Stephens Memorial Hospital

POLICY NUMBER: 86-03

TITLE: Financial Assistance

SUMMARY TABLE:

DEPARTMENTS AFFECTED:	**ORIGINAL BOARD DATE OF APPROVAL / EFFECTIVE DATE :**
ADMISSIONS/CLINIC/BUSINESS OFFICE	OCTOBER 1, 2013
POLICY OFFICER:	**REVISION DATE(S):** **MAY 25, 2026 MAY 24, 2019**

PURPOSE:

Stephens Memorial Hospital provides medically necessary healthcare services, including emergency care. The Hospital may offer charity care or financial assistance to individuals who are uninsured, underinsured, ineligible for government programs, or otherwise unable to pay based on their financial circumstances. The granting of charity may 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. Stephens Memorial Hospital is committed to ensuring that financial barriers do not prevent patients from seeking or receiving medically necessary care, in accordance with applicable Texas state financial assistance requirements.

SCOPE:

This policy applies to Stephens Memorial Hospital District. The provisions outlined in this Charity Care and Financial Assistance Policy formalize procedures used to evaluate and qualify patients for charity care or financial assistance.

DEFINITIONS:

Charity Care
Discounted care provided to eligible patients who are uninsured, ineligible for government or other charity care benefits, or unable to pay for medically necessary services. Two categories are recognized:

- **Financially Indigent**
  An uninsured patient whose annual household income is less than or equal to 300% of the Federal Poverty Guidelines (FPG), adjusted for household size.
- **Medically Indigent**
  A patient whose out-of-pocket medical expenses (after any third-party payments) exceeds the ability to reasonably pay the outstanding patient account balance.

Uninsured
A patient doesn't have any insurance or third-party coverage 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.
Insured
The patient has an active health insurance policy either from a governmental payor source, employer provided policy, or a private insurance policy to assist in meeting his/her payment obligations.

POLICY:

Charity care is not a substitute for personal responsibility. Patients are expected to cooperate with application and eligibility processes and contribute toward the cost of care based on their ability to pay. Individuals with the financial capacity to purchase health services may be required to do so as a means of assuring access to health care services. Individuals shall be required to apply for all state and government assistance relevant to the cost of care and to provide denial/approval prior to acceptance of Charity Care.

- Establishes eligibility criteria for financial assistance (full or partial)
- Describes the basis for calculating amounts charged to patients eligible for financial assistance.
- Describes the application process
- Outlines how the policy is communicated to the public
- Limits the amount Stephens Memorial Hospital District will charge for emergency services or other medically necessary care provided to individuals eligible for financial assistance to amount generally billed to commercially or Medicare insured patients.

Eligibility Criteria
Services eligible under this Policy may be made available to the patient on a sliding fee scale of gross charges, in accordance with financial need, as determined in reference to Federal Poverty Guidelines in effect at the time of the determination. Once a patient's level of financial assistance eligibility has been determined by Stephens Memorial Hospital District, the patient's outstanding responsibilities will be adjusted according to the District's policies. Financial assistance does not include contractual allowances from government programs and Insurance, or Uninsured Patient discounts, but may include insurance copayments, co-insurances or deductibles as well as exhausted benefits. The basis for the amounts Stephens Memorial Hospital District will charge patients qualifying for financial assistance is as follows, but not limited to:

1. Patients who are uninsured and whose family income is at or below 300% of the FPG are eligible to receive care at a fully discounted rate.

2. Patients who are uninsured or underinsured and whose family income is above 300% but not more than 500% of the FPG are eligible to receive services at discounted rates no greater than the amounts generally billed to commercially insured or Medicare patients.

3. Patient who are uninsured or underinsured and whose family income exceeds 500% of the FPG may be eligible to receive discounted rates on a case-by-case based on their specific circumstances, such as catastrophic illness or medical indigence at the discretion of Stephens Memorial Hospital District. The discounted rates may not be greater than the amounts generally billed to commercially insured or Medicare patients for the patients deemed eligible.

