number of factors. These factors may include, but are not limited to, issues such as the availability of financial, human, and other resources within UTHA, county of residence, primary diagnosis and co-morbidities, stage of disease, history of the problem, prognosis without treatment, success rates of proposed treatments and procedures with similar figures for morbidity and mortality, the educational benefit of providing care to Dell Medical School trainees, and the priority of other charity care cases.

POLICY

UTHA is the clinical enterprise of The University of Texas at Austin Dell Medical School. The Affiliation Agreement among The University of Texas at Austin, Community Care Collaborative, and the Travis County Healthcare District d/b/a Central Health, contemplates that UT Austin Dell Medical School will have a policy addressing the provision of indigent and charity care clinical services furnished through UT Austin Dell Medical School provider practice entities. UTHA is also governed by Regents’ Rule 40701, *Medical and Hospital Services*, which provides that no health care services shall be provided to any person without compensation or reimbursement, provided however, free or partly free healthcare services may be rendered to persons who are indigent and who are able to show that they are financially indigent.

In accordance with its mission to enhance the health of the community and the State of Texas, the UTHA provides care for the most vulnerable patients in the community, including patients with financial hardships. At the same time, UTHA must preserve the fiscal integrity and strength of the institution for the future. Against this backdrop, it is the policy of UTHA to provide assistance to properly qualified Texas resident patients who meet certain eligibility requirements as defined within this policy and who have no other means to meet their payment responsibilities for medically necessary physician services. The amount of charitable services provided will be subject to UT Austin’s financial ability to absorb the cost of such services, while simultaneously ensuring financial viability, as well as the funding commitments to UT Austin as set forth in the Affiliation Agreement.

Even if a patient is financially eligible for charity care, he or she may not qualify for assistance since the availability of institutional resources needed for a particular patient's medical care and the overall resources needed for patients already receiving care must be taken into account as factors.

UTHA may: (1) specify and/or limit services that are subject to charity care; (2) restrict the provision of non-emergency charity care to Travis County residents; and (3) provide medical case management to ensure that services requested under this policy are medically necessary. Decisions regarding limitations of charity care services are made by the President of The University of Texas at Austin or designee in his or her sole discretion.

Patients must have completed an application to be eligible for this assistance. UTHA's eligibility process includes income levels and means testing indexed to the Federal Poverty Guidelines. Qualified applicants whose income and calculated asset are below 200% of the Federal Poverty Guidelines will qualify for a 100% charity discount on any balances (any established deposits for planned services are still required). Under this policy, UTHA will serve only as a payer or last resort. Non-Texas residents and Non-Qualified Legal Aliens are not eligible under this policy.

PROCESS AND PROCEDURES

Who May Apply

Eligibility for charity care or financial assistance at UTHA for individuals who are financially indigent will be based on multiple factors, including but not limited to: Texas residency, income level, calculated assets (25% of asset values assessed to household income), insurance coverage, and other available coverage. Patients designated as financially indigent could qualify for 100% charity.

Existing patients may apply for charity care at an available time at UTHA to present for financial counseling prior to scheduling additional care.

Identification of Possible Coverage(s) and Third Party Eligibility

1. Charity discounts are to be accessed only as a last resort and all current or potential third party coverage is to be considered primary to a charity discount. Patients with third party coverage that covers all or a portion of the medical care needs in question cannot apply or qualify for charity care under this policy. Third party coverage extends to any coverage, including but not limited to, medical insurance, commercial or managed care medical care programs, Medicaid, County Indigent Programs (CIHCP, Travis County Medical Assistance Program), state agencies, any liability (commercial, general, worker's compensation, homeowner's) or auto insurance, access to insurance coverage through a family member, or other coverage that covers the medical needs in question. The patient is required to apply for all applicable programs for which he or she may be eligible as a condition of applying for charity discounts. Failure to complete the application process and seek eligibility from any available source(s) may result in a denial of financial assistance for services from UTHA. UTHA will assist applicants, to the extent possible, in

identifying and applying for any programs or other third party coverage for which they may be eligible. If the applicant is denied coverage for the medical services needed, they may be considered for financial assistance under this policy. Individuals providing financial counseling services should use reasonable measures including but not limited to, asking the patient, searching the internet, conducting electronic searches for existing or possible coverage, checking existing databases for COBRA, CMS, Medicare, Medicaid, VA medical benefits, Federal Employees Health Benefit Program, Texas Risk Pool, County Indigent Care Programs (CIHCP, MAP), and any other potential source of coverage.

