

**PARMER MEDICAL CENTER  
POLICIES AND PROCEDURES**

**Department: Business Office**

**Subject: Financial Assistance Program (Charity Care)**

**Effective: August 1, 2017**

**Revised: September 10, 2018 , December 10, 2020**

**Purpose:**

The purpose of this **Financial Assistance Policy ("FAP")** is to specify:

- Eligibility criteria for Financial Assistance in the form of free or discounted care;
- How to apply for Financial Assistance;
- How the Hospital calculates amounts charged to patients;
- How the FAP is widely publicized within the community served by the Hospital

**Policy:**

1. As a tax-exempt nonprofit organization, and a National Health Service Corps certified Rural Health Clinic, Parmer Medical Center and the Friona Rural Health Clinic serves the healthcare needs of its community and is committed to providing charity care to any person who has healthcare needs. Consistent with its mission to deliver compassionate, high-quality, affordable healthcare services, and to advocate for the poor and underserved, Parmer Medical Center will provide care, without discrimination, for emergency medical conditions regardless of people's ability to pay. This policy will be made readily available to prospective and current patients and to the community at large.
2. Patients who are eligible for financial assistance – free or discounted care – under this program are any Parmer Medical Center patients who are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for medically necessary care based on their individual financial situation.
3. "Financial Assistance" or "Charity" refers to healthcare services provided by Parmer Medical Center without charge or at a discount to qualifying patients. The following healthcare services are eligible for financial assistance under this policy:
  - a. Emergent medical services provided in an emergency room setting, including the fees for physician services related to the care received in the emergency room setting.
  - b. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual, deemed necessary by a physician.
  - c. Non-elective services provided in response to life-threatening circumstances in a non-

- emergency room setting deemed necessary by a physician.
4. The following services are specifically *excluded* from financial assistance under this policy:
    - a. Services not covered or deemed medically necessary by the Medicare/Medicaid programs.
    - b. Healthcare services performed/billed by a third party (i.e., Radiologists fees for the reading/interpretation of X-rays).
    - c. Physician services related to inpatient healthcare services received.

**Procedure:**

**ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE:**

The amount of Financial Assistance an individual may be eligible for will depend on several factors. The following factors are considered in determining eligibility for Financial Assistance:

1. Whether the patient received medically necessary, non-elective medical care and treatment.
2. Annual gross family income of the patient or party responsible for the patient's bill.
3. Family size of the patient or party responsible for the patient's bill.

**HOW TO APPLY FOR FINANCIAL ASSISTANCE:**

1. Patients may apply or reapply for financial assistance, before, during or after care by contacting a financial counselor at (806) 250-2754. Applications submitted after care has been provided, should be submitted within sixty (60) days of receiving the initial statement for services.
2. Patients with Medicare and/or commercial insurance may apply for financial assistance to assist with co-pays and deductible amounts. Eligibility will be determined under the provisions of this policy. Payment plans may also be requested and may be granted according to this policy on a case-by-case basis.

3. Completing, signing and submitting an application for Financial Assistance as well as the required documentation set out in this policy is required in order to determine if an individual qualifies for Financial Assistance.

**WHERE AND HOW TO OBTAIN AN APPLICATION:**

An application for Financial Assistance may be obtained by one of the following means:

- From the Hospital's Admission/Registration Department
- Download an application from our website at [www.parmarmedicalcenter.com](http://www.parmarmedicalcenter.com).
- Request an application by calling (806) 250-2754
- Request an application by mail at the following address:

**Parmer Medical Center  
Attn: Financial Assistance Program  
1307 Cleveland Ave.  
Frisco, TX 79035**

**INFORMATION AND/OR DOCUMENTS REQUIRED TO BE SUBMITTED WITH THE COMPLETED APPLICATION:**

The following information and/or documentation is needed in order to determine eligibility for Financial Assistance, for all household members:

1. One of the following valid documents, for all adult family members, as proof of identity:
  - a. State-issued driver license
  - b. State-issued identification card
  - c. Student ID with picture
  - d. Passport with picture
  - e. U.S. immigration documents with picture
2. If a picture Identification is not available, one of the following documents may be used:
  - a. Birth certificate
  - b. Marriage license
  - c. U.S. naturalization, citizenship, or other federal document showing identity
  - d. Adoption records
3. One of the following documents as proof of income and residency:
  - a. Last year's Federal income tax return
  - b. Last two paycheck stubs
  - c. Unemployment benefit confirmation slip from most recent unemployment check
  - d. Social Security check and/or current social security award letter showing the amount being received
  - e. A current utility bill, rental agreement, or voter registration card.

