



**SUBJECT: CHARITY CARE**  
**Policy: BO 170**  
**Effective Date: 1/24/2024**  
**Revision Date:**

*Business Office Policies and Procedures*

**POLICY**

In accordance with the Partnership Agreement “Agreement” between METHODIST HEALTH SYSTEM and METHODIST REHABILITATION HOSPITAL It is required to adopt the Charity Care Policy of METHODIST HEALTH SYSTEM.

As a part of METHODIST REHABILITATION HOSPITAL’s obligation to provide charity care consistent with METHODIST HEALTH SYSTEM charity care policy and as part of the rehabilitation hospital’s 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, METHODIST REHABILITATION HOSPITAL strives to identify the dollar volume of charity care it provides to patients who cannot pay for hospital care because they lack the necessary financial resources. Identification of Charity Care will assist METHODIST REHABILITATION HOSPITAL in providing care to a segment of the community served by METHODIST REHABILITATION HOSPITAL who cannot pay for that care and allow METHODIST REHABILITATION HOSPITAL to better concentrate its collection efforts on the accounts that are collectible.

GUIDELINES

1. Charity Care includes care to individuals who lack the ability to pay as determined by METHODIST REHABILITATION HOSPITAL, utilizing METHODIST HEALTH SYSTEM’s guidelines as outlined below and according to their current policy and procedures as these may change over time. Uncollected accounts for other patients shall be subjected to full collection efforts, and if not collected, shall be considered for bad debt. All or part of the hospital bill may be considered charity care.
2. The determination of the ability to pay may take into account a number of 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, including both Financially Indigent and Medically Indigent applicants who have inadequate resources to pay for services provided.



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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 and updated annually 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 for paying for their living expenses, but who's 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 time of registration with the gathering of information concerning third party payers and the patient's 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 METHODIST REHABILITATION HOSPITAL 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 determined by METHODIST REHABILITATION HOSPITAL in a manner consistent with how METHODIST HEALTH SYSTEM makes charity care determinations.

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



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should be from a member of METHODIST REHABILITATION HOSPITAL management. (Exhibit 3).

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 complete assessment if eligibility is warranted under the circumstances as determined by METHODIST REHABILITATION HOSPITAL in a manner consistent with how METHODIST HEALTH SYSTEM makes charity care determinations.

7. A charity care classification must be approved which shall be exercised in a manner consistent with how METHODIST HEALTH SYSTEM approves charity care classifications.

8. No person shall be excluded from consideration for financial assistance based on race, creed, color, religion, spirituality, sex, national origin, or physical disability. Only exclusion would be if the patient does not meet rehabilitation appropriateness.

9. This policy may not be terminated, modified or amended without approval of the METHODIST REHABILITATION HOSPITAL Board. The METHODIST REHABILITATION HOSPITAL Board may, from time to time, and to the extent not inconsistent with the terms and requirements of the Agreement, develop and adopt and require implementation of changes, modifications and amendments to this policy that it deems appropriate.

**APPLICATION FOR FINANCIAL ASSISTANCE – EXHIBIT 1**

<b>PATIENT INFORMATION</b>					
Patient Name		Age	Telephone No.		Patient No.
Home Address		Rent <input type="checkbox"/>			Live with parents? No <input type="checkbox"/> Yes <input type="checkbox"/>
		Own <input type="checkbox"/>			
SSN	Marital Status	Discharge diagnosis			If pregnant, due date?
Name & Address of employer			Employer Telephone No.	How long employed?	
Position/Title			Supervisor's Name		
If unemployed, last date & place of employment			Position/Title		
<b>RESPONSIBLE PARTY INFORMATION</b>					
Name		Relationship to patient	Age	Telephone No.	
Street address, if different from patient					
SSN	Marital Status	Family Size	Names & Ages		
Name & Address of Employer			How long employed?	Employer Telephone No.	
Position/Title			Supervisor's Name		
If unemployed, last date & place of employment			Position/Title		
Name of Nearest Relative				Relationship	
Address				Telephone No.	
<b>SPOUSE INFORMATION</b>					
Name		Age	SSN	Name of Employer	
Employer Address		How long employed?		Employer Telephone No.	
Position/Title		Supervisor's Name			
If unemployed, last date & place of employment				Position/Title	
<b>MONTHLY INCOME</b>			<b>ASSETS</b>		
<b>ITEM</b>	<input type="checkbox"/> Patient	<input type="checkbox"/> Patient	<input type="checkbox"/> Patient	Checking Account(s) – bank & account number	Balance
	<input type="checkbox"/> Spouse	<input type="checkbox"/> Spouse	<input type="checkbox"/> Spouse		
	<input type="checkbox"/> Father	<input type="checkbox"/> Father	<input type="checkbox"/> Father		
	<input type="checkbox"/> Mother	<input type="checkbox"/> Mother	<input type="checkbox"/> Mother		
Base Income					
Overtime				Savings Account(s) – bank &	Balance
Social Security					
Interest/Dividends				Other (bank & account number,	Balance
Rental Income					