2. Medicare patients with only Part A or Part B coverage who are eligible for Part A and Part B coverage may be approved for charity under this policy only until the next Medicare enrollment period, at which time they will be required to be enrolled in both parts in order for continued eligibility under this policy. If a patient has Part B and drops it or cannot afford the Part B premium, the patient will need to be screened for the Qualified Medicare Beneficiary Program (QMB) or provide proof of application for the Specified Low-Income Medicare Beneficiary Program (SLMB) in order to be or remain eligible for charity discounts. If the patient does not take these steps, the charity discount or financial assistance may be revoked. Medicare discounts will only be valid for six months. Patients may request assistance in applying for discounts.

Evaluating Applications

1. Identification – UTHA employee(s) performing financial counseling will verify information by checking the applicant’s legal personal identification with photos using the document(s) listed in the Verification of Identification document list.
2. Residency – UTHA employee(s) performing financial counseling will determine whether the applicant is a qualified Texas Resident using two valid proofs from the documents listed in the Verification of Identification document list.
3. Citizenship – Citizenship status will be checked:
 - a. If a US Citizen, the applicant must attach to the application a copy of one of the documents listed in the Verification of Identification document list.
 - b. If a Qualified Legal Alien, the applicant must hold a Lawful Permanent Resident Card (USCIS Form I-551).
4. Income – The applicant shall be required to report all annual Family Income. The calculation should include the income of all members of the Family, a group of two or more people residing together in a single domicile or household. Failure to report Family Income may result in revocation of eligibility under this policy. UTHA employee(s) performing financial counseling will assist the applicant in calculating income according to guidelines for forms of income and required documentation. The most recent US Individual Income Tax Return (IRS Form 1040, 1040 EZ, etc.) will be used as the primary means of documenting the applicant’s income. The Tax Return must be either professionally prepared or a 4506-T will need to be filled out and sent to the IRS for an

official transcript or letter of non-filing. If the applicant or family member is self-employed, the applicable schedules (C/C-EZ, SE, E, etc.) should be included, as well as the Schedule ES, Estimated Tax for Individuals.

- a. If the applicant's income has decreased significantly and he or she can demonstrate the reduction since the last Tax Return was filed, the most recent three months of paycheck stub for each Family member may be used to establish the current annual income from employment (and all other income, such as interest, dividends, etc. must also be included in the Family income calculation). If any Family member receives income from an employer, calculate the Family member's current gross income from the employment earnings as follows:
 - i. Paid Weekly – Four most recent consecutive pay stubs
 - ii. Paid Biweekly – Two most recent consecutive pay stubs
 - iii. Paid Semi-monthly – Six most recent consecutive pay stubs
 - iv. Paid Monthly – Three most recent pay stubs
 - v. No Paycheck Stubs Available
 1. Dated letter from employer on company letterhead signed by management stating YTD gross earnings
 2. Employment Verification Form completed by management stating YTD gross earnings
 - b. If the applicant is recently unemployed, add together the YTD income plus any expected income for the year to determine the projected annualized income. Divide by 12 to determine monthly income. The applicant should present documentation from the Texas Workforce Commission unless he or she is being considered or has been deemed disabled by the Social Security Administration. The letter from the Texas Workforce Commission should confirm no employer is paying wages to the applicant.
 - c. If the applicant lives with or is supported voluntarily by another person who is not legally required to support the applicant, a notarized letter of support may be used to provide current income and residency documentation, thereby ensuring that only the applicant's income is to be taken into account in the review process.
 - d. If the applicant cannot provide any proof of income at all, the applicant must present a notarized affidavit documenting how the applicant's expenses are being met.
5. Assets Check – 25% of the applicant's assets (as defined in this policy) shall be included in the income eligibility determination. The applicant should report assets in the application for a charity discount. For a list of possible assets to be considered, please see the Approved Document List. The applicant's primary residence or first vehicle is not included in the calculation. For purposes of this policy, "assets" include, but are not

limited to, cash, checking and savings accounts, certificates of deposits, stocks, bonds, other securities, equity value of property (including income producing property and excluding primary residence and vehicle), retirement accounts.

6. Income Eligibility Determination – The Financial Classification Scale for Patients will be used to determine whether the applicant qualified based on income and family size. After verifying the number of household dependents and the household monthly income (including an assessment of 25% of all applicable assets), the UTHA employee performing the financial counseling should assign the level of discount based on the correlating Federal Poverty Index level (FPIL).

The Financial Class and Payscale designations are as follows:

<u>FPIL</u>	<u>Financial Class</u>	<u>Discount</u>
0% -25%	Indigent	100%
26% -100%	Indigent	100%
101% - 200%	Indigent	100%

Income and assets will be calculated to determine eligibility. All of the documentation will be scanned into UTHA’s software, including the application. The staff will indicate on the re-class letter whether there is a recommendation for approval or denial.

