



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

SCOPE: This Financial Assistance Policy applies to Methodist Rehabilitation Hospital (MRH),

The MRH Board of Directors has approved this policy and has authorized the MRH Chief Executive Officer (CEO) and Controller to act on the board's behalf as it relates to the administration of this policy.

DEFINITIONS: Amounts Generally Billed (AGB) is defined as amounts generally billed for 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 MRH against an individual related to obtaining payment of a bill for care covered under the MRH Financial Assistance Policy. MRH 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 (FAA) is the information and accompanying documentation that MRH requires an individual to submit to apply for financial assistance under the MRH Financial Assistance Policy.

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

Gross Charges (also known as the charge master price) is the established price for medical care that MRH 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 Rehabilitation Hospital (MRH) 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 240th day after the first, post discharge, billing statement is provided. Each patient's situation will be evaluated according to relevant circumstances, such as income level, family size and 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 A) are used to determine what amount of financial assistance, if any, would be applied to



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

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, MRH may, solely for purpose of determining whether an individual who may not qualify for assistance pursuant to the guidelines set out in Exhibit A 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.

The financial assistance offered under this policy does not apply to services provided by any physicians or other professionals.

2. METHOD FOR APPLYING OR OBTAINING FINANCIAL ASSISTANCE

Application Process

Individuals may request financial assistance by completing and submitting a financial assistance application. Applications are available at the hospital's business office. Printed free copies may also be obtained at 3020 W Wheatland Rd, Dallas, TX 75237 or by calling 972-708-8600 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 MRH Assistance Application are satisfied or documentation as to why they were not satisfied is included.

Presumptive Eligibility for Financial Assistance

MRH may conclude, without a completed assessment of eligibility that a favorable qualification for charity may be appropriate based on information it obtains from the patient and/or related parties which demonstrate to MRH that the patient qualifies for financial assistance pursuant to this policy and is 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.

3. 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 medically necessary care provided to not more than the amounts generally billed (AGB) to individuals with insurance covering that care. To determine AGB, MRH 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



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

during the prior fiscal year and includes Medicare fee-for service as well as all other private health insurers.

The AGB is calculated annually and the MRH Controller will determine the facility AGB rate. AGB rates are applied by the 120th day after the end of the 12- month calendar year period the facility used in calculating the AGB percentages.

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 A for financial indigence. These patients are eligible for a 100% discount on amounts owed.

Medically Indigent

“Medically Indigent” means a patient with medical or hospital bills from MRH, 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 A). 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 3.

4. DETERMINATION OF FINANCIAL ASSISTANCE

Financial Assistance Assessment

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

- a) An application process, which requires the patient or designee to supply information and documentation to determine financial need; and/or
- b) 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.

Definition of Household Income and Household Size

- a) 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.



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

b) 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.

Income Verification

a) MRH 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.

b) When third party documentation as outlined above is unavailable, MRH will determine Household Income in either of the following ways:

1. 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;
2. 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.

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.



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

If a patient receives a third party financial settlement associated with care provided at MRH, financial assistance may be denied. MRH 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. MRH 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.

Financial Assistance Expiration

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

5 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:

Community Notification

The Financial Assistance Policy (FAP), Assistance Application, and Plain Language Summary are posted on the MRH website at the following location: <http://www.methodist-rehab.com>

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 MRH service area.

At all main patient registration points which will include multilingual instructions on how to obtain a free printed version of the plain language summary, the FAP and an application for financial assistance.

MRH 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.

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 MRH facility



SUBJECT: CHARITY CARE
Policy: BO 170
Effective Date: 1-18-2022
Revision Date: 5-4-2022

Business Office Policies and Procedures

registration area. Paper copies may also be obtained at 3020 W Wheatland Rd. Dallas, TX 75237 or by calling 972-708-8600 and requesting that 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.

MRH's Controller will be responsible for the determination that reasonable efforts have been made to determine if a patient is FAP eligible. Further, the MRH Controller will be responsible for recommending a financial assistance classification.

APPROVED BY: electronic approval as indicated _____ Controller
APPROVED BY: electronic approval as indicated _____ CEO