Alimony/Child				Life Insurance (company &	Value
Unemployment					
State Assistance				Stocks, Bonds & Mutual Funds	Value
Food Stamps					
Pension				Automobiles/Trucks (make,	Value
Disability					
Worker's					
Other				Other Assets (personal,	Value
				Real Estate (list and describe)	Present Value
<b>TOTAL</b>				<b>TOTAL ASSETS</b>	

PLEASE COMPLETE THE INFORMATION AS THOROUGHLY AS POSSIBLE SO THAT AN ACCURATE ASSESSMENT OF YOUR CURRENT FINANCIAL SITUATION CAN BE DETERMINED. ALONG WITH THE FINANCIAL STATEMENT, AT LEAST TWO OF THE FOLLOWING ITEMS ARE REQUIRED FOR REVIEW. PLEASE PROVIDE THE

FOLLOWING ITEMS:

1. MOST RECENTLY FILED FEDERAL AND STATE INCOME TAX
2. BANK ACCOUNT STATEMENT (CHECKING AND SAVINGS; LAST THREE MONTHS)
3. VERIFICATION OF INCOME (PAYCHECK STUBS, UNEMPLOYMENT CHECK, SOCIAL SECURITY CHECKS, ETC)

MONTHLY EXPENSES		OTHER EXPENSES	MONTHLY PAYMENT	BALANCE	PAYMENT CURRENT?
ITEM	MONTHLY PAYMENT	Charge Accounts			<input type="checkbox"/> No <input type="checkbox"/> Yes
Rent					<input type="checkbox"/> No <input type="checkbox"/> Yes
Mortgage					<input type="checkbox"/> No <input type="checkbox"/> Yes
Electricity					<input type="checkbox"/> No <input type="checkbox"/> Yes
Gas/Propane					<input type="checkbox"/> No <input type="checkbox"/> Yes
Water					<input type="checkbox"/> No <input type="checkbox"/> Yes
Refuse		Personal Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Telephone					<input type="checkbox"/> No <input type="checkbox"/> Yes
Cable TV		Automobile Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Food					<input type="checkbox"/> No <input type="checkbox"/> Yes
Clothing		Real Estate Loan			<input type="checkbox"/> No <input type="checkbox"/> Yes
Medicine					<input type="checkbox"/> No <input type="checkbox"/> Yes
Baby Sitter		Cellular			<input type="checkbox"/> No <input type="checkbox"/> Yes
Transportation					<input type="checkbox"/> No <input type="checkbox"/> Yes
Alimony/Child		Miscellaneous			<input type="checkbox"/> No <input type="checkbox"/> Yes
Auto					<input type="checkbox"/> No <input type="checkbox"/> Yes
Home					<input type="checkbox"/> No <input type="checkbox"/> Yes
Life Insurance		<b>TOTALS</b>	<b>TOTAL MONTHLY PAYMENTS</b>	<b>TOTAL BALANCE</b>	
Health					
Personal					
Real Estate		<b>SUMMARY</b>			
Sub-total					
		<b>Total Monthly Income</b>			\$ _____
		<b>Total Monthly Expenses</b>			\$ _____
		<b>Discretionary Income</b>			\$ _____
		<b>Monthly Payment Arrangements</b>			\$ _____

**OTHER EXPENSES**

Will the patient be unable to work or go to school due to physical impairment?  No  Yes

If yes, what is the disabling condition or diagnosis? \_\_\_\_\_

How long will the patient be disabled? \_\_\_\_\_  
(Please attach a statement from the doctor.)

**COMMENTS**

**PATIENT AGREEMENT**

The undersigned applies for financial assistance indicated in this application and represents that all statements made in this application are true and are made for the purpose of obtaining financial assistance. The original or a copy of this application will be retained by the creditor, even if financial assistance is not granted. The undersigned also agrees to allow this facility to contact any or all of the above references for credit verification, including credit bureaus.

