Subject: SJH Financial Assistance (Charity Care) Policy - New Mexico	**Policy Number:** PSJH RCM 002 NM	
Department: Revenue Cycle Management	☐ New ☒ Reviewed ☐ Revised	**Date:** 12/1/2025
Executive Sponsor: SVP Chief Revenue Cycle Officer	**Policy Owner:** AVP, Financial Counseling	
Approved by: SVP Chief Revenue Cycle Officer	**Implementation Date:** 1/27/2025	

St. Joseph Health ("SJH") is a not-for-profit healthcare organization that is dedicated to its Mission of serving everyone, especially those who are poor and vulnerable. SJH believes that getting medical care is a right every person should have. SJH makes sure that emergent and medically necessary healthcare services are available to anyone in the community even if they can't afford to pay.

SCOPE:

This policy applies to all SJH hospitals in the state of New Mexico. It covers all emergency, urgent and other medically necessary services (with the exception of experimental, investigative, aesthetic, or cosmetic care, or care for patient or physician convenience) (as defined in the definition of "Eligible Services"). A list of SJH hospitals covered by this policy can be found in Exhibit A. When we use the word "hospital" or "facility" in this policy, it is referring to the scope of facilities described in Exhibit A.

This policy shall be interpreted in a manner consistent with Section 501(r) of the Internal Revenue Code of 1986, as amended, and with Chapter 57-32 of New Mexico Statutes Annotated. If this policy and the law ever conflict, the law will be followed.

PURPOSE:

The purpose of this policy is to ensure there is a consistent, fair, and non-discriminatory method for providing financial assistance (also referred to as "charity care") to eligible individuals who cannot afford to pay, in full or part, for the Eligible Services provided by SJH hospitals.

This policy is intended to comply with all applicable laws. This is the official Financial Assistance (Charity Care) Policy (FAP) and Emergency Medical Care Policy for each SJH hospital in New Mexico.

RESPONSIBLE PERSONS:

Revenue Cycle Departments. In addition, all appropriate staff who perform functions relating to registration, admissions, financial counseling, and customer support will receive regular training on this policy.

POLICY:

SJH will provide Eligible Services at no cost, or at a lower cost, to qualifying patients who either submit an application or are deemed to be eligible for charity care, consistent with the criteria set out in this policy. Patients must meet the eligibility requirements described in this policy to qualify. For purposes of this policy, the term "patient" will be used to refer to the patient as well as any person who is a guarantor or responsible party (i.e., an individual who is responsible for the payment of any facility charges on behalf of the patient which are not paid by a third party).

SJH hospital emergency departments will provide care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act) consistent with the emergency department's available capabilities, regardless of whether an individual is eligible for financial assistance. SJH will not discriminate based

on age, race, color, creed, ethnicity, religion, national origin, marital status, sex, disability, veteran or military status, or any combination thereof, or any other basis prohibited by federal, state, or local law when making financial assistance determinations. Discrimination on the basis of sex includes, but is not limited to: sex characteristics, including intersex traits; pregnancy or related conditions; sexual orientation; gender identity; and sex stereotypes.

SJH hospital emergency departments will provide emergency medical screening examinations and stabilizing treatment or, where appropriate, will refer and transfer an individual to another hospital. SJH does not allow any actions, admission practices, or policies that would discourage individuals from seeking emergency medical care, such as permitting debt collection activities that interfere with the provision of emergency medical care.

List of Professionals Subject to SJH FAP: Each SJH hospital has a list of those physicians, medical groups, or other healthcare providers who are and who are not covered by this policy. Each SJH hospital will provide this list to any patient who requests a copy. The provider list can also be found online by visiting www.providence.org/financialhelp

Financial Assistance Eligibility Requirements: Financial assistance is available to both uninsured and insured patients if they meet the requirements of this policy. Charity care granted consistent with this policy is intended to also comply with other laws regarding permissible benefits to patients. SJH will make an effort to see if there is any other insurance that could cover the costs of the Eligible Services prior to billing the patient. Patients will not be required to apply for third-party medical assistance programs before being screened for financial assistance. Patients without insurance will receive a discount. The types of bills that might be eligible for financial assistance adjustments include, but are not limited to: self-pay, charges for patients with out-of-network coverage, and coinsurance, deductible, and copayment amounts related to insured patients.

Patients seeking financial assistance may complete the standard SJH Financial Assistance Application and eligibility will be based upon financial need at that time. Efforts will be made to inform patients of the availability of financial assistance by providing information during admission and discharge, on the patient's billing statement, in patient accessible billing areas (like registration counters), on SJH's website, by oral notification during payment discussions, as well as on signage in inpatient and outpatient areas, including areas where patients are admitted or registered and in the emergency department. SJH will keep records of the information used to determine financial assistance eligibility. SJH hospitals will also send the information gathered through screening for third-party coverage and financial assistance to third-party health care providers that SJH hospitals know are involved in SJH's care and treatment of the patient. SJH will provide a paper copy of this policy to a patient upon request.

SJH will also approve certain patients for a charity adjustment to their account balance by means other than a full Financial Assistance Application if the patients meet the requirements detailed later in this policy (please see "Financial Assistance Without a Financial Assistance Application").

