04.26 BOARD POLICY

Title: Charity Care

Section: Fiscal

PURPOSE

Integral Care 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. Integral Care strives to ensure that the financial capacity of clients regardless of their racial, ethnic, or socioeconomic status, sexual orientation, or gender identity, who need quality healthcare services does not prevent them from seeking or receiving care.

Accordingly, this policy:

A. Includes eligibility criteria for financial assistance – free and discounted (partial charity care)
B. Describes the basis for calculating amounts charged to clients served eligible for financial assistance under this policy
C. Describes the method by which clients served may apply for financial assistance
D. Describes how Integral Care will widely publicize the policy to the community
E. Limits the amounts that Integral Care will charge for eligible services provided to clients qualifying for financial assistance to the amount generally billed (received by) Integral Care for private and public insurance (Medicaid, Medicare, etc.).

Clients are expected to cooperate with Integral Care'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 Integral Care's various funding agencies.

To manage its resources responsibly and to allow Integral Care 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:

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

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 clients above 150% of Federal Poverty Levels ("FPL"). Bad Debt is not eligible for reimbursement from federal Charity Care programs.

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity Care results from Integral Care's policy to provide healthcare

services free or at a discount to clients who meet the established criteria.

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 a client 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.

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

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

Sliding Scale Fee Schedules: Client financial share calculated utilizing rules, regulations, and contractual requirements of Integral Care's various funding agencies (HHSC MH/IDD; TCOOMMI, etc.).

Uninsured: Having no level of insurance or third-party assistance with meeting payment obligations.

Underinsured: Having some level of insurance or third-party assistance but also out-of-pocket expenses that exceed financial abilities.

POLICY

A. **Services Eligible Under This Policy.** For purposes of this policy, Charity Care or "financial assistance" refers to healthcare services provided by Integral Care without charge or at a discount to qualifying clients. The following healthcare services are eligible for Charity Care:

1. Behavioral health services
2. Immunizations
3. Public health services
4. Other preventative services

B. **Eligibility for Charity Care.** Eligibility for Charity Care will be considered for those clients 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, gender identity, or religious affiliation. Integral Care is committed to an individualized assessment of financial need that accounts for unique circumstances (e.g.,structural barriers, systemic discrimination) that may impact a client's ability to pay.

C. Method by Which Clients May Apply or be Assessed for Charity Care.

1. Financial need is determined in accordance with procedures that involve an individual assessment of financial need; and may

Include an application or assessment process, in which the client or the client's legally authorized representative ("LAR") is required to cooperate and supply personal financial and other information and documentation relevant to making a determination of financial need.

- Include the use of external publicly available data sources that provide information on a client's or LAR's ability to pay.
- Include reasonable efforts by Integral Care to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist clients to apply for such programs.
- Consider all other financial resources available to the client.
- Only family size and income can be used to determine discounts.

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 30 days of treatment. The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the client's or LAR's eligibility for Charity Care.

3. Integral Care's values as shown in the current Integral Care Strategic Plan 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 client or LAR in writing within 30 days of receipt of a completed application or assessment.

4. Financial communications will be clear, concise, correct, and considerate of the needs of clients and Family members.

5. Integral Care will provide language interpretation and translation services to assist clients with limited English proficiency in the application process.

6. Integral Care will ensure the application is available in multiple languages and accessible formats.

D. **Presumptive Financial Assistance Eligibility.** There are instances when a client 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 client served or through other sources, which provide sufficient evidence to provide the client with Charity Care assistance. In the event there is no evidence to support a client's eligibility for Charity Care, Integral Care 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:

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.
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. Client is deceased with no known estate.

Integral Care is committed to making certain that presumptive eligibility criteria for Charity Care do not disproportionately exclude or overlook clients from marginalized racial and ethnic groups, individuals of diverse sexual orientations and gender identities, or clients with limited English proficiency.

E. **Eligibility Criteria and Amounts Charged to Clients.** Services eligible under this policy are made available to clients on Sliding Scale Fee Schedules, in accordance with financial need, as determined in reference to FPL in effect at the time of the determination. The basis for the

amounts charged to clients served who qualify for financial assistance is as follows:

1. Clients whose Family Income is at or below 150% of the FPL are eligible to receive services at a discount of 100% (Charity Care).
2. Clients whose Family Income is above 150% but not more than 400% 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.
3. Clients whose Family Income exceeds 400% 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 Integral Care's discretion; 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.

Integral Care will analyze income thresholds and sliding scale fee schedules to ensure they equitably account for structural inequities that impact household income and wealth in communities of color.

F. **Communication of the Charity Care Program to Clients and Within the Community.** Notification about Charity Care available from Integral Care, 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 Integral Care facilities, and other public places as elected. Integral Care widely publicizes a summary of this Charity Care policy on Integral Care's website, in brochures available in client access sites and at other places within the community served by Integral Care. Such notices and summary information are provided in accordance with the National CLAS Standards. Integral Care will provide outreach and educational materials in multiple languages and accessible formats to reach diverse racial ethnic, and limited English proficient communities.

G. **Relationship to Collection Policies.** Integral Care develops policies and procedures for internal and external collection practices (including actions Integral Care 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 client qualifies for Charity Care, a client's good faith effort to apply for Charity Care from Integral Care, and a client's good faith effort to comply with his or

her payment agreements with Integral Care. For clients who qualify for Charity Care and who are cooperating in good faith to resolve their discounted bills, Integral Care may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. Integral Care will not impose extraordinary collections actions such as liens on primary residences, or other legal actions for any client without first making reasonable efforts to determine whether that client is eligible for Charity Care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the client owes the unpaid charges and that all sources of third-party payment have been identified and billed by Integral Care.
2. Documentation that Integral Care has attempted to offer the client the opportunity to apply or be assessed for Charity Care pursuant to this policy and that the client has not complied with Integral Care's financial assessment requirements.
3. Documentation that the client does not qualify for financial assistance on a presumptive basis.
4. Documentation that the client has been offered a payment plan but has not honored the terms of that plan.

Integral Care will implement collection practices that are trauma-informed and do not further exacerbate racial/ethnic disparities in healthcare access and outcomes. Integral Care will provide training for staff on implicit bias, cultural humility, and equitable decision-making.

H. **Regulatory Requirements.** Implementation of this policy does not negate or supersede compliance with, and Integral Care will comply with, all other federal, state, and local laws, rules, and regulations applicable to the activities conducted pursuant to this policy.

I. **Staff Training Requirements.** Staff will adhere to parameters outlined in 15 TAC Section §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 to Charity Care.

J. **Availability.** This Charity Care policy and the list of available Integral Care Charity Care providers will be available on Integral Care's website under the "Patient- Information" tab.

Effective Date: **August 25, 2022**

Revised Date: **September 26, 2024; January 30, 2025**

Approved: **Patricia Young Brown, Chair, Board of Trustees**

Signature: Patricia A. Young Brown