\_\_\_\_\_  
**Patient Signature**

\_\_\_\_\_  
**Responsible Party or Spouse Signature**

\_\_\_\_\_  
**Facility Representative Department**

\_\_\_\_\_  
**Date**

**EXHIBIT 2**

Date: \_\_\_\_\_

Patient Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Admission Date: \_\_\_\_\_ Discharge Date: \_\_\_\_\_

Estimated Insurance Liability        \$ \_\_\_\_\_ Account Balance: \$ \_\_\_\_\_

Total Amount Due                \$ \_\_\_\_\_

Dear \_\_\_\_\_:

Attached you will find a financial assistance application form. Financial assistance is based on current balances. If you qualify for any financial assistance, payments already made to this account will not be refunded. Please fill out the application completely and provide me with the following indicated support documents within two (2) weeks:

- \_\_\_\_\_ Last year's federal tax return with W-2, W-2G, or 1099-R forms and support schedules.
- \_\_\_\_\_ Proof of income (i.e., check stubs, Social Security Benefits, etc.)
- \_\_\_\_\_ Bank statements for the past three (3) months

The financial statement must be signed by the guarantor and the guarantor's spouse, if applicable.

Thank you for your anticipated cooperation in gathering the information needed for the application. Please be aware that if all information is not received, your application for assistance will not be processed.

Your account will be kept open for two (2) weeks pending the return of the above information. If you have any questions, please call toll-free at 972-708-8600, Monday through Friday, 8:30 a.m. to 4:30 p.m.

Sincerely,  
Director, Patient Accounts  
Enclosures



**EXHIBIT 3**

Date: \_\_\_\_\_

Patient Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Dates of Service: \_\_\_\_\_


\_\_\_\_\_ Your application for financial assistance has been approved in the amount of \_\_\_\_\_%. This allowance will be applied to the hospital charges remaining after all applicable insurance benefits have been paid. This allowance does not apply to your physician's bill or non-covered items such as private room, take home items, etc. The balance remaining, after financial assistance has been applied, must be paid by cash, personal check or money order. Please contact the Patient Accounts Department regarding your choice of payment options.

Your current balance after financial assistance is \$: \_\_\_\_\_.

\_\_\_\_\_ Your application for financial assistance has been denied. Your level of income is higher than the standard level used to compute our financial assistance allowance.

Sincerely,

Patient Accounts Department  
Monday – Friday (8:30 a.m. to 4:30 p.m.)

			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> 1/22/2024	<b>Effective Date:</b> 1/24/2024
<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, <https://www.methodisthealthsystem.org/patients-visitors/patient-tools-support/financial-assistance/>. Printed free copies may also be obtained at 4040 N Central Expressway, Suite 300, 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 22.7%.

In the event the outstanding patient balance plus any prior payments for the claim in question is greater than the amount generally billed (AGB), MHS will, as appropriate, write-off any balance owed and/or refund any amounts paid in excess of the AGB when the financial assistance application is approved. 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: 26.5%

MCMC: 22.7%

MMMC: 25.5%

MRMC: 27.2%

MLMC: 28.4%

MSMC: 35.2%

##### 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

“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.

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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].

## 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: <https://www.methodisthealthsystem.org/patients-visitors/patient-tools-support/financial-assistance/>

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 300, 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 300, 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 of Revenue Cycle is authorized by the Executive Vice President/Chief Financial Officer to 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 (MMMC), 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.



## 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.

EXHIBIT C

Based on Federal Poverty Guidelines issued 1/17/2024

<https://www.federalregister.gov/documents/2024/01/17/2024-00796/annual-update-of-the-hhs-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	\$ 30,120
2	\$ 40,880
3	\$ 51,640
4	\$ 62,400
5	\$ 73,160
6	\$ 83,920
7	\$ 94,680
8	\$ 105,440
<b>Patient Responsibility</b>	<b>0% of Balance Due</b>
For families/households with more than 8 persons, add \$10,760 for each additional person	
<b>Schedule B</b>	
<b>Medically 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	\$ 75,300
2	\$ 102,200
3	\$ 129,100
4	\$ 156,000
5	\$ 182,900
6	\$ 209,800
7	\$ 236,700
8	\$ 263,600
<b>Patient Responsibility</b>	<b>Lesser of Patient Account Balance or 10% of Gross Charges</b>
For families/households with more than 8 persons, add \$26,900 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

FINANCIAL  
ASSISTANCE  
POLICY EXHIBIT  
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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.

<b>HEALTH SYSTEM</b>			<b>FIN 025</b>
			<b>MHS</b>
<b>Title: Billing and Collection Policy</b>			
<b>Formulated Date: 1/15/13</b>	<b>Last Reviewed Date: 03/21/2024</b>	<b>Last Revision Date: 09/01/2023</b>	<b>Effective Date: 09/01/2023</b>
<b>Department Generating Policy: Finance</b>			<b>Page 1 of 5</b>

## **POLICY:**

Methodist Health System (MHS) is committed to assisting all patients meet their financial obligations by applying standard billing and collection practices. MHS will bill patients and their applicable payers on a timely and accurate basis and to provide quality customer service and timely follow-up in a dignified businesslike manner consistent with local, state, and federal laws governing such activities on all outstanding accounts.

