

			FIN 006
			MHS
<b>Title: Financial Assistance (FAP)</b>			
<b>Formulated Date:</b> 1/1/88	<b>Last Reviewed Date:</b> 1/19/2023	<b>Last Revision Date:</b> 1/22/2023	<b>Effective Date:</b> 1/24/2023
<b>Department Generating Policy: Finance</b>			<b>Page 1 of 9</b>

**SCOPE:**

This Financial Assistance Policy applies to Methodist Health System (MHS), d/b/a Methodist Dallas Medical Center (MDMC), Methodist Charlton Medical Center (MCMC), Methodist Mansfield Medical Center (MMMC), Methodist Midlothian Medical Center (MLMC), Methodist Richardson Medical Center (MRMC), and Methodist Southlake Medical Center (MSMC).

The Finance Committee of the MHS Board of Directors, acting under the authority of the Board, has approved this policy and has authorized the MHS Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to act on the committee’s behalf as it relates to the administration of this policy.

**DEFINITIONS:**

Amounts Generally Billed (AGB) is defined as amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

Extraordinary Collection Actions (ECA) are defined by section 501(r) of the Internal Revenue Code as certain actions taken by MHS against an individual related to obtaining payment of a bill for care covered under the MHS Financial Assistance Policy. MHS will send statements, letters, and make collection calls to pursue collection of any outstanding balances, but does not engage in any ECA’s.

Financial Assistance Application (FAP) is the information and accompanying documentation that MHS requires an individual to submit to apply for financial assistance under the MHS Financial Assistance Policy.

FAP Eligible means an individual eligible for financial assistance under the MHS Financial Assistance Policy.

Gross Charges (also known as the charge master price) is the established price for medical care that MHS consistently charges all patients before applying any contractual allowance, discount, or deduction.

**POLICY:**

As a part of its mission and commitment to the community, Methodist Health System (MHS) provides financial assistance to patients who qualify for assistance pursuant to this policy.

**1. ELIGIBILITY CRITERIA**

Patients may apply for financial assistance from the date a patient is scheduled for service through the 240<sup>th</sup> day after the first, post discharge, billing statement is provided. Procedures that are deemed not an emergency or medically necessary including, but not limited to, those listed on Exhibit B are not covered by this policy.

Each patient's situation will be evaluated according to relevant circumstances, such as income level, family size, resources available to the patient or patient's family when determining the ability to pay the patient account balance. Taking this information into consideration, the attached Financial Assistance Eligibility Discount Guidelines (Exhibit C) are used to determine what amount of financial assistance, if any, would be applied to the patient account balance after payment by all third parties. In certain extraordinary cases where these factors may not accurately reflect the patient's ability to pay, MHS may, solely for purpose of determining whether an individual who may not qualify for assistance pursuant to the guidelines set out in Exhibit C may otherwise qualify for assistance, take into account the earning status and potential of the patient and family, and frequency of their hospital and medical bills.

Except as indicated in the MHS Provider List (Exhibit D), the financial assistance offered under this policy does not apply to services provided by any physicians or other professionals.

## 2. COMMITMENT TO PROVIDE EMERGENCY MEDICAL CARE

Regardless of an individual's ability to qualify under this FAP, each MHS hospital facility will provide, without discrimination, care for any emergency medical condition. In 1986, the U.S. federal government passed Section 1867 of the Social Security Act (42 U.S.C. 1395dd) also known as the Emergency Medical Treatment and Labor Act (EMTALA). This act requires any hospital that accepts payments from Medicare to provide care to any patient who arrives in its emergency department for treatment. Further information regarding which services are covered or not covered is attached as Exhibit B.

No person shall be excluded from consideration for financial assistance based on race, creed, color, religion, gender, national origin, disability, age, sexual orientation, gender expression, or marital status. MHS will not engage in actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency department patients pay before receiving treatment for emergency medical conditions or by permitting debt collection activities that interfere with the provision, without discriminations of emergency medical care.

## 3. METHOD FOR APPLYING OR OBTAINING FINANCIAL ASSISTANCE

### 3.1 Application Process

Individuals may request financial assistance by completing and submitting a financial assistance application. Applications are available at all main patient registration sites and emergency rooms, or on the hospital web site, <http://info.mhd.com/fap>. Printed free copies may also be obtained at 4040 N Central Expressway, Suite 601, Dallas, TX 75204 or by calling 214-947-6300 or toll free 866-364-9344 and requesting they be mailed.

Patients approved through another assistance application may qualify for financial assistance under this policy as long as the same items on the MHS Assistance Application are satisfied or documentation as to why they were not satisfied is included.