If requested documentation for Charity Care is not available, patient (or guarantor) may contact the hospital's Business Office to determine if alternative sources of support to determine eligibility may be considered.

**HOW TO GET HELP COMPLETING OR SUBMITTING THE APPLICATION:**

The Hospital will provide help in obtaining, completing or submitting the Application and anyone may obtain such help by contacting the phone number listed below, or by visiting the Hospital's business office.

For questions regarding the application for Financial Assistance, please contact the Hospital's business office directly at (806) 250-2754.

**THE TIME PERIOD WITHIN WHICH TO APPLY FOR FINANCIAL ASSISTANCE:**

It is preferred, but not required that a request for financial assistance and a determination of need occur prior to rendering of services. However, the determination may be made at any time. The need for financial assistance may be reevaluated at each subsequent time of service if the last financial evaluation was completed more than six (6) months prior, or at any time additional information relevant to the eligibility of the patient or responsible party becomes known.

**WHERE TO RETURN COMPLETED APPLICATION AND REQUIRED DOCUMENTATION:**

The completed application and required documentation for Financial Assistance may be delivered to:

- The Hospital's Admission/Registration department; or
- May be mailed to:

**Parmer Medical Center  
Attn: Financial Assistance Program  
1307 Cleveland Ave.  
Frisco, TX 79035**

**NOTIFICATION THAT AN INDIVIDUAL HAS BEEN APPROVED FOR FINANCIAL ASSISTANCE:**

The Hospital will notify the individual in writing of the determination of eligibility under this FAP and the basis for the determination. If eligibility cannot be determined due to missing information or documentation, the individual will also be notified in writing.

## **INCOME GUIDELINES USED IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE:**

Services eligible under this policy will be discounted to the patient on a sliding scale, in accordance with their financial need, as determined in reference to Federal Poverty Guidelines in effect at the time of the determination. This discount will be applied to individuals eligible for financial assistance who have completed a financial assistance application and provided all necessary documentation required for qualification. The basis for the amounts charged to patients are as follows:

1. If a patient's Annual Gross Family Income is equal to or less than two hundred and ten percent (210%) of the current Federal Poverty Guidelines<sup>1</sup>, as set forth on the Gross Monthly Income Financial Assistance Eligibility Table, the patient (or other responsible party) will be eligible for assistance with one hundred percent (100%) of medically necessary services as outlined in 3.a-c of this FAP and will not owe any portion of the account balance.
2. Patients whose annual Gross Family Income does not exceed three hundred percent (300%) of the current Federal Poverty Guidelines, may be eligible for a discount, assuming they meet the other eligibility criteria set out in this FAP.
3. Patients with no insurance may be eligible for an uninsured discount. For those uninsured patients who are eligible, they will be responsible for paying no more than the hospital's current Amount Generally Billed (AGB) on the remaining outstanding account balance. The AGB for PMC is calculated using the average reimbursement as a percentage of total claims allowed for the past year by Medicare, Medicaid and all private health insurers that pay claims to the Hospital.
4. All patients are expected to pay, or make arrangements for payment, for all hospital services prior to services being provided. Patients with health insurance coverage will be expected to pay deductible balances, estimated coinsurance amounts, and/or any copays due on the day they receive services. Deductible and copays are required in accordance with laws and regulations governing the programs and/or insurance plan. Patients without insurance will be expected to pay a discounted rate within their ability to pay as determined based on this policy.
5. Exceptions for pre-payment:
  - a. Emergency or obstetric services, as defined by EMTALA
  - b. An approved payment plan in effect, with payments being made accordingly
  - c. Medically urgent or emergent services as determined by a physician
6. Financial assistance is not a replacement for financial responsibility. Patients are

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<sup>1</sup> *The Gross Monthly Income Financial Assistance Eligibility Table is revised when changes are made to the Federal Poverty Guidelines.*

expected to fully cooperate with the financial assistance application process and procedures for obtaining charity and or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Patients who apply for Financial Assistance will be encouraged to seek coverage through the Health Insurance Exchange to ensure access to healthcare services.