## **PROCEDURE:**

1. MHS will request payment of billed charges from uninsured or underinsured patients unless the patient qualifies for financial assistance or other programs as outlined below.

The ability to pay and eligibility for other funding sources may be taken into consideration at the time service is provided except when the patient meets the requirements of the Emergency Medical Treatment and Labor Act (EMTALA) as defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd). This act requires any hospital that accepts payments from Medicare to provide a medical screening exam to determine if any patient who comes to the emergency department has an emergency medical condition and if so provide treatment within the hospital's capabilities to stabilize such condition. The screening and treatment required under EMTALA is to be provided regardless of the patient's citizenship, legal status in the United States or ability to pay for the services. Once EMTALA is met, MHS will follow normal billing and collection practices (see *MHS Policy\_PC 033-Emergency Medical Treatment and Labor Evaluation\_* for other specific requirements of EMTALA).

2. MHS does not engage in Extraordinary Collection Actions (ECAs). The Central Billing Office has the responsibility for determining that MHS has made reasonable efforts to determine whether an individual is eligible for financial assistance and may therefore engage in routine collection processes, which are not ECAs, to collect amounts owed from any patient if financial assistance or other funding sources are not identified.
3. MHS provides a free screening to all uninsured patients for other funding sources (i.e. insurance, third party liability, current governmental programs); patient's potential eligibility is determined for other funding sources such as: Medicaid, Crime Victims, County Indigent, Disability, MHS Financial Assistance Policy, and the ability to pay.
4. Patients who have no other source of funding and do not qualify for financial assistance will qualify for an uninsured discount applied to total charges (*see MHS Policy Fin008-Discount to the Uninsured for specific discounts applied*). The uninsured discount is applied at the time the account is billed to the patient. In addition, the patient may arrange for a payment plan on the balance after the uninsured discount is applied. Flat rate services defined in the MHS Financial Assistance Policy are excluded from the uninsured discount.
5. Underinsured patients may qualify for the uninsured discount or a payment plan on a portion of their charges, if they have exhausted benefits under any plan available to them or the services are non-covered by their insurance plan.
6. Once a patient qualifies for financial assistance, no further billing and collection actions shall be taken for amounts qualifying under the MHS Financial Assistance Policy. However, the portion of the patient charges not qualifying for financial assistance are subject to the billing and collection actions as outlined below.

## **ARBITRATION**

1. If a patient and/or responsible party dispute an account balance and requests documentation regarding the bill, the CBO will take reasonable steps to provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for additional collection action.
2. For selected accounts where the patient owes \$1,000 or more, MHS may extend an offer to participate in binding arbitration to the patient.

Such accounts will be held for at least 30 days to give the patient time to respond before they are referred for further collection activity. MHS will not engage in ECAs as a part of the collection activity. If the patient accepts arbitration, the account will be held until the arbitration is resolved.

## **PRESUMPTIVE and PRIOR ELIGIBILITY PROCESSES**

1. MHS shall make reasonable efforts to determine the financial assistance available if the patient has been determined to qualify for financial assistance under the presumptive eligibility process outlined in the MHS Financial Assistance Policy or if the patient qualifies under eligibility determinations. Otherwise, the Notification Process below should be followed to establish reasonable efforts.
2. For any eligibility determination made under this Policy, if the patient did not qualify for the most generous assistance available (financially indigent), then the patient shall be notified of ways to qualify as financially indigent and be given reasonable amount of time to apply before being sent to a collection agency.

## **PATIENT NOTIFICATION PROCESS**

1. At the time a patient presents for services the registration team will offer the patient electronic delivery of the itemized statement. If the patient opts out of electronic delivery, the itemized statement will be sent by mail. Once a patient account balance is established, MHS will send the itemized statement either electronically or by mail to the patient. For uninsured patients, the itemized statement is delivered the 4<sup>th</sup> day after discharge and for insured patients, the itemized statement is delivered no later than the 30<sup>th</sup> day after insurance payment is received. After sending the itemized statement, MHS will send an initial post-discharge statement and at least one additional statement over a 120 day period. Each post-discharge billing statement will notify the patient that financial assistance is available for eligible individuals.

