



**Institutional Handbook of Operating Procedures**  
**Policy 09.08.02**

Section: Clinical Policies	Responsible Vice President: EVP and CEO Health Systems
Subject: Financial	Responsible Entity: Admitting Services

**I. Title**

*UTMB Health Charity Care and Financial Assistance Policy*

**II. Policy**

It is the policy of the UTMB Health to provide financial assistance to qualified [Texas resident](#) patients who meet certain eligibility requirements as defined herein for this program, who have no other means to meet their UTMB hospital and physician responsibilities and who have completed an application for this assistance. Qualified [applicants](#) whose income and calculated [assets](#) are below 200% of the [Federal Poverty Guidelines](#) will qualify for a 100% charity discount on any balances (established deposits for planned services are still required). Qualified applicants whose income and calculated assets are greater than or equal to 200% but below 400% of the Federal Poverty Guidelines will qualify for a 50% charity discount on any balances (established deposits for planned services are still required). Under this program, UTMB will serve only as the payor of last resort. Non-Texas residents and non-[Qualified Legal Aliens](#) are not eligible for this program with the exception of emergency services.

All individuals who come to the UTMB Emergency Department (ED), or onto UTMB property, for an examination or treatment for a medical condition will be screened to determine whether an [emergency medical condition](#) exists consistent with [IHOP - 09.01.21 - Examination and Treatment for Emergency Medical Conditions and Women in Labor](#). Neither the initial medical screening nor lifesaving treatment will be impeded by inquiries about the individual's method of payment or insurance status.

UTMB respects the diverse cultural needs, preferences, and expectations of the patients and families it serves to the extent reasonably possible while appropriately managing available resources and without compromising the quality of health care delivered.

Patients who may apply for Financial Indigence

The eligibility for financial assistance/charity care at UTMB for those who are [financially indigent](#), will be based on a number of factors including, but not limited to: Texas residency, income level and calculated assets (25% of asset values assessed to household income) indexed to 400% of the Federal poverty level, and insurance coverage. Patients designated as financially indigent could qualify for 50% or 100% charity.

Patients may apply for financial assistance/charity care at any time during which they have an active bill at UTMB.

Identification of Possible Coverage 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 the medical care needs in question cannot apply for financial assistance. This includes any coverage such as (commercial or managed care) medical care programs, Medicaid, County Indigent Health

Programs (CIHCP), and state agencies as well as any liability or auto insurance that covers the medical needs in question. The patient is required to apply for all applicable programs for which he/she may be eligible as a condition for applying for charity discounts, and failure to complete the application process and seek eligibility from any of these sources may result in a denial of financial assistance for services from UTMB. UTMB 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 can be considered for financial assistance with the UTMB indigent program. Financial Counseling should use reasonable measures including, but not limited to, asking the patient, searching the internet and conducting electronic searches in an attempt to identify all coverage, COBRA, Medicare, Medicaid, VA medical benefits, Federal Employees Health Benefit Program (FEHB), Texas Risk Pool, County Indigent Health Care Programs and/or County Health District coverage.

2. Patients who otherwise qualify for Financial Indigence and cannot afford their COBRA premiums should apply for available COBRA premium payment programs, such as the UTMB Temporary COBRA Premium Assistance program. Patients who have or become eligible for insurance or COBRA coverage, but do not elect it or stop paying premiums for it and fail to apply for the UTMB Temporary COBRA Premium Assistance program may be considered for Financial Indigence on a case-by-case basis only. Revocation may be considered for patients who drop insurance after a charity discount has been approved.

3. Medicare patients who have only Part A or Part B coverage but are eligible for both Part A and Part B may be approved for charity discounts until the next enrollment period, at which time they will be required to be enrolled in both in order for the charity discount to be eligible for renewal. 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 Specified Low-Income Medicare Beneficiary Program (SLMB) in order to be eligible for charity discounts. If the patient does not take these steps, the charity discount may be revoked. Medicare discounts will only be valid for six months. Patients may request assistance in applying for discounts. Medicare discounts will only be valid for six months. If the patient is eligible for Part A or Part B only the patient is eligible for a charity discount.

