

**SUBJECT:** Financial Assistance Policy including Charity Classification

**POLICY STATEMENT:** Hendrick Health, including Hendrick North, Hendrick South and Hendrick Brownwood will provide medically necessary and appropriate treatment to all individuals regardless of their ability to pay. In compliance with IRS Section 501(r), this approved policy fulfills the requirement that Hendrick Health's financial assistance policy and billing and collections policy be adopted by an authorized governing body of the hospital.

**RULES:**

1. There will be no discrimination under these policies related to eligibility or the provision of assistance because of race, color, creed, religion, sex or national origin.
2. Emergent or Medically Necessary services are defined as inpatient and outpatient services for uninsured or underinsured patients who cannot afford to pay for hospital services according to the guidelines of this policy. Financial assistance does not include contractual allowances from government programs and Insurance, or Uninsured Patient discounts, but may include insurance co-payments or deductibles or both as well as exhausted benefits. Qualified patients will have no obligation, or a discounted obligation to pay for any services received which are deemed to be eligible under the Hospital's Financial Assistance Program.
3. Assistance will only be considered after all efforts to obtain third party coverage have been exhausted.
4. Applicants must provide accurate and complete information regarding their financial circumstances by completing an application or Request for Assistance (RFA). Applications can be obtained at no cost through the Resource Assistance office on each of the hospital campuses or, by calling the Resource Assistance office at 325-670-4160, through the Emergency Department, or going online at [www.HendrickHealth.org](http://www.HendrickHealth.org). Applications and required financial documentation must be returned to the Financial Assistance Office for review. The Resource Assistance Office is also available to assist individuals in completing the Financial Assistance Application. Misrepresentation of any facts may be cause for denial of assistance.

Hendrick North Campus  
Hendrick South Campus  
Hendrick Brownwood Campus

1900 Pine Street, Abilene, TX 76901  
5302 Buffalo Gap Rd, Abilene, TX 79606  
1501 Burnett Rd, Brownwood, TX 76801

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5. The Financial Assistance Policy will be made available on the Public Website and is readily available at all registration areas including the Emergency Department. A Spanish translation of the Financial Assistance Policy can be requested by calling the Business Office at 325-670-2434 or the Resource Assistance Office at 325-670-4160.
6. The applicant is responsible for providing all supporting documentation required by the program. Failure to furnish required information within established time frames will be cause for denial. The facility will make every reasonable attempt through two letters to contact the patient for requested information. If the requested information is not received, the facility will begin the statement and collection process outlined in #18.
7. The applicant will be notified in writing of approval or denial. Reason for denial will be stated.
8. If an applicant is denied for assistance he or she has the right to appeal the decision by writing a letter of appeal to the Assistant VP of Revenue Cycle. The letter should be delivered or mailed to 1900 Pine Street, Abilene, TX 79601.
9. The level of assistance is based on household income (which includes cash assets) and family size. Household income will be compared to Federal Poverty Income Levels (FPIL) adjusted for family size. To qualify as a member of the household, one must be an immediate family member of minor age or a full time student. Poverty guidelines are updated annually.  

When household income is below 250% of the FPIL the applicant will be granted full assistance or 100% of billed charges.  
When household income is above 250% of the FPIL the applicant will be granted partial assistance. This means the applicant will pay a portion of the Gross Billed charges. The discounts are applied according to the “sliding scale” below. Hendrick Health will not charge any Financial Assistance eligible person more than the AGB amount.
10. Hendrick Health will use the look back method to ensure approved financial assistance applicants are not being billed more than the amounts generally billed to individuals having insurance coverage. Payments from Commercial payers (including patient share) will be used to determine this percentage. The lookback method will be calculated at the end of each selected 12 month period and the AGB percentage will become effective no later than 120 days from the end of the

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12 month period. This amount will be calculated on an annual basis and be reflected in the Financial Assistance Policy. The public may request a written explanation of the methodology for obtaining the AGB by requesting through the Business Services Office at 325-670-2437.

