

<b>Subject: SJH Financial Assistance (Charity Care) Policy</b>	<b>Policy Number:</b> PSJH RCM 002 TX	
<b>Department:</b> Revenue Cycle Management	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised <input type="checkbox"/> Reviewed	<b>Date:</b> 1/1/2023
<b>Executive Sponsor:</b> SVP Chief Revenue Cycle Officer	<b>Policy Owner:</b> Executive Director, Financial Counseling	
<b>Approved by:</b> SVP Chief Revenue Cycle Officer	<b>Implementation Date:</b> 4/1/2023	

SJH is a not-for-profit healthcare organization guided by a commitment to its Mission of serving all, especially those who are poor and vulnerable, by its Core Values of compassion, dignity, justice, excellence and integrity, and by the belief that healthcare is a human right. It is the philosophy and practice of each SJH hospital that emergent and medically necessary healthcare services are readily available to those in the communities we serve, regardless of their ability to pay.

#### SCOPE:

This policy applies to all St. Joseph Health (SJH) hospitals in the state of Texas, and to all emergency, urgent and other medically necessary services provided by SJH hospitals in Texas (with exception of experimental or investigative care). A list and further explanation of SJH hospitals covered by this policy can be found in Exhibit A Covered Facilities List. When we use the word "hospital" in this policy, it is referring to the scope of facilities described in Exhibit A.

This policy shall be interpreted in a manner consistent with Section 501(r) of the Internal Revenue Code of 1986, as amended. In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

#### PURPOSE:

The purpose of this policy is to ensure a fair, non-discriminatory, effective, and uniform method for the provision of financial assistance (charity care) to eligible individuals who are unable to pay in full or part for medically necessary emergency and other hospital services provided by SJH hospitals.

It is the intent of this policy to comply with all federal, state, and local laws. This policy and the financial assistance programs herein constitute the official Financial Assistance Policy (FAP) and Emergency Medical Care Policy for each hospital owned, leased, or operated by SJH.

#### RESPONSIBLE PERSONS:

Revenue Cycle departments. In addition, all appropriate staff who perform functions relating to registration, admissions, financial counseling, and customer support will receive regular training

on this policy.

**POLICY:**

SJH will provide free or discounted hospital services to qualified low income, uninsured, and underinsured patients, and patients with high medical costs when the ability to pay for services is a barrier to accessing medically necessary emergency and other hospital care and no alternative source of coverage has been identified. Patients must meet the eligibility requirements described in this policy to qualify.

SJH hospitals with dedicated emergency departments will provide, without discrimination, care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act) consistent with available capabilities, regardless of whether an individual is eligible for financial assistance. SJH will not discriminate on the basis of age, race, color, creed, ethnicity, religion, national origin, marital status, sex, sexual orientation, gender identity or expression, disability, veteran or military status, or any other basis prohibited by federal, state, or local law when making financial assistance determinations.

SJH hospitals with dedicated emergency departments will provide emergency medical screening examinations and stabilizing treatment or refer and transfer an individual if such transfer is appropriate in accordance with 42 C.F.R. 482.55. SJH prohibits any actions, admission practices, or policies that would discourage individuals from seeking emergency medical care, such as permitting debt collection activities that interfere with the provision of emergency medical care.

**List of Professionals Subject to SJH FAP:** Each SJH hospital will specifically identify a list of those physicians, medical groups, or other professionals providing services who are and who are not covered by this policy. Each SJH hospital will provide this list to any patient who requests a copy. The provider list can also be found online at the St. Joseph Health or Covenant websites: [www.stjhs.org](http://www.stjhs.org) or <https://www.providence.org/obp/covenant>.