## **COLLECTION PRACTICES**

Parmer Medical Center's debt collection policies are available upon request. The Hospital reserves the right to take certain actions in the event of nonpayment or non-participation in the financial assistance application process, including, but not limited to, collections action and reporting to credit agencies. For patients who have submitted a financial assistance application, provided all requested documentation, and are cooperating in good faith to resolve their hospital bills, Parmer Medical Center will not engage in extraordinary collection efforts for a period of 120 days from the date the first statement for services is mailed to the patient. Parmer Medical Center will ensure extraordinary collections actions do not occur without documented reasonable efforts to provide notice and to determine whether the patient is eligible for charity care under this financial assistance policy.

## **PRESUMPTIVE CHARITY**

For patients (or guarantors) who are non-responsive to Parmer Medical Center's Charity application process or who are unable to provide supporting documentation to complete the Charity Care application, presumptive charity may be considered when all efforts and resources have been exhausted. Presumptive charity may be determined on the basis of individual life circumstances, including, but not limited to, the following:

- Homeless or receiving care from a homeless clinic
- Participation in Women, Infants and Children (WIC) programs
- Food stamp eligibility
- Low income/subsidized housing is provided as a valid address
- Patient is deceased with no known estate
- Mental or physical incapacitation with no one to act on patient's behalf

- Hospital has received no payment from the patient from his/her last two hospital inpatient admissions
- Hospital has been unable to reach patient (returned mail, disconnected/bad phone number) and has exhausted all resources to locate patient

In circumstances that warrants presumptive charity, Parmer Medical Center staff will work with a third-party vendor to verify income/financial resources available to determine eligibility for financial assistance.

## **COMMUNITY HEALTH NEEDS ASSESSMENTS:**

Parmer Medical Center is a not-for-profit hospital operating to serve the health care needs of Parmer County. A Community Health Needs Assessment ("CHNA") as described in Internal Revenue Code Section 501 (r) (3), will be conducted by the hospital at least once every three (3) years; and the Hospital will then adopt strategies to meet the community health needs identified through each CHNA.

The CHNA is available to the public on Parmer Medical Center's website:  
[www.parmarmedicalcenter.com](http://www.parmarmedicalcenter.com).

## **DEFINITIONS:**

**"Annual Gross Family Income"** – Determined through computing federal poverty guidelines. It includes all earnings (gross), 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 received from family not living in the household, and other miscellaneous sources. Non-cash benefits, such as food stamps and housing subsidies, are excluded.

**"Amounts Generally Billed" (AGB)** - FAP eligible individual will not be charged more for emergency or other medically necessary care than the Amounts Generally Billed to individuals who have insurance covering such care. The AGB is calculated by taking the average reimbursement as a percentage of total claims allowed for the past year by Medicare fee-for-service, Medicaid and all private health insurers that pay claims to the Hospital.

**"Family"** – For the purposes of this policy a group of two or more people who reside together. If the patient has claimed someone as a dependent on their income tax return, they may be considered a dependent for purposes of the determining eligibility for financial assistance.

**"Emergency Medical Condition"** – 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).

**"Uninsured Patient"** – The patient has no insurance, or third-party assistance or funds to meet their payment obligations.

**"Underinsured (Medically Indigent)"** - refers to individuals who this Hospital determines are unable to pay all or a portion of their remaining bill balance after payment, if any, by third party payors; after crediting all health insurance payments, if any, and such account balance exceeds twenty percent (20%) of the person's annual gross family income.