### 3.2 Presumptive Eligibility for Financial Assistance

MHS may conclude, without a completed assessment of eligibility that a favorable qualification for charity may be appropriate. In the event there is no application or incomplete documentation to support a patient's eligibility for charity care, MHS may use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility consistent with applicable legal requirements. 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.

#### 4. BASIS FOR CALCULATING AMOUNTS CHARGED

The level of financial assistance is determined based on the classification of a patient as Financially Indigent or Medically Indigent, as defined below. Once a patient is determined to qualify for financial assistance, MHS will limit the amount charged for any emergency or other medically necessary care provided to not more than the amounts generally billed (AGB) to individuals with insurance covering that care. To determine AGB, MHS has adopted the "Look Back Method" as defined by Internal Revenue Service Code Section 501(r) in which the AGB is based on the claims during the prior fiscal year and includes Medicare fee-for service as well as all other private health insurers.

MHS applies one system-wide AGB rate for all hospitals adopting the FAP. The AGB is calculated annually and the MHS Chief Financial Officer will determine the system-wide AGB rate, which cannot be more than the lowest individual hospital AGB. AGB percentages are applied by the 120<sup>th</sup> day after the end of the 12- month calendar year period the hospital facility used in calculating the AGB percentages. The current AGB rate being applied by all of the hospital facilities listed below is 30.1%.

In the event the outstanding patient balance plus any prior payments for the claim in question is greater than the total amount that should be owed when the appropriate discount is applied, MHS will, as appropriate, write-off any balance owed and/or refund any amounts paid in excess of what the patient owes when the discount is applied. For example, if a patient qualifies for a 100% discount due to being Financially Indigent, any amounts collected by MHS from such patient will be refunded to the patient. MHS will take reasonable steps to ensure any prepayments or deposits paid in connection with receiving medically necessary care do not exceed AGB, in order to comply with the safe harbor requirements of section 1.501(r)-5(d) of the Federal Income Tax Regulations.

Current AGB by hospital facility:<sup>1</sup>

MDMC: 29.8%

MCMC: 25.8%

MMMC: 30.9%

MRMC: 31.5%

MLMC: 33.6%

MSMC: 41.5%

##### 4.1 Financially Indigent

"Financially Indigent" means a patient meets the following two criteria: (i) who is uninsured or underinsured; and (ii) whose annual income is equal to or less than the amounts set forth in Exhibit C for financial indigent. These patients are eligible for a 100% discount on amounts owed.

##### 4.2 Medically Indigent

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<sup>1</sup> The percentages set forth here are the percentages as of the date the version of this policy was adopted by the Finance Committee of the MHS Board of Directors on July 22, 2019. The Finance Committee has delegated authority to the MHS CFO to make annual changes to these percentages as needed to comply with federal regulations governing financial assistance [provided by a tax exempt health care entity].

“Medically Indigent” means a patient with medical or hospital bills from MHS, after payment by all third parties, are equal to or greater than 5% of the patient’s yearly household income and whose annual income is greater than 200% but less than or equal to 500% of the federal poverty guidelines (Exhibit C). These patients will owe the lesser of the patient’s account balance or 10% of the patients’ gross charges not to exceed the calculated AGB amount as described in item 4.

## 5 DETERMINATION OF FINANCIAL ASSISTANCE

### 5.1 Financial Assistance Assessment

Determination of financial assistance will be in accordance with procedures that may involve:

- 5.1.i An application process, which requires the patient or designee to supply information and documentation to determine financial need; and/or
- 5.1.ii The use of credit reports or other publicly available information that provides documentation to determine financial need when a patient does not provide a financial assistance application or supporting documentation.

### 5.2 Definition of Household Income and Household Size

5.2.i. Household Income for adults will be defined as the yearly household income which is the sum of the total yearly gross income or estimated yearly income of the patient and the patient's spouse if applicable. If the patient is a minor, the household income of the legal guardian(s) will be used.

5.2.ii. Household Size includes the patient, the patient's spouse, and any dependents. If patient is a minor, calculating the Household size, includes the patient, patients mother, the patients father dependents of the patients mother and dependents of the patients father.

### 5.3 Income Verification

5.3.i. MHS will accept the following third party documentation as income verification in determining if a patient qualifies for financial assistance: Individual tax return; Wage and Tax Statement; IRS Form W-2; pay check remittance; bank statements; Social Security payment remittance; Unemployment Compensation Determination Letters; unemployment insurance payment notice; Worker's Compensation payment remittance; response from a credit inquiry; or other publicly available information.

