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<b>Monthly Income Calculations Formulated:</b>	<b>10/01/04</b>	<b>Reformatted:</b>	<b>10/01/04</b>
		<b>Revised:</b>	<b>10/01/04</b>

### Monthly Income Calculations

<b>Purpose</b>	To accurately and consistently calculate the monthly income figure required to determine the appropriate payclass discount of a patient.
<b>Audience</b>	All Admitting Services Staff

The Invision system requires that the monthly income of possible payclass patients be entered. You will calculate the percentage used in the Federal Poverty Index ranges based on the monthly income and the number of dependents.

Monthly income should be calculated in the following manner depending on the type of information provided.

- Patient/family member is paid on a monthly basis-require one pay stub and use the monthly income indicated on stub. (Note: if the patient insist that this is not a typical month's salary-that it varies because of overtime/bonuses, etc--you may look at the year to date figure and calculate an average monthly income).

EXAMPLE: Pay stub covers period ending 09-30, you would divide gross YTD by 9 to get the average monthly income for that year.

- Patient/family member is paid twice each month (paid on the 1st and 15th) - 24 checks would be received each year - require 2 pay stubs and add the two together.

EXAMPLE: Gross income on one check stub is \$500, second is \$500  
 $\$500 + \$500 = 1,000$  monthly

- Patient/family member is paid every two weeks - they will receive 26 checks each year (paid every other Friday) - require 2 pay stubs - add the two stubs (which would be four weeks pay), divide by 4 (to get the average weekly income) multiply by 52 (number of weeks in a year) and then divide by 12 (the number of months in a year).

EXAMPLE: Gross income on one check stub is \$500, second is \$500  
 $\$500 + \$500$  divided by 4 times 52 divided by 12 = \$1,083.33 monthly

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- Patient/family member is paid weekly - require 4 pay stubs - add the four stubs (representing four weeks pay) divide by 4 (to get the average weekly income) multiply by 52 (the number of weeks in a year) and then divide by 12 (the number of months in a year).

EXAMPLE: Income on one check is \$430, second \$510, third \$460, fourth \$490

$$\$430 + \$510 + \$460 + \$490 = \$1,890 \text{ divided by } 4 \text{ times } 52 \text{ divided by } 12 = \$2,047.50$$

Please contact your Manager with any questions regarding the correct monthly income calculation.

### **ADDITIONAL INFORMATION**

**SEASONAL WORKERS:** Divide the total yearly **gross** income by 12 to determine the **average gross** monthly income amount.

**INDIVIDUALS LIVING TOGETHER:** Parents living together that are married or not, or consider themselves as common law that share any biological children, or expecting a child are considered one household unit and both parent incomes are to be used to calculate the household income of all household members. This follows the same guideline that is used by the Medicaid programs.

**SCHOOL DISTRICT EMPLOYEES:** These patients may present their contacts to determine if they are paid on a ten month basis. If so, this **gross** amount may be averaged over a 12 month period if **no** other employment is indicated. If there **is** other employment, the **gross** monthly amount from that job must also be calculated and added to the **average gross** monthly income from their employment with the School District.

**STUDENTS:**

**Full-time with no income:** if these patients are supported by their parents, then their eligibility for payclass discount will be upon their **parents' gross** monthly income.

**Self-supporting (on loans / grants):** the income from the loans and grants will **not** be counted as income, but does prove self-support, therefore their eligibility for a payclass discount is based upon their own income and residency.

**Coming from out-of-state:** if these patients have the intention of leaving Texas after completing school, then they are to be considered **non-Texas residents** and are **not eligible** for a payclass discount.

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- PATIENTS WITH NO INCOME:** Means of support for these patients must be demonstrated by:
- Letter of support on letterhead stationary from a church group or civic organization that is assisting the patient with their housing and utility needs.
  - ***(Notarized)*** letter of support from a relative, friend, other individual, or any other group that is providing the patient's shelter and utilities needs. The following items are needed in the notarized letter:
    - Name of person assisting.
    - Two proofs of residency, one in supporting person's name and one in patient's name.

**PATIENTS LIVING OFF SAVINGS:** These patients must provide three most recent bank statements (checking and savings of all bank accounts) and submit a savings questionnaire. Their **gross** monthly income will be based on the amount of their monthly expenses. The total of all deductions listed on the bank statement for the month, plus any interest that was received for the month is the patient's **gross** monthly income. The balance of the account *will not* be taken into consideration. If patient does not have bank accounts, they will need to provide actual copies of bills, receipts & expenses for one month.