**Financial Assistance Eligibility Requirements:** Financial assistance is available to both uninsured and insured patients and guarantors where such assistance is consistent with this policy and federal and state laws governing permissible benefits to patients. SJH hospitals will make a reasonable effort to determine the existence or nonexistence of third-party coverage which may be available, in whole or part, for the care provided by SJH hospitals, prior to directing any collection efforts at the patient. Uninsured patients may receive an uninsured discount. Eligible Financial Assistance balances include but are not limited to the following: self pay, charges for patients with coverage from an entity without a contractual relationship, coinsurance, deductible, and copayment amounts related to insured patients. Deductible and coinsurance amounts claimed as a Medicare bad debt will be excluded from the reporting of charity care.

Patients seeking financial assistance must complete the standard SJH Financial Assistance Application and eligibility will be based upon financial need at that time. Reasonable efforts will be made to notify and inform patients of the availability of financial assistance by providing

information during admission and discharge, on the patient's billing statement, in patient accessible billing areas, on SJH hospital's website, by oral notification during payment discussions, as well as on signage in inpatient and outpatient areas, including areas where patients are admitted or registered and in the emergency department. SJH will retain information used to determine eligibility in accordance with its recordkeeping policies.

**Applying for Financial Assistance:** Patients or guarantors may request and submit a Financial Assistance Application, which is free of charge and available at the SJH ministry or by the following means: advising patient financial services staff at or prior to the time of discharge that assistance is requested and submitted with completed documentation; by mail, or by visiting <https://www.providence.org/obp/covenant>, downloading and submitting the completed application with documentation. A person applying for financial assistance will be given a preliminary screening, which will include a review of whether the patient has exhausted or is not eligible for any third-party payment sources and if they may meet the criteria for charity care.

Each SJH hospital shall make designated personnel available to assist patients in completing the Financial Assistance Application and determining eligibility for SJH financial assistance or financial assistance from government-funded insurance programs, if applicable. Interpretation services are available to address any questions or concerns and to assist in the completion of the Financial Assistance Application.

A patient or guarantor who may be eligible to apply for financial assistance may provide sufficient documentation to SJH to support eligibility determination at any time upon learning that a party's income falls below the minimum Federal Poverty Level (FPL) per the relevant Federal and State regulations. SJH will suspend any collection activities pending an initial determination of eligibility for financial assistance, provided that the patient or their guarantor is cooperative with SJH's reasonable efforts to reach an initial determination.

SJH acknowledges that a determination of eligibility of financial assistance or discount can be made at any time upon learning that a party's income is below 300% of the federal poverty standard, adjusted for family size. In addition, SJH may choose to grant financial assistance solely based on an initial determination of a patient's status as an indigent person. In these cases, documentation may not be required.

**Individual Financial Situation:** Income, certain assets, and expenses of the patient will be used in assessing the patient's individual financial situation. SJH will consider and collect information related to assets as required by the Centers for Medicare and Medicaid Services (CMS) for Medicare cost reporting. Assets considered when making a determination of eligibility for financial assistance shall not include: (A) for a single individual, the first \$100,000 of a patient's monetary assets, and 50% of a patient's monetary assets over the first \$100,000; (B) for a family of two or more, the first \$100,000 of the family's monetary assets, and 50% of the family's monetary assets over the first \$100,000; (C) any equity in a primary residence; (D) retirement or deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans; (E) one motor vehicle and a second motor vehicle if it is necessary for

employment or medical purposes; (F) any prepaid burial contract or burial plot; and (G) any life insurance policy with a face value of \$10,000 or less. The value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid. Information requests from SJH to the responsible party to verify assets will be limited to that which is reasonably necessary and readily available to determine the existence, availability, and value of a person's assets and will not be used to discourage application for free or discounted care. Duplicate forms of verification will not be requested. Only one current account statement will be required to verify monetary assets. If no documentation is available, SJH will rely on a written and signed statement from the responsible party. Any asset information obtained by the hospital in evaluating a patient for charity care will not be used for collection activities.

**Income Qualifications:** Income criteria, based on FPL, may be used to determine eligibility for free or discounted care. Please see Exhibit B for details.