### **How to evaluate application:**

1. **Identification:** Financial Counseling will verify information by checking the individual's legal personal identification with photo using one of the documents listed in the [Approved Document List](#).
2. **Residency:** Financial Counseling will determine whether the applicant is a qualified Texas Resident, using the two valid proofs using the [Approved Document List](#).
3. **Citizenship:** Financial Counseling will check citizenship status:
  - a. If a Qualified Legal Alien, must hold a Lawful Permanent Resident Card (USCIS Form –I-551)
  - b. If a U.S. Citizen, the applicant must attach to the application a copy of one of the documents listed in the [Approved Document List](#).
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](#) as defined in this Policy. Failure to report Family Income accurately may result in revocation of a charity discount. Financial Counseling will assist the patient in calculating income according to the guidelines for forms of income and required documentation. Financial Counseling must use the most recent U.S. Individual Income Tax Return (IRS Form 1040, 1040EZ, etc.) as the primary means of documenting the applicant's income. The Tax

Return must either be professionally prepared or a 4506-T will need to be filled out and sent to the IRS for an official transcript of letter of non-filing. If the applicant or Family member is self-employed, the applicable schedules (C/C-EZ, SE, or E, as applicable) should be included, as well as Schedule ES, Estimated Tax for Individuals.

- a. If the applicant's income has decreased significantly and can demonstrate the reduction since the last U.S. Individual Income Tax return was filed, Financial Counseling may use the most recent three months' Paycheck stubs for each Family member to establish the current annual income from employment (any and all other income, such as interest, dividends, etc. must also be included in the family income calculation). If any family member receives pay from an employer, calculate his/her current gross annual income from the employment earnings as follows:
    - i. **Paid Weekly**
      1. Four most recent consecutive pay stubs
    - ii. **Paid Biweekly**
      1. Two most recent consecutive pay stubs
    - iii. **Paid Semi-monthly**
      1. Six most recent consecutive pay stubs
    - iv. **Paid Monthly**
      1. Three pay stubs
    - v. **No paycheck stubs available**
      1. Dated letter from employer on company letterhead signed by management stating YTD gross earnings.
      2. UTMB Employment Verification form completed by management stating YTD gross earnings.
  - b. **If the applicant is recently unemployed:**
    - i. Add together the year to date income plus any expected income for the year to determine the projected annualized income. Divide by 12 to get the monthly income.
    2. The applicant should present documentation from the Texas Workforce Commission unless he/she is being considered or has been deemed disabled by the Social Security Administration. This letter should confirm that 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. **Check Assets:** Financial Counseling shall include 25% of the applicant's Assets as defined in this Policy 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.
  6. **Determine Income Eligibility:** Financial Counseling will use the [Financial Classification Scale for Patients](#) 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 financial counselor 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>	<u>Deposit</u>
0% -25%	Indigent	100%	No
26% -100%	Indigent	100%	Yes
101% - 199%	Indigent	100%	Yes
200% - 399%	Indigent	50%	Yes

7. Financial Counseling will calculate the income and assets to determine eligibility. All of the documentation will be scanned into BMI including the application. The staff will indicate on the re-class letter whether there is a recommendation for approval or denial.
8. Approval/Denial: Management or another designee 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.
9. Effective Date: The [effective date](#) of the charity policy will be the date that the unplanned service took place, or for planned services, the date the financial agreement and Plan of Care agreement are signed.
10. Expiration Date: The charity discount will be effective 6 months if there are children are in the household and one year if there are not. Households with children will be reviewed after only 6 months in order to assess whether they have become eligible for Medicaid.
11. 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

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.

12. Revocation: If any of the following conditions occur, Financial Counseling 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, Financial Counseling shall notify the patient by certified mail that the assistance has been revoked and the reason for the revocation. Financial Counseling shall

change the patient's financial class and reinstate the charges. The patient will be financially responsible for all previous charges that are reinstated.