**HENDRICK HEALTH  
INCOME BASED DISCOUNT MATRIX FOR  
03/01/2021**

Based on HHS poverty guidelines information located at <http://aspe.hhs.gov/poverty/poverty.htm> \$12,880. for the first family member and \$4,540.00 for each additional family member

	FAMILY SIZE & INCOME									
	1	2	3	4	5	6	7	8	9	10
FPIL/MONTH	1,073	1,452	1,830	2,208	2,587	2,965	3,343	3,722	4,100	4,478
FPIL/YEAR	12,880	17,420	21,960	26,500	31,040	35,580	40,120	44,660	49,200	53,740

DISCOU %	PATIENT %	INCOME AS A % OF FPIL	FAMILY SIZE & INCOME (including Cash Assets)									
			1	2	3	4	5	6	7	8	9	10
100%	0%	250%	32,200	43,550	54,900	66,250	77,600	88,950	100,300	111,650	123,000	134,350
98%	2%	251% - 260%	33,488	45,292	57,096	68,900	80,704	92,508	104,312	116,116	127,920	139,724
95%	5%	261% - 270%	34,776	47,034	59,292	71,550	83,808	96,066	108,324	120,582	132,840	145,098
92%	8%	271% - 280%	36,064	48,776	61,488	74,200	86,912	99,624	112,336	125,048	137,760	150,472
90%	10%	281% - 290%	37,352	50,518	63,684	76,850	90,016	103,182	116,348	129,514	142,680	155,846
88%	12%	291% - 300%	38,640	52,260	65,880	79,500	93,120	106,740	120,360	133,980	147,600	161,220
86%	14%	301% - 325%	41,860	56,615	71,370	86,125	100,880	115,635	130,390	145,145	159,900	174,655
84%	16%	326% - 350%	45,080	60,970	76,860	92,750	108,640	124,530	140,420	156,310	172,200	188,090
82%	18%	351% - 375%	48,300	65,325	82,350	99,375	116,400	133,425	150,450	167,475	184,500	201,525
80%	20%	376% - 400%	51,520	69,680	87,840	106,000	124,160	142,320	160,480	178,640	196,800	214,960

**Not Financially Eligible for Income Based Discounts - Consider for Medical Indigency or Uninsured Discount**  
> 400%

- Once Financial Assistance eligibility is determined, the individual will not be charged more for emergency or other medically necessary care than the amounts generally billed (AGB) to individuals who have insurance covering such care.

The Hospital reserves the right to limit charity care on a monthly and annual basis consistent with Texas state law and the right to refuse Financial Assistance for elective services. Income based discounts for qualified applicants are available for all emergency and other medically necessary care provided by the hospital.

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12. The following information is required for consideration for Financial Assistance Eligibility:

- Gross household income
- Cash Assets
- Family Size
- Employment Status
- Bank Statements (2 month minimum)
- Other financial resources such as unemployment benefits
- Other financial obligations
- The amount and frequency of hospital/medical bills
- Federal Poverty Income Guidelines
- Completion of the Hospital's Financial Assistance application form with supporting documentation received within the required time frame.
- Most current tax return or current income verification
- Pay Stubs (2 month minimum)
- Social Security award letter, proof of deposit or copy of SS check
- Veterans Administration letter, proof of deposit or copy of VA check
- Detail or monetary amount of level of support being provided by the indigent care providers such as Red Cross and/or household members or letter of gross income from employer.
- Payer exhausted benefit coverage for covered services to determine presumptive eligibility

13. Cash assets are included in determining income. Cash assets are defined as current cash value of checking account, savings account, cash surrender value of Life Ins, stocks, bonds CD's, mutual funds, and other similar investments.

14. A Medically Indigent patient is a person with a catastrophic illness or injury whose unpaid hospital charges exceed their ability to pay and their gross household income does not exceed 400% of the current Federal Poverty Guidelines. The amount owed by the patient on the hospital bill after payment by third party payers must meet or exceed 20% of their annual gross household income. Patients must complete a financial assistance application, provide all

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required financial documentation (#13) and be determined eligible as a medically indigent patient to have their financial obligation discounted. The Medically Indigent discount will coincide with the income based discount matrix in # 10.