7. Decisionmaking and Authority – The UTHA Revenue Cycle Director is responsible for evaluation and approval or denial of charity discount applications and for written communication of that decision to the applicant. Applicants will be notified in writing within 14 days of the decision. The notification will include the reason for denial if relevant, and information on how to appeal the decision.

UTHA Revenue Cycle staff are responsible for maintaining internally developed tools to reflect current Federal Poverty Limit values and for ensuring the tools are utilized and applied appropriately and current information is made available regarding this policy. UTHA’s Chief Financial Officer or designee is responsible for the financial administration of this policy. Initial decisions regarding limitations of charity care services are made by the UTHA Chief Clinical Officer or designee, with ultimate responsibility held by the President of The University of Texas at Austin or designee.

8. Effective Date – The effective date of the charity assistance available under this policy will be the date that the planned services, the date the financial agreement and Plan of Care agreement are signed.
9. Expiration Date – Subject to Sections 10 and 11 below, the charity discount awarded to an applicant will stay in effect for six months from the date the financial agreement and Plan of Care agreement are signed.

10. Change in Status, Modification or Denial – Previously approved charity discounts may be modified or denied if the applicant has had a change in status that would render him/her ineligible, including but not limited to:

- a. Texas residency
- b. Citizenship status
- c. Income
- d. Primary insurance eligibility
- e. On a case by case basis, a change in insurance or COBRA coverage or failure to elect or maintain COBRA coverage

The UTHA employee performing financial counseling may issue a denial due to change in status.

A previously denied charity care or discount care applicant may become eligible through a change in status, such as through income loss or established residency status, but patients will need to reapply and provide documentation demonstrating the change in status.

11. Revocation – If any of the following conditions occur, UTHA may revoke a previously approved charity discount:

- a. Receipt of public benefits in another state during the effective period of assistance
- b. Discovery of inaccurate, incomplete or falsified information on the charity discount application
- c. Identification of potential third-party coverage (e.g. COBRA coverage, insurance coverage by a family member, Medicare, Medicaid)
- d. Other information that would render the applicant ineligible

If the patient's charity discount is revoked, UTHA shall notify the patient by certified mail that the assistance has been revoked and the reason for the revocation. UTHA shall change the patient's financial class and reinstate the charges. The patient will be financially responsible for all previous charges that are reinstated.

12. Reapplication – Applicants may reapply under this policy as follows:

- a. If a charity discount application has been denied for insufficient documentation, the applicant may reapply immediately by supplying all requested documents.
- b. If the charity discount application has been denied because the applicant did not meet the UTHA requirements of Texas residency, citizenship status, or income criteria, the applicant may reapply by completing a new charity discount application and documenting the change in his/her status that would meet the Texas residency, citizen status, and income criteria.
- c. If the applicant has new information; if the applicant once had Medicaid or

- other insurance, but no longer has it; the applicant may re-apply by completing a new charity discount application and providing the requested documentation.
- d. If a charity discount has been denied because of falsification or concealment, reapplication is solely at the discretion of UTHA.

13. File Storage – UTHA will scan all original completed applications (both approved and denied) and all supporting documentation for storage. UTHA may retain a copy of the application and supporting documentation for its own records.

Applicable Discounts

Eligible patients may be accepted for medically necessary services into a service area as a charity patient based on available institutional resources and the course of treatment for that service may be discounted.

Disposition

Once the financial screening is complete, the applicable discount is determined.

1. The applicant comes to the UTHA for a final interview.
2. The applicant is given the deposit guide that corresponds with the applicable discount.
3. A Financial Counseling Agreement is reviewed and signed by the applicant.
4. The account will be updated, printed and scanned.
5. Management or another designee must approve and sign off on all completed approved cases prior to mailing re-class letter.
6. The IPU Director is notified that the applicant has completed financial screening and an appointment is established.
7. If the applicant is denied due to lack of compliance or over income, the Revenue Cycle Director will be notified and a denial letter will be sent to the patient.

Submission and Processing

Individuals will be expected to return the application within 14 days of being provided with the application.

1. If any documentation is missing, the applicant will be mailed a letter and notified of the missing documentation required to complete the financial screening process.
2. If no response from the applicant within 14 days after the date of the letter, and the documentation has not been received, and if the patient is not otherwise working with a UTHA employee to obtain the documentation, the request for financial discounts will be denied and the applicant will need to reapply. If the applicant is actively working with a UTHA employee in obtaining documentation, the time for obtaining proof(s) may be extended.