

HELEN FARABEE CENTERS	
FISCAL MANAGEMENT POLICY 300.1.1	
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EFFECTIVE: 09/04/2025	ORIGINAL: 09/01/2022
APPROVED BY: <i>APPROVAL ON FILE</i>	REVIEWED BY: <i>APPROVAL ON FILE</i>
Linda Poenitzsch Chief Financial Officer	Cara Mullenix-Artigue Director of Utilization and Quality Management
CONCURRED: <i>APPROVAL ON FILE</i>	APPROVED BY: <i>APPROVAL ON FILE</i>
Gianna Harris Executive Director	J. Brian Eby Chair, Board of Trustees

POLICY:

PURPOSE:

1. Helen Farabee Centers (the Center) is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, or otherwise unable to pay, for medically necessary care based on their individual financial situation. The Center strives to ensure the financial capacity of individuals served who need quality healthcare services does not prevent them from seeking or receiving care.
2. Accordingly, this policy which has been approved by our Board of Trustees:
 - 2.1. Includes eligibility criteria for financial assistance – free and discounted (partial charity care).
 - 2.2. Describes the basis for calculating amounts charged to clients served eligible for financial assistance under this policy.
 - 2.3. Describes the method by which clients served may apply for financial assistance.
 - 2.4. Describes how the Center will widely publicize the policy to the Community.

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2.5. Limits the amounts the Center will charge for eligible services provided to individuals qualifying for financial assistance to the amount generally billed (received by) the Center for private and public insurance (Medicaid, Medicare, etc.).

3. The individuals we serve are expected to cooperate with the Center's procedures for obtaining charity care or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay subject to the rules, regulations, and contractual requirements of the Center's various funding agencies.
4. To manage its resources responsibly and to allow the Center to provide the appropriate level of assistance to the greatest number of people in need, the Board of Trustees establishes the following guidelines for the provision of client charity care.

DEFINITIONS:

5. For this policy, the terms below are defined as follows:
6. **Charity Care:** Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from the Center's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.
7. **Bad Debt:** Healthcare services that have been or will be provided and cash inflow is anticipated for all or a portion of the charge. Includes the monthly Sliding Scale Fee Schedule charges not collected for individuals above 150% of FPL. Bad debt is not eligible for reimbursement from federal charity care programs.
8. **Family:** According to the Census Bureau, a group of two (2) or more people who reside together and who are related by birth, marriage, or adoption. In addition, according to Internal Revenue Service rules, if an individual claims someone as a dependent on his/her income tax return, that person may be considered a dependent for purposes of the provision of financial assistance.
9. **Family Income:** Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

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9.1. Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources,

9.2. Noncash benefits (such as food stamps and housing subsidies) do not count,

9.3. Determined on a before-tax basis,

9.4. Excludes capital gains or losses, and

9.5. If a person lives with a family, includes the income of all family members (non- relatives, such as housemates, do not count).

10. **Uninsured:** A person who has no level of insurance or third-party assistance with meeting his/her payment obligations.

PROCEDURES:

11. **Services Eligible Under This Policy.** For purposes of this policy, "charity care" or "financial assistance" refers to healthcare services provided by the Center without charge or at a discount to qualifying individuals. The following healthcare services are eligible for charity care:

11.1. Behavioral health services,

11.2. Immunizations,

11.3. Public health services, and

11.4. Other preventative services

12. **Eligibility for Charity Care.** Eligibility for charity care will be considered for those individuals who are uninsured, underinsured, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity care is based on an individualized determination of financial need, and does not consider age, gender, race, social or immigrant status, sexual orientation, or religious

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affiliation.

13. Method by Which Individuals May Apply or be Assessed for Charity Care.

- 13.1. Financial need is determined in accordance with procedures that involve an individual assessment of financial need; and may
 - 13.1.1. Include an application or assessment process, in which the client or the individual's Legally Authorized Representative (LAR) are required to cooperate and supply personal financial and other information and documentation relevant to determining financial need.
 - 13.1.2. Include the use of external publicly available data sources that provide information on an individual's or LAR's ability to pay (such as credit scoring).
 - 13.1.3. Include reasonable efforts by the Center to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist individuals to apply for such programs.
 - 13.1.4. Consider the individual's available assets, and all other financial resources available to the individual.
 - 13.1.5. Include a review of the individual's outstanding accounts receivable for prior services rendered and the individual's payment history.
- 13.2. A request or assessment for charity care and a determination of financial need can be done at any point in the collection cycle but is preferred to be completed within the first thirty (30) days of treatment. The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the individual's or LAR's eligibility for charity care.
- 13.3. The Center's values of human dignity and stewardship shall be reflected in the application, financial need determination and granting of charity care. Requests for charity care shall be processed promptly with notification to the individual or LAR in writing within thirty (30) days of receipt of a completed application or assessment.