2. The plain language summary informing the patient about the MHS Financial Assistance Policy is provided in the final post-discharge billing statement. This statement will also notify the patient that the account will be assigned to a collection agency. MHS will not engage in ECAs as a part of the collection activity. The final post-discharge statement will be provided to the patient at least 30 days prior to MHS initiating bad debt collection activities.
  
3. In the event MHS merges multiple outstanding bills for patient care, the first post-discharge billing statement will be defined by the most recent patient care episode.
  
4. MHS may place phone calls to patients asking for payment in full. Each time the patient is called the patient may be informed of the MHS Financial Assistance Policy and how to apply. If payment in full is not possible and the patient does not qualify for financial assistance, then a payment plan may be offered. At least 30 days prior to initiating bad debt collections, MHS will make a reasonable effort to orally notify the individual about the MHS financial assistance policy and how to obtain assistance with the application process.
  
5. MHS may enter into a debt sale if there is a legally binding written agreement with the purchaser of the debt and the following three 501(r) elements are met:
  - a. The purchaser must agree not to engage in any ECA to obtain payment of the debt.
  - b. The purchaser must agree not to charge interest on the debt.
  - c. The debt must be returnable to or recallable by MHS upon determination by MHS or the purchaser that the individual is eligible for Financial Assistance.
  - d. If the individual is determined to be FAP-eligible and the debt is not returned to or recalled by the hospital facility, the purchaser must adhere to procedures specified in the agreement. The agreement must ensure that the individual does not pay, and has no obligation to pay, the debt purchaser and the hospital facility together more than he or she is personally responsible for paying as a FAP-eligible individual.



6. MHS may file a “lien” against any potential third party proceeds or coverage paid by a third party in cases where services were provided as a result of an accident in which a third party may be liable. MHS will not file any liens directly against any patient or their property.
  
7. In cases where a patient submits an incomplete financial assistance application, MHS will notify the individual about how to complete the financial assistance application. If an individual submits an incomplete financial assistance application during the first 240 days beginning from the first post-discharge billing statement, MHS will suspend collection activities that are in place and provide the patient with a written notice that describes the additional information and/or documentation needed to finalize the financial assistance application including appropriate MHS contact information.
  
8. MHS will accept complete financial assistance applications, process, and qualify individuals as appropriate for financial assistance throughout the billing and collection efforts up to 240 days from the first post-discharge billing statement.
  
9. Complete financial assistance applications received during the first 240 days beginning from the first post-discharge billing statement will initiate the suspension of any collection activities that are in place while MHS makes a determination as to whether the patient is eligible for financial assistance. Once the determination is made on eligibility MHS will notify the patient in writing of the determination and the reason for the determination. Any payments made prior to the application approval will not be refunded.
  
10. If the patient is determined to be eligible for assistance at less than 100% of the amount owed, MHS will provide the patient with a billing statement that indicates the amount the individual owes after the partial financial assistance adjustment is applied. This statement will include how the patient may receive information regarding the financial assistance process or the applied adjustment.

11. Once eligibility for financial assistance is determined, MHS will take reasonably available measures to stop collection activity against the individual to obtain payment for care.
12. A financial assistance classification may be recommended by the MHS Director of Patient Accounts or Director of Patient Access and will be approved by the VP of Central Billing Office or the SVP of Revenue Cycle.
13. A written copy of this Billing and Collection Policy as well as the MHS Financial Assistance Policy, the summary FAP and the Application for FAP can be obtained by downloading it from the MHS website at: <https://www.methodisthealthsystem.org/patients-visitors/financial-assistance/> or in person at 4040 North Central Expressway, Dallas, TX 75204 or calling 214-947-6300 or toll free 866-364-9344.
14. Methodist Hospitals of Dallas d/b/a Methodist Health System (MHS) adopts the billing and collection 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 (MMMC), 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).

## **DEFINITIONS:**

Extraordinary Collection Actions (ECAs) include the following:

1. Sale of an individual's debt where 501(r) guidelines are not met for the sale of a debt (see item #5 above for details when a debt sale would not be considered a debt sale) .
2. Reporting information regarding an individual to consumer credit reporting agencies or credit bureaus
3. Deferring or denying medically emergent care because of non-

payment of current or previous bills

4. Actions that require a legal or judicial process, such as: liens on individual property, foreclosure on real property, seizure of a bank account or personal property, civil court actions, arrest, or garnishment.

This does not include liens placed on proceeds of a judgment, settlement, or compromise owed to an individual receiving health care services due to personal injury.

## **RELATED DOCUMENTS**

Discount to the

Uninsured-MHS

Policy Fin008

Financial Assistance

Policy-MHS Policy

Fin006

Emergency Medical Treatment and Labor Evaluation- MHS Policy PC033

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