**Determinations and Approvals:** Patients will receive notification of FAP eligibility determination within 30 days of submission of the completed Financial Assistance Application and necessary documentation. Any determination of ineligibility will include an explanation of the basis for denial. Once an application is received, collections efforts will be pended until a written determination of eligibility is sent to the patient. SJH will not make a determination of eligibility for assistance based upon information which the hospital reasonably believes is incorrect or unreliable.

**Dispute Resolution:** The patient may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to SJH within 30 days of receipt of the notice of denial. The patient may need to provide relevant additional documentation in support of their appeal. SJH will suspend any collection activities pending review of the appeal. All appeals will be reviewed and if the review affirms the denial, written notification will be sent to the guarantor and State Department of Health, where required, and in accordance with the law. The final appeal process will conclude within 10 days of receipt of the denial by SJH. An appeal may be sent to PH&S Regional Business Office, P.O. Box 3268, Portland, OR 97208-3395.

**Presumptive Charity:** SJH may approve a patient for a charity adjustment to their account balance by means other than a full Financial Assistance Application. Such determinations will be made on a presumptive basis using an industry-recognized financial assessment tool that evaluates ability to pay based on publicly available financial or other records, including but not limited to household income, household size, and credit and payment history.

**Other Special Circumstances:** Patients who are eligible for FPL-qualified programs such as Medicaid and other government-sponsored low-income assistance programs, may also be eligible for financial assistance. Patient account balances resulting from charges that are non-reimbursable by Medicaid or other government-sponsored low-income assistance program may be eligible for full or partial charity write-off, including but not limited to non-reimbursable charges for medically necessary services related to the following:

- Denied inpatient stays
- Denied inpatient days of care
- Non-covered services
- Prior Authorization Request Denials
- Denials due to restricted coverage

**Catastrophic Medical Expenses:** SJH, at its discretion, may grant charity in the event of a catastrophic medical expense. These patients will be handled on an individual basis.

**Times of Emergency:** Financial assistance may be available at SJH's discretion in times of a national or state emergency, independent of assistance for catastrophic expenses.

**Limitation on Charges for all Patients Eligible for Financial Assistance:** No patient who qualifies for any of the above-noted categories of assistance will be personally responsible for more than the Amounts Generally Billed (AGB) percentage of gross charges, as defined below.

**Reasonable Payment Plan:** Once a patient is approved for partial financial assistance, but still has a balance due, SJH will negotiate a payment plan arrangement. The reasonable payment plan shall consist of monthly payments (without interest or late fees) that are not more than 10 percent of a patient's or family's monthly income, excluding deductions for Essential Living Expenses that the patient listed on their Financial Assistance Application.

**Billing and Collections:** Any unpaid balances owed by patients or guarantors after application of available discounts, if any, may be referred to collections. Collection efforts on unpaid balances will cease pending final determination of FAP eligibility. SJH does not perform, allow or allow collection agencies to perform any extraordinary collection actions. For information on SJH billing and collections practices for amounts owed by patients, please see SJH hospital's policy, which is available free of charge at each SJH hospital's registration desk, or at: [www.stjhs.org](http://www.stjhs.org) or <https://www.providence.org/obp/covenant>.

**Patient Refunds:** In the event that a patient or guarantor has made a payment for services and subsequently is determined to be eligible for free or discounted care, any payments made related to those services during the FAP-eligible time period which exceed the payment obligation will be refunded, in accordance with state regulations.

**Annual Review:** This SJH Financial Assistance (Charity Care) Policy will be reviewed on an annual basis by the designated Revenue Cycle leadership.

#### **EXCEPTIONS:**

See Scope above.