5.3.ii. When third party documentation as outlined above is unavailable, MHS will determine Household Income in either of the following ways:

I. Obtaining the patient's or responsible party's Written Attestation on a completed Financial Assistance Application that is signed by either the patient or responsible party attesting to the validity of the patient's income information that was provided;

II. In the above instance where the patient or responsible party is unable to provide the requested Written verification of the patient's or responsible party's income, the patient or responsible party is required to provide a verbal explanation of the patient or responsible party's Household income.

Reasonable attempts will be used to verify the responsible party's or patient's verbal attestation.

### 5.4 Financial Assistance Disqualification

Financial assistance will be denied if the patient or patient guarantor provides false information including information related to income, household size, assets, or other resources that could provide a financial means to pay for services.

A patient must exhaust all other payment options, including private coverage, federal, state, and local medical assistance programs. In addition, a patient must fully cooperate and comply with eligibility requirements for any identified funding services, including COBRA coverage and State Medicaid applications where a patient might qualify for other financial assistance. If a patient does not pursue or cooperate financial assistance may be denied, or if approval is on file, financial assistance may be revoked and the patient would become responsible for any remaining balances.

If a patient receives a third party financial settlement associated with care provided at MHS, financial assistance may be denied. MHS expects the patient to use the settlement amount to satisfy any patient account balances.

A patient's failure to provide information necessary to complete a financial assessment may result in a financial assistance denial. MHS will make efforts to obtain the incomplete information, which may include written and verbal requests for the information needed, however the patient is responsible for responding to the information requests.

#### 5.5 Financial Assistance Expiration

Financial assistance approvals remain active for 180 days post the application approval date.

### 6 MEASURES TO PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

The measures used to widely publicize this policy to the community and patients includes, but are not limited to the following:

#### 6.1 Community Notification

The Financial Assistance Policy (FAP), Assistance Application, and Plain Language Summary are posted on the MHS website at the following location: <http://info.mhd.com/fap>

The FAP shall be made widely available to members of the public by publishing a plain language summary in the largest local print media of the MHS service area.

At all main patient registration points, emergency rooms and in such other locations as the hospital deems likely to give notice of the charity care program and policies the hospital shall post a multilingual notice which will include instructions on how to obtain a free printed version of the plain language summary, the FAP and an application for financial assistance.

Each MHS hospital shall report annually to the Texas Department of Health and the Internal Revenue Service the amount of financial assistance and government-sponsored indigent health care provided to patients, as defined by applicable law.

#### 6.2 Personal Notification

Paper copies of the financial assistance policy, assistance application, and plain language summary are made available to all patients upon request and without charge from MHS facility registration areas. Paper copies may also be obtained at 4040 N Central Expressway, Suite 601, Dallas, TX 75204 or by calling 214-947-6300 or toll free 866-364-9344 and requesting they be mailed.

Billing statements include a notice that informs and notifies patients about the availability of financial assistance and include a phone number for inquiries about financial assistance.

MHS financial counselors or central billing office staff may discuss the financial assistance policy, assistance application, and plain language summary in person or during customer service phone contacts with patients

Translations of this policy are available in the languages listed on Exhibit A and may be obtained on the website listed above or at the offices listed above.

## 7 RELATIONSHIP TO COLLECTION POLICIES

During the financial assistance verification process, the patient will remain an uninsured patient and subject to MHS Patient Billing and Collection Policy. A copy of the MHS Patient Billing and Collection Policy may be obtained free of charge by contacting the Central Billing Office at 4040 N Central Expressway, Suite 601, Dallas, TX 75204 or by calling 214-947-6300 or toll free 866-364-9344 and requesting a mailed copy.

Once a patient qualifies for financial assistance, MHS will not pursue collections on the accounts qualified for assistance. Any balances remaining after the financial assistance discount is applied will be billed and collected according to the MHS Billing and Collection Policy.

MHS's Director of Patient Accounts will be responsible for the determination that reasonable efforts have been made to determine if a patient is FAP eligible. Further the MHS Director of Patient Accounts will be responsible for recommending a financial assistance classification. The MHS Senior Vice President or Vice President of Corporate Collections, who are authorized by the Executive Vice President/Chief Financial Officer, must approve the classification.

APPROVED BY: electronic approval as indicated CFO

APPROVED BY: electronic approval as indicated CEO

Methodist Hospitals of Dallas d/b/a Methodist Health System (MHS) adopts the following policy and procedure for, d/b/a Methodist Charlton Medical Center (MCMC), d/b/a Methodist Dallas Medical Center (MDMC), d/b/a Methodist Mansfield Medical Center (MMMMC), d/b/a Methodist Midlothian Medical Center (MLMC), d/b/a Methodist Richardson Medical Center (MRMC), and d/b/a Methodist Southlake Medical Center (MSMC).

