

**MEDICAL ARTS HOSPITAL
Lamesa, Texas**

POLICY AND PROCEDURE:

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Subject: Charity Care	Approved By: Board of Directors
Department: Business Office	Effective Date: 12/01/2025
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PURPOSE:

Patients who do not qualify for indigent health care assistance under the State of Texas' County Indigent Health Care Program (TCIHP) may qualify for discounted care at Dawson County Hospital District. To qualify, the patient must be determined to be financially or medically indigent as defined below. Only services provided directly by Dawson County Hospital District are covered by this policy.

Dawson County Hospital District is committed to providing charity care to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay, for medically necessary care based on their individual financial situation. Consistent with its mission to serve our community with compassion and quality care by striving to reach every aspect of our community's health, Dawson County Hospital District strives to ensure that the financial capacity of people who need health care services does not prevent them from seeking or receiving care.

POLICY:

Discounted care is provided to income eligible patients or guarantors who meet the poverty guidelines issued by the U.S. Department of Health and Human Services and who received care in the past one (1) year or currently receive care at Dawson County Hospital District. DCHD Financial Assistance is for District services only and does not apply to services provided by independent physicians or other service providers.

DCHD Financial Assistance will be provided to all patients who present themselves for care at Dawson County Hospital District without regard to race, creed, color, or national origin and who are classified as financially indigent or medically indigent according to the hospital's eligibility system.

Accordingly, this written policy:

- Includes eligibility criteria for financial assistance – free and discounted (partial charity) care

- Describes the basis for calculating amounts charged to patients eligible for financial assistance under this policy
- Describes the method by which patients may apply for financial assistance
- Describes how the hospital will widely publicize the policy within the community served by the hospital
- Limits the amounts that the hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed (received by) the hospital for commercially insured or Medicare patients

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with Dawson County's Hospital District for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets. In order to manage its resources responsibly and to allow Dawson County Hospital District to provide the appropriate level of assistance to the greatest number of persons in need, the Board of Directors establishes the following guidelines for the provision of patient charity.

DEFINITIONS:

For the purpose of this policy, the terms below are defined as follows:

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from a provider's policy to provide healthcare services free or at a discount to individuals who meet the established criteria.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- 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;
- Noncash benefits (such as food stamps and housing subsidies) do not count;
- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, do not count).

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/her payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Emergency medical conditions: Defined within the meaning of section 1867 of the Social Security Act (42 U.S.C. 1395dd).

Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

Medically indigent patient: A person who's medical or hospital bills after payment by third party payors exceed a specified percentage of the patient's annual gross income determined in accordance with the hospital's eligibility system and the person is financially unable to pay the remaining bill.

PROCEDURE:

- A. **Services Eligible Under This Policy**. For purposes of this policy, “charity” or “financial assistance” refers to healthcare services provided by Dawson County Hospital District without charge or at a discount to qualifying patients. The following healthcare services are eligible for charity:
1. Emergency medical services provided in an emergency room setting;
 2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
 3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting;
 4. Medically necessary services, evaluated on a case-by-case basis at Dawson County Hospital District’s discretion.
- B. **Eligibility for Charity**. Eligibility for charity will be considered for those individuals who reside in Dawson County or a contiguous county without a hospital in that county and are uninsured, underinsured, ineligible for any government health care benefit program, 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 shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. *[Dawson County Hospital District shall determine whether or not patients are eligible to receive charity for deductibles, co-insurance, or co-payment responsibilities.]*
- C. **Method by Which Patients May Apply for Charity Care**.
1. Financial need will be determined in accordance with procedures that involve an individual assessment of financial need; and may
 - a. Include an application process, in which the patient or the patient’s guarantor are required to cooperate and supply personal, financial and other information and documentation relevant to making a determination of financial need;

- b. Include the use of external publicly available data sources that provide information on a patient's or a Patient's guarantor's ability to pay (such as credit scoring);
 - c. Include reasonable efforts by Dawson County Hospital District to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist patients to apply for such programs;
 - d. Take into account the patient's available assets, and all other financial resources available to the patient;
 - e. And include a review of the patient's outstanding accounts receivable for prior services rendered and the patient's payment history.
2. It is preferred but not required that a request for charity and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any point in the collection cycle. The need for financial assistance shall be re-evaluated at each subsequent time of services if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for charity becomes known.
 3. Dawson County Hospital District's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed promptly and Dawson County Hospital District shall notify the patient or applicant in writing within 30 days of receipt of a completed application.
- D. **Presumptive Financial Assistance Eligibility**. There are instances when a patient 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 patient or through other sources, which could provide sufficient evidence to support charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, Dawson County Hospital District could use outside agencies in determining estimate 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 on the basis of individual life circumstances that may include:

1. State-funded prescription programs;
2. Homeless or received care from a homeless clinic;
3. Participation in Women, Infants and Children programs (WIC);
4. Food stamp eligibility;
5. Subsidized school lunch program eligibility, applicable only if the school district in which the guarantor resides does not provide free lunches to all students;
6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down);
7. Low income/subsidized housing is provided as a valid address; and
8. Patient is deceased with no known estate.
9. Historical significance of non-payment that establishes a justification of future non-payment and lack of ability to pay.