13. Reapplication:

- 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 UTMB 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; if the applicant has been a participant in an investigational protocol for which a therapeutic intent has not been documented, but is no longer participating, 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 as outlined in 11 a-c, reapplication is at the discretion of UTMB.

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

### **Applicable discounts**

- **Unplanned Services:** Eligible patients may receive discounts for [unplanned services](#) such as emergency services or an unplanned admission.
- **Planned Services:** 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.

### **Financial Indigent Application Processing**

1. When an application is received, it is reviewed for completeness.
2. Registration is documented reflecting that the application is received
3. An account is generated to track progress
4. All documents are scanned into the scanning system

### **Disposition of Application for Past Balances for Unplanned Services**

1. Once the patient has completed the screening process and is eligible for discounts, a reclass letter will be sent to the patient.
2. If the patient has not complied with the screening process within 14 days, the case will be denied.
3. If the application is approved for past balances, the financial counselor will reclassify the Financial Class in the system on all cases relating to past unplanned services
4. Documentation will reflect screening is complete and the expiration date. If the patient has minor children in the household, the expiration date is 6 months otherwise the expiration date is 1 year. The patient must be rescreened following the expiration date.
5. The account will be updated, printed, and scanned.

6. Management or another designee must approve and sign off on all completed approved cases prior to mailing re-class letter.

### **Time frame for submitting and processing application for Unplanned Services**

1. Patients will be advised that they need to return the application within 14 days or contact a financial counselor advising them of their progress in obtaining documentation, or they will be denied for financial discounts and will need to reapply. If the patient is actively working with a financial counselor in obtaining documentation, the time for obtaining proofs may be extended.
2. After the application is received, the patient will be sent a letter requesting any missing documentation required to complete the financial screening process. The Financial Counseling Office will complete the application processing within 14 days of receipt of the completed application and all associated proofs.

### **Disposition of Application for Planned Services**

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

1. The patient comes to the Financial Counseling Department for a final interview.
2. The patient is given the deposit guide that corresponds with the applicable discount.
3. A Financial Counseling Agreement is reviewed and signed by the patient.
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 Medical Director is notified that the patient has completed financial screening and an Episode of Care is established.
7. If the patient is denied due to lack of compliance or over income, the Medical Director will be notified and a denial letter will be sent to the patient.

### **Time frame for submitting and processing application for Planned Services**

Patients will return the application within 14 days of being provided with said application.

1. If any documentation is missing, the patient will be mailed a letter and notified of the missing documentation required to complete the financial screening process.
2. If no response from patient within a 14 day period, and the documentation has not been received, and if the patient is not working with a financial counselor to obtain the documentation, the request for financial discounts will be denied and the patient will need to reapply. If the patient is actively working with a financial counselor in obtaining documentation, the time for obtaining proofs may be extended.

### **Patients who may apply for Medical Indigence**

While financially indigent is based strictly on an income level, [medically indigent](#) considers both income as well as living expenses related to food, clothing and shelter, and the patient's ability to pay without liquidating assets critical to living or earning a living, such as home, car, personal belongings, etc. Therefore, patients are considered for medically indigent status on a case by case basis based upon documentation. Patients with incomes below 200% of the Federal poverty level are considered 100% charity under the financially indigent status (which is a more difficult standard to demonstrate).



**Medical Indigence Determination:**

1. Prescreening: A patient is considered potentially eligible for medically indigent status when the patient's account balance, after third party reimbursement (if any), is greater than 20% of the family's total gross annual income using the Medical Indigence Pre-Screening Worksheet. A patient who meets these criteria will be sent an application.
2. Full Screening: Once the patient's application for medically indigent status is received, 100% of applicable assets will be subtracted from the UTMB bills. The account balance must be equal to or greater than 20% of the patient's gross annual income, including value of assets, to continue determination for potential discount.
3. Patients' disposable income will be calculated from the returned proofs. Determination of disposable income is made by subtracting allowable monthly expenses from the patient's gross monthly pay. This amount is multiplied by 36 months. The lesser of this amount versus 20% of the patient's gross annual income (after the assets have been subtracted) will be the patient's new UTMB responsibility.

