

**SUBJECT:** FINANCIAL ASSISTANCE POLICY (FAP)  
**POLICY:** LD 392  
**EFFECTIVE DATE:** 1/14/2019  
**REVIEWED DATE:** 1/3/2018  
**REVISION DATE:** 1/11/2019  
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**SCOPE:**

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This Financial Assistance Policy applies to Methodist Rehabilitation Hospital.

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

**DEFINITIONS:**

Amounts Generally Billed (AGB) are 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.

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#### 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 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 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 the 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.

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a. Presumptive Eligibility for Financial Assistance

MRH may conclude, without a completed assessment of eligibility that a favorable qualification for charity may be appropriate based upon 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.

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, MRH 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 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 Chief Financial Officer will determine the facility AGB rate. AGB rates 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..

4.1 Financially Indigent

"Financially Indigent" means a patient who is uninsured or underinsured whose annual income is equal to or less than the Federal Poverty Guidelines (see exhibit A), as published each year in the Federal Register, and who have no ability to pay for medical care. These patients are eligible for a 100% discount on patient account balances based on Exhibit A of the Financial Assistance Discount Guidelines.

4.2 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

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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 2.

## 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, patient's mother, the patient's father, dependents of the patient's mother, and dependents of the patient's father.

### 5.3 Income Verification

i. 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.

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

- 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;
- 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, as well as 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 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 reasonable 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.

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### 5.5 Financial Assistance Expiration

Financial assistance approvals remain active for 180 days after 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 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 our main patient registration point, 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.

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.

### 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 MRH facility registration area or by calling 972-708-8600.

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.

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MRH's Controller, Staff Accountant, or Central Billing Office may discuss the financial assistance policy, assistance application, and plain language summary in person or during customer service phone contacts with patients.

#### 7 RELATIONSHIP TO COLLECTION POLICIES

During the financial assistance verification process, the patient will remain an uninsured patient and subject to MRH Patient Billing and Collection Policy. A copy of the MRH Patient Billing and Collection Policy may be obtained free of charge by contacting the Business Office at MRH by mail at 3020 W. Wheatland, Dallas, TX 75237 or by calling 972-708-8600 and requesting a mailed copy.

Once a patient qualifies for financial assistance, MRH 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 MRH Billing and Collection Policy.

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

FINANCIAL ASSISTANCE POLICY

EXHIBIT A

Based on Federal Poverty Guidelines issued  
1/15/2020 <https://aspe.hhs.gov/poverty-guidelines>

<b>Financially Indigent Classification</b>	
Patient's Yearly Income must be equal to or less than the following:	
Number in Household	200%
1	25,520
2	34,480
3	43,440
4	52,400
5	61,360
6	70,320
7	79,280
8	88,240
Patient Responsibility	0% of Balance Due

<b>Medically Indigent Classification</b>	
Balance due must be equal to or greater than 5% of the patient's Yearly Income for eligibility, and such Yearly Income must be equal to or less than the following:	
Number in Household	Up to 500%
1	63,800
2	86,200
3	108,600
4	131,000
5	153,400
6	175,800
7	198,200
8	220,600
Patient Responsibility	Lesser of Patient Account Balance or 10% of Gross Charges