- 15. Bad debts will be considered for assistance if they are 6 months or less old from the date of application. If a bad debt is older than 6 months old, a letter can be written to the Business Office Supervisor explaining circumstances and why the applicant would like for the account to be considered for assistance. Each patient is looked at case by case and it is also taken into consideration if the applicant has a payment history on active accounts.
- 16. Financial indigence status is granted and reviewed on a six-month basis from the date of application.
- 17. When a patient portion is assigned as a result of the sliding scale, an acceptable payment plan is expected. If nonpayment occurs, the account will be moved through the collection process to a collection agency with possible debt reporting. The account will be aged no less than 300 days prior to going to bad debt.

Collection Process

- 1.) Four patient statements to be mailed to patients address on file. Statements sent in 30 day increments up to 150 days.
- 2.) Placement with primary collection agency. Average placement 150 days. Agency will send a minimum of one letter and will attempt multiple calls.
- 3.) Placement with secondary collection agency. Agency will send a minimum of one letter and will attempt multiple calls.

- 18. Approval for assistance must come from the appropriate level of management.

Applications are reviewed and approved at the Business Services Supervisor level.

Any single discounts over \$10,000 must be approved on a transaction by transaction basis according to the table below.

\$10,000 -\$50,000	Assistant VP Revenue Cycle
Over \$50,000	Chief Financial Officer or his designee.

Presumptive eligibility is granted to currently qualified Medicaid, CIHCP, and Alliance for Women and Children recipients. Presumptive Eligibility is awarded at 100%.

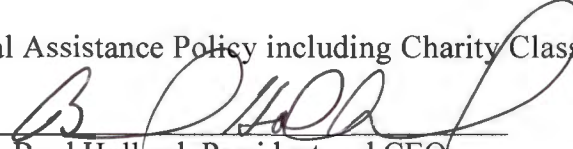
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19. Income Based Discounts (IBD)/charity adjustments for qualified Medicaid, CIHCP, and Alliance for Women and Children recipients require only proof of eligibility through NextBar/Passport and/or system notes. Authorization as outlined in rule #19 will apply.
20. Presumptive eligibility is also determined by using a third-party (PARO) to conduct an electronic review of patient information to assess financial need. This review utilizes a healthcare industry recognized predictive model that is based on public record databases. The model's rule-based, electronic technology is calibrated to Hendricks historical approvals for financial assistance under the general application process. Any payments made to presumptive eligibility accounts will be refunded upon completion of the written application for charity assistance.
21. Any services for Crime Victim patients who have services after 30 consecutive days and related to the crime will be considered for charity if required documentation is provided. Presumptive Eligibility is awarded at 100%
22. Presumptive eligibility is granted to deceased patients who have no will to be probated. Presumptive Eligibility is awarded at 100%
23. For deceased patients with an account balance \$2,500.00 or less only minimal evidence will be required to demonstrate there is no estate or no other responsible party this qualifying the visit for assistance. Presumptive Eligibility is awarded at 100%
24. For homeless patients they must have no temporary or permanent address and make a declaration that they are homeless. Research must be done by using all resources available to establish that the patient is homeless. Presumptive Eligibility is awarded at 100%
25. Self-pay, uninsured patients are granted a 35% discount upon verification of no insurance and offered additional 15% discount for payment in full within 30 days of bill date.
26. Hendrick Clinic and HAN providers follow the charity care policy specific to those providers.

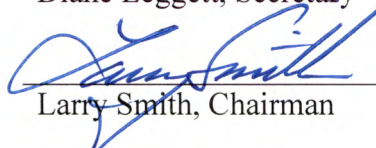
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Recommended By:  10/7/21  
Brad Holland, President and CEO Date

Board Approval:  10/7/21  
Diane Leggett, Secretary Date

Board Approval:  10-7-21  
Larry Smith, Chairman Date

Approved: 10/04/2012  
Reviewed: 05/05/2015

Reviewed: 08/28/2018  
Approved: 08/31/2018

Reviewed: 09/21/2021  
Approved: 10/07/2021