

SUBJECT **CHARITY CARE POLICY**
Policy: **PTA-1824.1**
Effective Date: **10/01/09**
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POLICY

1. In accordance with the Partnership Agreement **“Agreement”** between Methodist Health System and Centerre Healthcare, Methodist Rehabilitation Hospital (MRH) provides charity care to patients who lack the ability to pay for hospital services.
2. The granting of charity care, for either all or part of services provided shall be guided by the prudent business judgment of MRH which will determine the appropriate level of charity care based, in part, on hospital economic resources available and dedicated to the provision of charity care.
3. As a part of its stewardship duty to use its resources as effectively as possible, manage its business affairs prudently and well, and preserve its capacity to continue serving in future years while fulfilling current needs, MRH strives to identify the dollar volume of charity care it provides to emergent and nonemergent patients who cannot pay for hospital care because they lack the necessary financial resources. Identification of Charity Care will assist MRH in concentrating its collection efforts on the accounts that are collectible.
4. MRH shall report annually to the Texas Department of Health the amount of charity care and government-sponsored indigent health care provided to patients, as defined by State law.

GUIDELINES

1. Charity care includes care to individuals who lack the ability to pay as determined by MRH. Uncollected accounts for other patients shall be subjected to full collection efforts, and if not collected, shall be considered bad debts.
2. The determination of the ability to pay may take into account a number of financial variables, including but not limited to:
 - A. the earning status and potential of the patient and family,
 - B. other sources of income and assets,
 - C. the level and type of liabilities,

- D. the ability to obtain additional credit,
- E. the amount and frequency of hospital/medical bills, and
- F. the family size.

All or a part of the hospital bill may be considered charity care.

3. Patients eligible for charity consideration will include both Financially Indigent and Medically Indigent applicants who have inadequate resources to pay for services provided.
 - A. Financially Indigent patients include those patients who are uninsured or underinsured, whose annual income is equal to or less than the Federal Poverty Guidelines, as published each February in the Federal Register, and who have no ability to pay for their medical care.
 - B. Medically Indigent patients include those patients who are capable of paying for their living expenses, but whose medical and hospital bills, after payment by third party payers, would require use or liquidation of income and/or assets critical to living or earning a living.
4. The identification of charity care begins at the time of registration with the gathering of information concerning third party payers and the patients and guarantor's financial data, and identification of community resources available to assist in paying the account. Generally, information will be gathered and potential community resources identified during the pre-admission process, where available, and while the patient is in the hospital, because access to the patient and family is greatest during that period. However, identification can occur at any time sufficient information is available to make the determination, including well after the normal collection cycle.
5. Classification of an account as charity care generally will end efforts to collect the accounts from the patient and, in most instances, from family members. Routine activity may continue in order to ensure that MRH can identify changed circumstances in the future and ensure continuity with respect to subsequent visits. Efforts to collect from third parties will continue, and any resulting collection would be a charity recovery. Classification of an account as charity care should not occur until:
 - A. It is determined that: in accordance with Item 2 above, the patient and guarantor definitely do not have the financial resources to pay the account (or portions of the account), or, in accordance with Item 7 below, treatment as charity is warranted under the circumstances as determined by MRH.
 - B. Even if an account is to be considered charity care under this policy, the patient and guarantor should receive at least one statement indicating the

balance due on the account. They should also receive the routine follow up statements and collection letters until such time as the charity care designation is made and it is determined that continuing such mailings will not result in collecting part or all of the account. These statements and collection letters should not indicate that the account is to be designated as charity care.

- C. It may be appropriate in some cases to notify a patient or guarantor that the account is classified as charity care, if doing so will enhance the public's understanding of the hospital's charity care or assist in the collection of a portion of the account. If a patient or guarantor is to be notified that the account will be classified as charity care, the notification should be from a member of Hospital Management.
 - D. The charity care classification is authorized in accordance with Item 7 below.
6. Failure to provide information necessary to complete a financial assessment may result in a negative determination. A determination of eligibility for charity may be made without a completed assessment if eligibility is warranted under the circumstances as determined by MRH ***in a manner consistent with MHS charity care determination methodology.***
 7. A charity care classification must be approved by the CEO of Methodist Rehabilitation Hospital ***in a manner consistent with MHS methodology for charity care classifications.***
 8. No person shall be excluded from consideration for charity care based on race, creed, color, religion, sex, national origin, or physical disability.