

**SUBJECT: CHARITY CARE POLICY**      Effective Date: 04/26/11

## **POLICY**

In accordance with the Partnership Agreement, “Agreement” between Texas Health Resources and Texas Rehabilitation Hospital of Fort Worth is required to adopt the Charity Care Policy of Texas Health Resources. To that end, Texas Rehabilitation Hospital of Fort Worth has adopted this policy.

As a part of Texas Rehabilitation Hospital of Fort Worth obligation to provide charity care consistent with the Texas Health Resource charity care policy and as part of Texas Rehabilitation Hospital of Fort Worth 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, Texas Rehabilitation Hospital of Fort Worth 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 Texas Rehabilitation Hospital of Fort Worth in providing care to a segment of the community served by Texas Rehabilitation Hospital of Fort Worth who cannot pay for that care and allow Texas Rehabilitation Hospital of Fort Worth to better concentrate its collection efforts on the accounts that are collectible.

## **GUIDELINES**

Charity Care includes care to individuals who lack the ability to pay as determined by Texas Rehabilitation Hospital of Fort Worth, utilizing the Texas Health Resource guidelines as outlined below. 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 Texas Rehabilitation Hospital of Fort Worth bill may be considered charity care.

The determination of the ability to pay may take into account a number of variables including, but not limited to:

- Earning status and potential of the patient and family
- Other sources of income and assets
- Level and type of liabilities
- Ability to obtain additional credit
- Amount and frequency of hospital/medical bills
- Family size

Patients eligible for charity consideration, including both Financially Indigent and Medically Indigent applicants who have inadequate resources to pay for services provided.

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.

Medically Indigent patients include those patients who are capable for paying for their living expenses, but whose 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.

The identification of charity care begins at time of registration with the gathering 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 Texas Rehabilitation Hospital of Fort Worth 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.

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 Texas Rehabilitation Hospital of Fort Worth 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:

- It is determined (determination of ability to pay based on variables), the patient and guarantor definitely do not have the financial resources to pay the account (or portions of the account), and treatment as charity is warranted under the circumstances determined by the Hospital in a manner consistent with how the facility makes charity care determinations.
- 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.
- 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 Texas Rehabilitation Hospital of Fort Worth'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 should be from a member of Texas Rehabilitation Hospital of Fort Worth management. (Exhibit 3).

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 Texas Rehabilitation Hospital of Fort Worth in a manner consistent with how the Texas Health Resources makes charity care determinations.

A charity care classification must be approved by the CEO of Texas Rehabilitation Hospital of Fort Worth and approval shall be exercised in a manner consistent with how the partner Hospital approves charity care classifications.

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

This policy may not be terminated, modified or amended without approval of Texas Rehabilitation Hospital of Fort Worth Board of Managers. Texas Rehabilitation Hospital of Fort Worth Board of Managers 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.