**TEXAS CENTER FOR INFECTIOUS DISEASE**

**A UNIT OF THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES**

**2303 S.E. MILITARY DRIVE**

**SAN ANTONIO, TEXAS 78223**

**Policy and Procedure**

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| **SUBJECT:** | **PAGES:** |
| **RESPONSIBILITY:** | **EFFECTIVE**:  **REVISED:** |
| **REVIEWED BY:**  Charity Care Policy  Health and Safety Code, Title 2. Health Subtitle A. Department of State Health Services. Chapter 13. Department Hospitals and Respiratory Facilities Subchapter A. Care and Treatment in Department Hospitals. | **APPROVED: David Gruber, Associate Commissioner for RLHO**  Hospital Administrator / Superintendent |

1. **POLICY:** The Texas Center for Infectious Disease (TCID) under the Department of State Health Services (DSHS), Regional Local Health Organization (RLHO) is committed to the provision of inpatient Tuberculosis services to all persons in need of medically necessary care regardless of ability to pay. The purpose of this policy is to ensure a fair, non-discriminatory, effective, and uniform method for the provision of Financial Assistance (charity care) to eligible individuals, admitted voluntarily or under civil commitments, who are unable to pay in full or part for medically necessary inpatient Tuberculosis care and other hospital services provided by the DSHS RLHO.
2. **DEFINITIONS:** For this policy, the terms below are defined as follows:

*Charity Care*: Healthcare services provided to uninsured individuals who meet the RLHO’s charity-care policy, including full or partial discounts, without expectation of reimbursement. Charity care does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the RLHO’s charity care of financial assistance policy.

*Emergency medical conditions:* Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

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

* Includes earnings, 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;
* Noncash benefits (such as food stamps and housing subsidies) do not count;
* Determined on a before-tax basis;
* Excludes capital gains or losses; and
* If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

*Federal Poverty Level (FPL):* FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

*Gross charges:* The total charges at the organization’s full established rates for the provision of patient care services before deductions from revenue are applied.

*Medically necessary:* As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

*Presumptive Eligibility for Charity Care:* Eligibility for charity care using an industry-recognized financial assessment tool that evaluates ability to pay based on publicly available financial or other records, including but not limited to household income, household size, and credit and payment-recognized financial assessment tool that evaluates ability to pay based on publicly available financial or other records, including but not limited to household income, household size, and credit and payment history. Such presumptive eligibility may be determined through means other than a full financial assessment.

*Support, Maintenance, and Treatment (SMT) Rate:* The rate established by TCID that reflects the average daily inpatient hospitalization cost per patient. The rate includes most salary and benefit-related costs, client services costs (pharmacy, nursing), operating costs (maintenance, laundry, central supply, housekeeping), professional fees, and other direct costs.

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

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

**PROCEDURE:**  The TCID will provide free or discounted hospital services to qualified low income, uninsured and underinsured patients when the ability to pay for services is a barrier to accessing medically necessary emergency and other hospital care and no alternative source of coverage has been identified. Patients must meet the eligibility requirements described in this policy to qualify.

The TCID will provide, without discrimination, care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act) consistent with available capabilities, regardless of whether an individual is eligible for financial assistance. The TCID will not discriminate on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, veteran or military status, or any other basis prohibited by federal, state, or local law when making financial assistance determinations.

The TCID will provide emergency medical screening examinations and stabilizing treatment, or refer and transfer an individual if such transfer is appropriate in accordance with 42 C.F.R §482.55. The TCID prohibits any actions, admission practices, or policies that would discourage individuals from seeking emergency medical care, such as permitting debt collection activities that interfere with the provision of emergency medical care.

This written policy:

* Includes eligibility criteria for financial assistance – free and discounted (partial charity) care
* Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
* Describes the method by which patients may apply for financial assistance
* Describes how the hospital will widely publicize the policy within the community served by the hospital
* Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with the TCID’s 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 (Health and Safety Code §1001.081), as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

To allow the TCID to provide the appropriate level of assistance to the greatest number of persons in need, the TCID Governing Body establishes the following guidelines for the provision of patient charity.

1. **Services Eligible Under This Policy.** The following healthcare services are eligible for charity:

* Inpatient Tuberculosis services for voluntary and involuntary patients.
* Services for a Tuberculosis diagnosis which, if not promptly treated, would lead to an adverse change in the health status of an individual;
* All necessary medical and dental services while receiving inpatient psychiatric care and treatment pursuant to Health and Safety Code §551.041.