The office responsible for this policy is the Corporate Finance Department Questions about this Memorandum or suggestions for improvement should be directed to the MHS Executive Vice-President/Chief Financial Officer at 214-947-4510.

FINANCIAL ASSISTANCE POLICY  
EXHIBIT A

Translations for this policy are available in the following languages.

1. English
2. Spanish
3. Vietnamese
4. Mandarin
5. Korean
6. Arabic

FINANCIAL ASSISTANCE POLICY  
EXHIBIT B

SERVICES NOT COVERED BY THIS POLICY

The following services are not generally considered to be emergent or medically necessary care under this Policy.

1. Cosmetic Only Surgery
2. Bariatric Surgery
3. Bariatric Weight Loss Procedures
4. CT Calcium Scoring

All emergent or medically necessary care would be covered under this policy.

Pursuant to the MHS Emergency Medical Treatment and Labor Evaluation Policy (PC 033) "Any individual (including minor children and/or infant) who presents to any MHS facility requesting assistance for a potential Emergency Medical Condition (EMC) will receive a Medical Screening Exam (MSE) by a qualified Medical Provider to determine whether an EMC exists. Individuals determined to have an EMC, or be in Labor will be treated and their condition stabilized \*\*\*\* without regard to their ability to pay for services" It further states that the hospital shall not delay providing an MSE and/or necessary stabilizing treatment in order to inquire about an individual's method of payment or insurance status. Admission and registration staff are required to follow the following guidelines.

1. Do not interfere with the timeliness of the medical screen.
2. Do not call a managed care organization for permission to do a medical screen.
3. Do not say or imply anything to the patient that might discourage them from seeking the medical screen.
4. Avoid actions that discourage seeking emergency care.
5. Will not engage in debt collection activities in the emergency room.



FINANCIAL ASSISTANCE POLICY  
EXHIBIT C<sup>2</sup>

Based on Federal Poverty Guidelines issued 1/19/2023 <https://aspe.hhs.gov/poverty-guidelines>

<b>Schedule A</b>	
<b>Financially Indigent Classification</b>	
<b>Patient's Yearly Income must be equal to or less than the following:</b>	
<b>Number in Household</b>	<b>200%</b>
1	\$ 29,160
2	\$ 39,440
3	\$ 49,720
4	\$ 60,000
5	\$ 70,280
6	\$ 80,560
7	\$ 90,840
8	\$ 101,120
<b>Patient Responsibility</b>	<b>0% of Balance Due</b>
For families/households with more than 8 persons, add \$10,280 for each additional person	
<b>Schedule B</b>	
<b>Financially Indigent Classification</b>	
<b>Patient's Yearly Income must be equal to or less than the following:</b>	
<b>Number in Household</b>	<b>500%</b>
1	\$ 72,900
2	\$ 98,600
3	\$ 124,300
4	\$ 150,000
5	\$ 175,700
6	\$ 201,400
7	\$ 227,100
8	\$ 252,800
<b>Patient Responsibility</b>	<b>Lessor of Patient Account Balance or 10% of Gross Charges</b>
For families/households with more than 8 persons, add \$25,700 for each additional person	

Patient Payments will not exceed Amounts Generally Billed (AGB).

MHS Financial Assistance Policy does not apply to bills from Doctors, outside labs and other providers

<sup>2</sup> The amounts set forth in this exhibit are calculated based on the federal poverty guidelines published as of the date the version of this policy was adopted by the Finance Committee of the MHS Board of Directors on July 22, 2019. The Finance Committee has delegated authority to the MHS CFO to make changes to these amounts as needed and in a time frame that is reasonably practicable to keep current with changes in the federal poverty guidelines.

**FINANCIAL ASSISTANCE POLICY**  
**EXHIBIT D**

Providers Covered by MHS Financial Assistance Policy who provide emergency or other medically necessary care in a MHS Facility:

Methodist Dallas Cardiovascular Clinic  
Methodist Dallas Golden Cross Clinic  
Methodist Charlton Family Practice Clinic  
Methodist Richardson Cardiovascular Clinic

Providers Not Covered by MHS Financial Assistance Policy:

Except as listed above, no other physicians or physician groups, or other professional providers (such as physician assistants or nurse practitioners) are covered by this Financial Assistance Policy.