#### **DEFINITIONS:**

For the purposes of this policy the following definitions and requirements apply:

1. Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.
2. Amounts Generally Billed (AGB): The amounts generally billed for emergency and other medically necessary care to patients who have health insurance is referred to in this policy as AGB. SJH Covenant Health uses the look-back method of determining AGB. The look-back AGB used by SJH Covenant Health is determined by multiplying the hospital's gross charges for any emergency or medically necessary care by a fixed percentage which is based on claims allowed under Medicare or commercial payors. Information sheets detailing the AGB percentages used by SJH Covenant Health and how they are calculated can be obtained by visiting the following website: <https://www.providence.org/obp/covenant> or by calling 1-866-747-2455 to request a copy.
3. Extraordinary Collection Action (ECA): ECAs are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property, attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

**REFERENCES:**

<i>Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r)(1) – 1.501(r)(7)</i>
<i>Emergency Medical Treatment and Labor Act (EMTALA), 42 U.S.C. 1395dd</i>
<i>42 C.F.R. 482.55 and 413.89</i>
<i>American Hospital Associations Charity Guidelines</i>
<i>Providence St. Joseph Health Commitment to the Uninsured Guidelines</i>
<i>Tex. Health and Safety Code Ann. §§324.101(a), 311.031(11),(13)</i>
<i>Provider Reimbursement Manual, Part I, Chapter 3, Section 312</i>

## Exhibit A – Covered Facilities List

<b>St. Joseph Health Hospitals in Texas</b>	
Covenant Medical Center	Covenant Hospital Plainview
Covenant Children's Hospital	Grace Surgical Hospital
Covenant Hospital Levelland	Grace Clinic of Lubbock
Covenant Specialty Hospital	

For clarity, this policy also applies to all covered facility inpatient and outpatient departments and clinics. In addition, this policy applies to the employees of covered facilities, as well as any not-for-profit or non-profit entity majority owned or controlled by St. Joseph Health and bearing the St. Joseph Health name and their respective employees.



**Exhibit B –**

**Income Qualifications for St. Joseph Health Texas Hospitals:** Covenant Medical Center, Covenant Children's Hospital, Covenant Hospital Levelland, Covenant Specialty Hospital, Covenant Hospital Plainview

If...	Then ...
Annual gross income is 175% or less of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for Financial Assistance 100% write-off.
Annual gross income is between 176% and 200% of the current FPL guidelines,	The patient is determined to be financially indigent and is eligible for a discount of 87% from original charges on patient responsibility amounts. The 87% discount is based on the hospitals' AGB and will be updated annually in accordance with the AGB update.
Annual gross income is between 201% and 300% of the current FPL guidelines,	The patient is eligible for a discount of 87% from original charges on patient responsibility amounts. The 87% discount is based on the hospitals' AGB and will be updated annually in accordance with the AGB update.
Patient incurs financial liability exceeding \$75,000.00	This is considered a "catastrophic medical event" due to high medical costs. Management may determine the patient to be eligible for financial assistance based upon the amount of patient liability, billed charges, income, and assets and may, at its discretion, grant Financial Assistance without all information or documentation. In such circumstances, the patient's responsibility shall not exceed the AGB.

**Income Qualifications for St. Joseph Health Texas Hospitals:** Grace Surgical Hospital, Grace Clinic of Lubbock

If...	Then ...
Annual gross income is 175% or less of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for Financial Assistance 100% write-off.
Annual gross income is between 176% and 200% of the current FPL guidelines,	The patient is determined to be financially indigent and is eligible for a discount of 75% from original charges on patient responsibility amounts. The 75% discount is based on the hospitals' AGB and will be updated annually in accordance with the AGB update.
Annual gross income is between 201% and 300% of the current	The patient is eligible for a discount of 75% from original charges on patient responsibility amounts. The



FPL guidelines,	75% discount is based on the hospitals' AGB and will be updated annually in accordance with the AGB update.
Patient incurs financial liability exceeding \$75,000.00	This is considered a "catastrophic medical event" due to high medical costs. Management may determine the patient to be eligible for financial assistance based upon the amount of patient liability, billed charges, income, and assets and may, at its discretion, grant Financial Assistance without all information or documentation. In such circumstances, the patient's responsibility shall not exceed the AGB.