

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

**SUBJECT:** Financial Assistance Policy including Charity Classification (continued)

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 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 300% of the FPIL the applicant will be granted full assistance or 100% of billed charges.

When household income is above 300% % 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 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

**SUBJECT:** Financial Assistance Policy including Charity Classification (continued)

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 3/01/2024**

	FAMILY SIZE & INCOME INCLUDING CASH ASSETS									
	1	2	3	4	5	6	7	8	9	10
FPL/MONTH	\$ 1,255	\$ 1,703	\$ 2,152	\$ 2,600	\$ 3,048	\$ 3,497	\$ 3,945	\$ 4,393	\$ 4,842	\$ 5,290
FPL/YEAR	\$ 15,060	\$ 20,440	\$ 25,820	\$ 31,200	\$ 36,580	\$ 41,960	\$ 47,340	\$ 52,720	\$ 58,100	\$ 63,480

DISCOUNT %	PATIENT %	Income as a % of FPL	FAMILY SIZE & INCOME INCLUDING CASH ASSETS									
			1	2	3	4	5	6	7	8	9	10
100%	0	300%	\$45,180	\$61,320	\$ 77,460	\$ 93,600	\$ 109,740	\$ 125,880	\$ 142,020	\$ 158,160	\$174,300	\$190,440
98%	2%	301-325%	\$48,945	\$ 66,430	\$ 83,915	\$ 101,400	\$ 118,885	\$ 136,370	\$ 153,855	\$ 171,340	\$188,825	\$206,310
95%	5%	326-335%	\$50,451	\$ 68,474	\$ 86,497	\$ 104,520	\$ 122,543	\$ 140,566	\$ 158,589	\$ 176,612	\$194,635	\$212,658
92%	8%	336-345%	\$51,957	\$ 70,518	\$ 89,079	\$ 107,640	\$ 126,201	\$ 144,762	\$ 163,323	\$ 181,884	\$200,445	\$219,006
90%	10%	346-355%	\$53,463	\$ 72,562	\$ 91,661	\$ 110,760	\$ 129,859	\$ 148,958	\$ 168,057	\$ 187,156	\$206,255	\$225,354
88%	12%	356-365%	\$54,969	\$ 74,606	\$ 94,243	\$ 113,880	\$ 133,517	\$ 153,154	\$ 172,791	\$ 192,428	\$212,065	\$231,702
86%	14%	366-375%	\$56,475	\$ 76,650	\$ 96,825	\$ 117,000	\$ 137,175	\$ 157,350	\$ 177,525	\$ 197,700	\$217,875	\$238,050
84%	16%	376-385%	\$57,981	\$ 78,694	\$ 99,407	\$ 120,120	\$ 140,833	\$ 161,546	\$ 182,259	\$ 202,972	\$223,685	\$244,398
82%	18%	386-395%	\$59,487	\$ 80,738	\$ 101,989	\$ 123,240	\$ 144,491	\$ 165,742	\$ 186,993	\$ 208,244	\$229,495	\$250,746
80%	20%	395-400%	\$60,240	\$ 81,760	\$ 103,280	\$ 124,800	\$ 146,320	\$ 167,840	\$ 189,360	\$ 210,880	\$232,400	\$253,920

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

- 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.

- 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

**SUBJECT:** Financial Assistance Policy including Charity Classification (continued)

- 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 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.

**SUBJECT:** Financial Assistance Policy including Charity Classification (continued)

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.

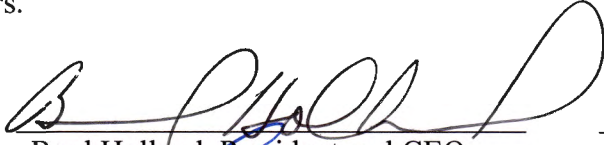
19. Presumptive eligibility is granted to currently qualified Medicaid, CIHCP, and Alliance for Women and Children recipients. Presumptive Eligibility is awarded at 100%.
20. Income Based Discounts (IBD)/charity adjustments for qualified Medicaid, CIHCP, and Alliance for Women and Children recipients require only proof of eligibility through NextBar/Passport and/or system notes. Authorization as outlined in rule #19 will apply.
21. 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.
22. 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%

**BOARD OF TRUSTEE POLICY**

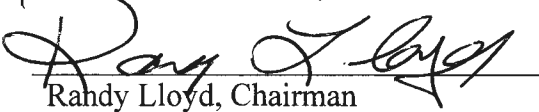
**INDEX: BP-03**

**SUBJECT:** Financial Assistance Policy including Charity Classification (continued)

- 23. Presumptive eligibility is granted to deceased patients who have no will to be probated. Presumptive Eligibility is awarded at 100%
- 24. For homeless patients they must have no temporary or permanent address. 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 50% 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.

Recommended By:  6/17/24  
Brad Holland, President and CEO Date

Board Approval:  6/13/24  
Scott Hibbs, Secretary Date

Board Approval:  6/13/24  
Randy Lloyd, Chairman Date

Approved: 10/04/2012  
Reviewed: 05/05/2015  
  
Reviewed: 08/28/2018  
Approved: 08/31/2018  
  
Reviewed: 05/21/2024  
Approved: 06/13/2024