**Example:** If a patient with a total income of \$20,000 has \$10,000 in medical expenses and has \$100 a month in disposable income and no insurance, he would therefore be responsible for \$3,600. ( $100 \times 36 = \$3,600$  is less than  $\$20,000 \times 20\% = \$4,000$ ) The remaining \$6,400 of the \$10,000 medical balance would be considered unsponsored charity cost as medically indigent.

Allowed Expenses

Allowed Expense	Use	Reference
Housing- Mortgage (Including, Insurance, Taxes, etc...)or Rent	Actual	N/A
Utilities	Actual	N/A
Health Insurance	Actual	N/A
Transportation- Ownership	IRS Standard	IRS National Transportation Ownership
Transportation- Maintenance (Includes, Fuel, Oil, eat.)	IRS Standard	IRS Transportation MSA-Houston
Food	IRS Standard	IRS Standard- Food, Clothing and Other Items
Housekeeping Supplies	IRS Standard	IRS Standard- Food, Clothing and Other Items
Apparel and services	IRS Standard	IRS Standard- Food, Clothing and Other Items
Personal care products & services	IRS Standard	IRS Standard- Food, Clothing and Other Items
Miscellaneous	IRS Standard	IRS Standard- Food, Clothing and Other Items
Daycare	IRS Standard	IRS Childcare Annual Expense Standard $\div$ 12 Mos.
College Tuition- Patient or immediate family members	IRS Standard	IRS Educational Annual Expense Standard $\div$ 12 Mos.

Other Non-UTMB Medical Expenses	Actual	Minimum Payments or Lump Sum $\div$ 36
Out of Pocket Medication Expenses	Actual	N/A
<b>Non-qualifying Expenses</b>		
Credit Card Bills		
Personal Loans		
Life Insurance		
Notes		
Resources will be subtracted from overall UTMB debt before determining pt's new liability.		

### **RCO-Single Billing Office (SBO) Contacts Financial Counseling**

1. A representative from SBO will contact financial counseling with a patient who needs assistance via email or phone. The representative total UTMB balances from both Hospital charges and Physician charges.
2. The patient will be prescreened for income using the “Medical Indigence Worksheet.”
3. The patient will be asked the gross income of the household. If 20% of the total household gross income is greater than the UTMB balance, the patient is not eligible for a discount
4. If 20% of the patient’s total household gross income is less than the combined UTMB balances, an application will be sent to the patient.

### **Sending the Patient a Medically Indigent Application**

1. A packet will be mailed to the patient.
2. The account will be noted in EPIC, that the application has been sent and noted to be followed up in 14 days for further action.
3. The patient has **14 days** to return application with proofs.
4. If the patient is actively working with a financial counselor in obtaining documentation, the time for obtaining proofs may be extended.

### **Patient Returns Medically Indigent Packet**

1. The application is reviewed for completeness.
2. If application is missing information the patient will be contacted and a notation will be made in EPIC.
3. Note the patient’s account of receipt of completed packet in EPIC.

*Note: If packet is not returned within required 14 days request is denied and patient will need to reapply. If the patient is actively working with a financial counselor in obtaining documentation, the time for obtaining proofs may be extended.*

### **Review of Completed Packet**

1. Once the completed packet with proofs is received, the financial counselor will calculate the total applicable assets. Assets do not include the primary residence and vehicle.

Determining Assets - Using the Income Worksheet, the financial counselor will subtract 100% of applicable assets from the UTMB Bills. If the UTMB balance is equal to or greater than (= or >) 20% of the gross income, continue processing application. If not, the patient is not eligible.



2. Determine Disposable Income – Using the Allowable Expense table, the expenses will be calculated. For some expenses, the IRS standard will be used. The patient's allowable expenses will be subtracted from the patient's net income and assets to find the disposable income. The monthly disposable income will be multiplied by 36 months. The lesser of this amount vs. 20% of the patient's gross annual income (after assets have been subtracted) will be their new UTMB responsibility.