Amounts Charged to Patients
Patients eligible for financial assistance will not be charged more than amount generally billed for emergency or medically necessary care.
Discount Structure:

1. ≤ **300**% FPG
    - Eligible for 100% charity care (full discount)
2. **301%** – 500% FPG
    - Eligible for 50% discount adjustment
    - When a patient portion is assigned as a result of the sliding scale, an acceptable payment plan is expected. If nonpayment occurs, the account will be moved through the collection process.
3. > **500%** FPG
    - May still be considered for assistance on a case-by-case basis, including:
        - Catastrophic medical expenses
        - Significant financial hardship
        - Medical indigence

PROCEDURE:

Application Process
Financial need will be determined through an individualized assessment, which may include:

- Completion of a Financial Assistance Application
- Submission of required supporting documentation (see below)

- Review of income, assets, and financial obligations
- Use of external data sources when necessary
- Evaluation of eligibility for public assistance programs
- Review of prior account/payment history

Patients must cooperate fully in providing accurate and complete information.

Required Documentation
Applicants must provide the following documentation:

- Valid Photo Identification
- Proof of Stephens County Residency (e.g., utility bill, lease agreement, official mail)
- Proof of Income (e.g., recent pay stubs, tax return, employer statement)
- Bank Statements (typically last 2–3 months)

Additional documentation may be requested if needed to determine eligibility. These may include available assets, other financial resources and external publicly available data sources.

Timing of Determination
It is preferred, but not required, that a request for charity care and a determination of financial need occur prior to non-emergent medically necessary services. However, applications may be submitted at any point during the billing and collection cycle. Once approved, the application is valid for six (6) months and may cover balances up to six (6) months prior to approval. After expiration, updated information will be required. If a financial debt is older than 6 months, approval from the Director of Revenue Cycle is required and determined on a case-by-case basis. Accounts currently in Collections may be considered for Charity Care.

Appeals Process
Patients may appeal a denial within 30 days in writing with supporting documentation. Appeals will be reviewed independently and a decision provided within 30 days. The appeal decision is final.

Presumptive Eligibility

There are instances when a patient may appear to be eligible for charity care discounts. Often there is adequate information provided by the patient or through other sources to verify eligibility without completing a Charity Care application. In the event there is an an incomplete application but sufficient evidence is provided to support a patient's eligibility for charity care, Stephens Memorial Hospital can use outside agencies in determining eligibility. Upon determination, the current account balance will be eligible for a one-time 100% write off. Presumptive eligibility may be determined on a case-by-case basis of an individual's life circumstances. This may include any of the circumstances below, but are not limited to:

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

8. Patient is deceased with no known estate

9. Medicaid Program participants where coverage is denied for maximum confinement, or non-covered services

10. Bankruptcy declared and confirmed within the prior (12) months of Stephens Memorial Hospital services being rendered

11. Any uninsured account returned from a collection agency as uncollectable

12. Participation in Temporary Assistance for Needy Families (TANF) Program

13. Participation in Children's Health Insurance Program (CHIP)

14. Participation in Free lunch program at children's respective school

15. Patient has provided a signed document stating he/she does not have the resources to pay

16. Other factors that are useful information an expectation of payment

Communication of Policy

Notification about charity care available from Stephens Memorial Hospital shall be disseminated by Stephens Memorial Hospital by various means, which may include, but are not limited to, the publication of notices in patient account statement, posting notices throughout the SMH facilities, and patient financial services offices. Stephens Memorial

Hospital may elect to post notices at other community location, such as County Court House, WIC and Food Stamp offices. Stephens Memorial Hospital shall provide a summary of this charity care policy on the SMH website and in brochures available in patient areas. Such notices and summary information shall be provided in the primary languages spoken by the population serviced by Stephens Memorial Hospital. Referral of patients for charity may be made by any member of the Stephens Memorial Hospital faculty and medical staff. A family member, close friend, or associate of the patient, subject to applicable privacy laws, may make a request for charity.

Schedule A

Based on Federal Poverty Guidelines Issued January 13, 2026.

Family's Yearly Income must be equal or less than the following.

Household/ Family Size	***300%***	***350%***	***400%***	***450%***	***500%***
1	47,880.00	55,860.00	63,840.00	71,820.00	79,800.00
2	64,920.00	75,740.00	86,560.00	97,380.00	108,200.00
3	81,960.00	95,620.00	109,280.00	122,940.00	136,600.00
4	99,000.00	115,500.00	132,000.00	148,500.00	165,000.00
5	116,040.00	135,380.00	154,720.00	174,060.00	193,400.00
6	133,080.00	155,260.00	177,440.00	199,620.00	221,800.00
7	150,120.00	175,140.00	200,160.00	225,180.00	250,200.00
8	167,160.00	195,020.00	222,880.00	250,740.00	278,600.00
Add for each additional person	17,040.00	19,880.00	22,720.00	25,560.00	28,400.00