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14. **Presumptive Financial Assistance Eligibility.** There are instances when an individual may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the individual or through other sources, which provide sufficient evidence to provide the individual with charity care assistance. In the event there is no evidence to support an individual's eligibility for charity care, the Center can use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. 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. Presumptive eligibility may be determined based on individual life circumstances that may include:

- 14.1. State-funded prescription programs,
- 14.2. Homeless or received care from a homeless clinic,
- 14.3. Participation in Women, Infants and Children programs (WIC),
- 14.4. Food stamp eligibility,
- 14.5. Subsidized school lunch program eligibility,
- 14.6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down),
- 14.7. Low income/subsidized housing is provided as a valid address, and
- 14.8. Individual is deceased with no known estate.

15. **Eligibility Criteria and Amounts Charged to Individuals.** Services eligible under this policy are made available to individuals on Sliding Scale Fee Schedules, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. The basis for the amounts charged to individuals who qualify for financial assistance is as follows:

- 15.1. Individuals whose family income is at or below 400% of the FPL are eligible to receive services at a discount of 100%.

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15.2. Individuals whose family income is above 400% but not more than 500% of the FPL are eligible to receive services at a discount (partial charity care) at rates discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad debt and ineligible for reimbursement under federal charity care programs.

15.3. Individuals whose family income exceeds 500% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of the Center; however, the discounted rates shall not be greater than the amounts generally billed to private or public insurance and discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad debt and ineligible for reimbursement under federal charity care programs.

16. **Communication of the Charity Care Program to Individuals and Within the Community.** Notification about charity care available from the Center, includes a contact number, and is disseminated by various means, which includes, but are not limited to, the publication of notices in monthly statements and by posting notices in clinics, waiting areas, intake and assessment, business offices, and financial services that are located in Center facilities, and other public places as elected. The Center widely publicizes a summary of this charity care policy on the Center website, in brochures available in access sites and at other places within the community served by the Center. Such notices and summary information are provided in accordance with the Center's Cultural Competency Plan.

17. **Relationship to Collection Policies.** The Center develops policies and procedures for internal and external collection practices that consider the extent to which the individual qualifies for charity care, an individual's good faith effort to apply for charity care from the Center, and an individual's good faith effort to comply with his or her payment agreements with the Center. For individuals who qualify for charity care and who are cooperating in good faith to resolve their discounted bills, the Center may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. The Center will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any individual without first making reasonable efforts to determine whether that individual is eligible for charity care under this

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financial assistance policy. Reasonable efforts shall include:

- 17.1. Validating the individual owes the unpaid charges and that all sources of third-party payment have been identified and billed by the Center,
 - 17.2. Documentation the Center has attempted to offer the individual the opportunity to apply or be assessed for charity care pursuant to this policy and the individual has not complied with the Center's financial assessment requirements,
 - 17.3. Documentation the individual does not qualify for financial assistance on a presumptive basis.
 - 17.4. Documentation the individual has been offered a payment plan but has not honored the terms of that plan.
18. **Regulatory Requirements.** Implementation of this Policy does not negate or supersede compliance with all other federal, state, and local laws, rules, and regulations applicable to the services outlined herein.
19. **Staff Training Requirements.** The Center staff will adhere to parameters outlined in Texas Administrative Code (TAC) Rule §355.8215 and Healthcare Financial Management Association guidance found in the June 2019 Statement 15: "Valuation and Financial Statement Presentation of Charity Care, Implicit Price Concessions and Bad Debts by Institutional Health Care Providers" in relation Charity Care.
20. **List of all providers/entities encompassed by this policy.** A list of the providers/entities encompassed by the Charity Care policy can be found at www.helenfarabee.org under the Local Plans section.