*Note: All returned completed packets will be reviewed by the financial counselor within 14 days of receipt.*

### **Final Review and Resulting Account Adjustments:**

1. The [Medically Indigent Worksheet](#) will be used to determine the eligibility for medical indigence.
2. The [Disposable Income Worksheet](#) will be used to determine disposable income.
3. The worksheets and completed packet will be forwarded to the Team Coordinator and then the Manager and/or Assistant Director for review and approval.
4. Approved packets and worksheets will be scanned into the BMI Imaging system.
5. The financial counselor will forward a [Medically Indigent Notification Letter](#) to the patient notifying the patient of the determination and action to be taken.

Adjustment forms will be prepared, if appropriate, for physician & hospital accounts.

### **Billing and Collection Practices for Financially or Medically Indigent Patients**

UTMB will make a reasonable effort to determine whether a patient is eligible for assistance under the charity care and financial assistance policy before engaging in collection actions. If a patient is attempting to qualify for eligibility under the charity care policy, or is attempting in good faith to settle the outstanding bill in a reasonable time frame, UTMB will not send the unpaid bill to a collection agency. Agencies that assist UTMB in collections will adhere to the institutions' standards and scope of billing and collection practices and to comply with the Texas Debt Collection Act and the federal Fair Debt Collection Practices Act.

### **Public Communication of UTMB's Charity Care and Financial Assistance Policy**

The UTMB Charity Care and Financial Assistance Policy is publicly available on the UTMB website and will be furnished in writing upon request. Additional information is also on the website, such as the application form and financial counselor contact information. Information regarding the availability of the charity care and financial assistance policy will be available in the general waiting areas and in the waiting areas of any off-site or on-site registration, admission, or business office and in the emergency department. Public information and policies will be provided in English and in other languages as determined by UTMB's patient population. Patients will be provided a prominent written notice at the conclusion of their care visit that contains information regarding UTMB's Charity Care and Financial Assistance Policy, including that uninsured or underinsured patients may qualify for discounted or charity care, as well as contact information for the financial counseling office and completing an application. At the time of service, in the admitting department, emergency department and other outpatient hospital settings, information regarding the availability of charity care and financial assistance will be available to all patients.

**III. Purpose**

The purpose of this policy is to define eligibility criteria for qualified Texas Residents applying for charity discounts (Financial Indigence or Medical Indigence); to define the process by which patients are evaluated for assistance; and to provide consistency in the review and approval process. UTMB accepts charity cases on a limited basis consistent with 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 UTMB, 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 UTMB trainees, and the priority of other charity care cases.

**IV. Relevant Federal and State Statutes**

[Income Tax Return Calculation Procedure](#)

[Federal Poverty Guidelines](#)

[Immigration and Nationality Act](#)

**VI. Related UTMB Policies and Procedures**

[IHOP - 09.01.16 - Admission of Interfacility Patients](#)

[IHOP - 09.01.21 - Examination and Treatment for Emergency Medical Conditions and Women in Labor](#)

[Monthly Income Calculations](#)

[Asset Testing Policy](#)

[Registration for Eligibility of Third Party Resources including Medicaid Pending and County Referrals](#)

**VII. Additional References**

[Temporary COBRA Assistance Policy](#)

Casebook Review/Unsponsored Outpatient Referral Request

[Approved Documents List](#)

Casebook Appeals and Complaint Process

[Deposit Guide for Services at UTMB](#)

[Disposable Income Worksheet](#)

[Financial Assistance Application](#)

[Medically Indigent Notification Letter \(sample\)](#)

[Medically Indigent Worksheet](#)

[Notarized Letter of Residence and/or Support](#)

Self Declared Charity Affidavit Attestation ([English](#)), ([Spanish](#))

**VIII. Dates Approved or Amended**

<i>Originated: 07/06/1993</i>	
<i>Reviewed with Changes</i>	<i>Reviewed without Changes</i>
07/25/2012	
01/08/2014	
10/25/2017	

**IX. Contact Information**

Revenue Cycle Operations

(409) 747-5215