1. **Eligibility for Charity.** Eligibility for charity will be considered for those individuals who are uninsured, underinsured, ineligible for any government health care benefit program, 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 shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
2. **Method by Which Patients May Apply for Charity Care.**

* Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
  1. Include an application process, in which the patient or the patient’s 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 publicly available data sources that provide information on a patient’s or a patient’s guarantor’s ability to pay (such as credit scoring);
  3. Include reasonable efforts by TCID staff 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. Review and assess the patient’s available assets, and all other financial resources 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.
* It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of nonemergent 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.

1. **Presumptive Financial Assistance Eligibility.**

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 or inability to complete the interview based on the patient’s condition at the time of admission. 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. In the event there is no evidence to support a patient’s eligibility for charity care, TCID could use outside agencies in determining estimate 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 on the basis of individual life circumstances that may include:

* State-funded prescription programs;
* Homeless or received care from a homeless clinic
* Participation in Women, Infants and Children programs (WIC);
* Food stamp eligibility;
* Subsidized school lunch program eligibility;
* Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
* Low income/subsidized housing is provided as a valid address; and

Patient is deceased with no known estate.

1. **Eligibility Criteria and Amounts Charged to Patients.**

The TCID is entitled to reimbursement for the support, maintenance, and treatment (SMT) of a non-indigent patient. Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined by a financial assessment and an assessment of a patient’s ability to pay. Once a patient has been determined by the TCID to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts the TCID will charge patients qualifying for financial assistance is as follows:

* The fee(s) for a patient’s SMT is assessed in accordance with Texas Health and Safety Code §552.012-019
* Charges shall not exceed the hospital’s current maximum rate.
* If the person responsible for payments fails to provide financial information upon request, the hospital may assess the maximum rate.
* 25 Texas Administrative Code §417.104(c) provides guidelines for assessing fees for minor patients and §417.104(d) provides guidelines for assessing fees for adult patients of the state hospitals.
* Written notification of the fees that will be assessed is provided to the patient or the person responsible for payment and includes a statement that the person has the right to appeal the assessed fees.
  + If all financial information has been completed, the person must notify the SHS hospital of the intent to file an appeal, which must be initiated in accordance with 25 TAC §417.106(c) within 60 calendar days of the notification of charges.
  + If a person has not provided complete financial information, then the person has 15 working days from the date of the notification of charges to provide complete financial information or forfeits the right to appeal. If information is provided within 15 working days, then the person must notify the SHS hospital of the intent to file an appeal, which must be initiated in accordance with 25 TAC §417.106(c) within 60 calendar days of the notification of charges.
  + If completed financial information is received within 15 working days of the notification of charges, the SHS hospital has 10 working days to review the information, revise the fee if appropriate, and inform the person in writing the amount of the fee and of the right to appeal.

The TCID will determine whether a fee revision is necessary if the hospital receives information that indicates a change in any of the sources of funds used to assess the fees, and a change in a family status that would affect any assessed fee.

1. **Communication of the Charity Program to Patients and Within the**

**Community.**

Notification about charity available from the TCID, which shall include a contact number, shall be disseminated by the TCID by various means, which may include, but are not limited to, the publication of notices in patient bills or in admission forms and by posting notices on patient units, admitting and registration departments, hospital business offices, and patient financial services offices that are located on the TCID campus, and at other public places as TCID may elect.

The TCID also shall ensure availability of a summary of this charity care policy on the DSHS website, and at other places deemed appropriate by the TCID. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by the TCID. Referral of patients for charity may be made by any member of the TCID hospital staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

1. **Relationship to Collection Policies.**

DSHS Governing Body, in coordination with the Health and Specialty Care Business Management Unit, shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient’s good faith effort to apply for a governmental program or for charity from the TCID, and a patient’s good faith effort to comply with his or her payment agreements with the TCID.

For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, the TCID may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. The TCID will not impose extraordinary collections actions such as liens on primary residences or property, or other legal actions 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:

* Validating that the patient owes the unpaid bills and that all sources of

third-party payment have been identified and billed by the hospital;

* Documentation that TCID has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital’s application requirements;
* Documentation that the patient does not qualify for financial assistance on a presumptive basis.

1. Regulatory Requirements. In implementing this Policy, the TCID Leadership and Governing Body shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

**END OF POLICY**