E. **Eligibility Criteria and Amounts Charged to Patients.** Services eligible under this Policy will be made available to the patient on a sliding fee scale, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. Once a patient has been determined by Dawson County Hospital District to be eligible for financial assistance, that patient shall not receive any future bills based on undiscounted gross charges. The basis for the amounts Dawson County Hospital District will charge patients qualifying for financial assistance is as follows:

1. Patients whose family income is at or below 300% of the FPL are eligible to receive charity at discounted rate of 100%;

2. Patients whose family income is above 301% but not more than 350% of the FPL are eligible to receive services at discounted rate of 80%; and
3. Patients whose family income exceeds 351% of the FPL may be eligible to receive discounted rates of 60% on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of Dawson County Hospital District.

F. **Communication of the Charity Program to Patients and Within the Community**. Notification about charity available from Dawson County Hospital District, which shall include a contact number, shall be disseminated by Dawson County Hospital District by various means, which may include, but are not limited to, the publication of notices in patient bills and by posting notices in emergency rooms, in the Conditions of Admission form, at urgent care centers, admitting and registration departments, hospital business offices, and patient financial services offices that are located on facility campuses, and at other public places as Dawson County Hospital District may elect. Dawson County Hospital District also shall publish and widely publicize a summary of this charity care policy on facility websites, in brochures available in patient access sites and at other places within the community served by the hospital as Dawson County Hospital District may elect. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Dawson County Hospital District. Referral of patients for charity may be made by any member of the Dawson County Hospital District staff or medical staff, including physicians, nurses, financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for charity may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

G. **Relationship to Collection Policies**. Dawson County Hospital District management shall develop policies and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collections action and reporting to credit agencies) that take into account the extent to which the patient qualifies for charity, a patient's good faith effort to apply for a governmental program or for charity from Dawson County Hospital District, and a patient's good faith effort to comply with his or her payment agreements with Dawson County Hospital District. For patients who qualify for charity and who are cooperating in good faith to resolve their discounted hospital bills, Dawson County Hospital District may offer extended payment plans, will not send

unpaid bills to outside collection agencies, and will cease all collection efforts. Dawson County Hospital District will not impose extraordinary collections actions such as wage garnishments, liens on primary residences, or other legal actions for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bills and that all sources of third-party payment have been identified and billed by the hospital;
2. Documentation that Dawson County Hospital District has or has attempted to offer the patient the opportunity to apply for charity care pursuant to this policy and that the patient has not complied with the hospital's application requirements;
3. Documentation that the patient does not qualify for financial assistance on a presumptive basis;
4. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

H. **Regulatory Requirements**. In implementing this Policy, Dawson County Hospital District management and facilities shall comply with all other federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this Policy.

APPLICATION PROCESS:

1. The applicant must provide the following to initiate the application process:
 - A. Completed application;
 - B. Proof of year to date income;
 - C. Copy of the most recent tax return;
 - D. Medicaid denial letter if applicable;
 - E. Medicaid spend down verification if applicable;
 - F. Proof of Texas residency, i.e. Texas driver's license or Texas I.D. card
2. If the remaining balance after all third-party payer payments are received exceeds 40% of the household gross annual income and the patient is unable to pay the bill, he/she may qualify as medically indigent.

3. All applications must contain all the documentation necessary to verify family size and income. Falsification of data by the patient will be grounds for the rejection of the application and immediate collection activity on all unpaid balances will be initiated.
4. After exhausting all attempts to have the patient/guarantor come into the hospital to make formal application for the assistance, the account will be forwarded to a collection agency for 90 days in an attempt to make payment arrangements. Once 90 days have passed the account will be recalled from the collection agency and be evaluated based upon available data.
5. Applications are approved for a six (6) month time period. Subsequent dates of service and accounts will require a new application.
6. The approval period may include service dates retroactive three (3) months prior to application unless a longer period is approved by the Hospital CEO or CFO.
7. The DCHD staff will screen patient for other appropriate financial health care resources prior to the financial application process. The financial screening outcome and account updates will be entered into the account by hospital staff.
8. All applications are submitted to the CFO for approval once the application has been deemed complete. The patient will be notified in writing as to the disposition of the application.

Dawson County Hospital District shall always be the payer of last resort and is secondary to all other financial resources available to the patient, including group or individual medical plans, workers' compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g., auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.