Applying for Financial Assistance: Patients may request and submit a Financial Assistance Application, which is free of charge and available at the SJH facility, or by the following means: advising patient financial services staff at or prior to the time of discharge that assistance is requested, by mail, or by visiting www.providence.org/financialhelp A person's application for financial assistance will be processed to determine if they may meet the criteria for financial assistance as set forth in this policy.

SJH facilities have designated staff ready to help patients complete the Financial Assistance Application and see if the patient qualifies for financial assistance from SJH itself or from government-funded insurance programs. Each SJH hospital shall offer to and, if requested, assist patients with the application process for any such programs identified during this eligibility screening process. Help with language translation is also available to address any questions and to assist in the completion of the Financial Assistance Application.

A patient may provide a completed Financial Assistance Application, including all requested supporting documentation, at any time. SJH will suspend any collection activities pending an initial determination of eligibility for financial assistance, provided that the patient is cooperative with SJH's reasonable efforts to reach an initial determination.

A determination of eligibility for financial assistance can be made according to the income qualifications as detailed on Exhibit B.

Individual Financial Situation: A patient's income, certain assets, and expenses will be used in assessing the patient's individual financial situation. Additionally, SJH will consider and collect information related to assets as required by the Centers for Medicare and Medicaid Services (CMS) for Medicare cost reporting, which applies to Medicare patients who do not also have Medicaid insurance. While SJH does collect asset information from such individuals, which may include bank statements, and other information that SJH's financial counselors believe is needed, not all such assets will figure into the final amount of the award. For instance, the calculation of the award will not consider: (A) the first $100,000 of a patient's monetary assets (including their family's assets, if applicable), and 50% of a patient's monetary assets over the first $100,000 (including their family's assets, if applicable); (B) any equity in a primary residence; (C) retirement or deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans; (D) one motor vehicle and a second motor vehicle if it is necessary for employment or medical purposes; (E) any prepaid burial contract or burial plot; and (F) any life insurance policy with a face value of $10,000 or less. The value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid. Information requests from SJH to the responsible party to verify assets will be limited to that which is reasonably necessary and readily available to determine the existence, availability, and value of a person's assets and will not be used to discourage application for free or discounted care. Duplicate forms of verification will not be requested. Only one current account statement will be required to verify monetary assets. Information collected through the screening process will not be used or disclosed by SJH except as needed to facilitate the application process for health insurance or financial assistance, to third-party health care providers involved in SJH's treatment of the patient and to regulatory authorities as may be required by law.

Income Qualifications: The patient's income, based on FPL, may be used to determine eligibility for financial assistance. Please see Exhibit B for details.

Eligibility Determinations: Patients will receive notification of FAP eligibility determination within 30 days of submission of the completed Financial Assistance Application and necessary documentation. The notification will specifically include an explanation of the basis for the determination. Once an application is received, collections efforts will be pended until a written determination of eligibility is sent to the patient. SJH will not make a determination of eligibility for assistance based upon information which the hospital reasonably believes is incorrect or unreliable.

Dispute Resolution: Patients who have completed a Financial Assistance Application may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to SJH within 30 days of receipt of the notice of denial. The patient may need to provide relevant additional documentation in support of their appeal. SJH will suspend any collection activities pending review of the appeal. All appeals will be reviewed and if the review affirms the denial, written notification will be sent to the patient and State Department of Health, where required, and in accordance with the law. The final appeal process will conclude within 10 days of receipt of the denial by SJH. An appeal may be sent to PH&S Regional Business Office, P.O. Box 31001-3422 Pasadena CA 91110-3422 United States of America.

Financial Assistance Without a Financial Assistance Application: SJH may approve a patient for a charity adjustment to their account balance without a full Financial Assistance Application as outlined in the circumstances below:

- Presumptive Determinations: Such determinations will be made on a presumptive basis using an industry-recognized financial assessment tool that evaluates ability to pay based on publicly available financial or other records, including but not limited to approximate household income and household size according to the eligibility criteria set forth in Exhibit B. For patients that are presumptively determined to be eligible for write-offs based on this screening, eligible amounts will be written off as shown on Exhibit B. Patients who made payment prior to SJH determining the patient to be presumptively eligible for financial assistance may be required to submit a complete Financial Assistance Application in order to be evaluated for eligibility for refunds of amounts previously paid.

- Public Assistance Programs: Patients who are participating in state Medicaid programs are eligible for presumptive assistance. Patient account balances resulting from charges for Eligible Services that are non-reimbursable by Medicaid or other government-sponsored low-income assistance programs may be eligible for full charity write-off, including but not limited to non-reimbursable charges for Eligible Services related to the following:
    - Denied inpatient stays
    - Denied inpatient days of care
    - Non-covered services
    - Prior Authorization Request Denials
    - Denials due to restricted coverage

For patients who participate in state funded FPL-qualified public assistance programs (e.g., Supplemental Nutrition Assistance Program (SNAP); Temporary Assistance for Needy Families (NMWorks); Children's Health Insurance Program (CHIP); Women, Infants, and Children Program (WIC); free lunch or breakfast programs; and low-income home energy assistance programs), SJC may consider such participation as proof of FPL or annual family income in order to determine eligibility for financial assistance pursuant to Exhibit B.

Catastrophic Medical Expenses: SJH will grant financial assistance at its discretion to grant additional assistance based on the patient's circumstances or in the event of a qualifying catastrophic medical expense if a patient's annual family income and total medical expenses at Providence facilities in the prior 12 months meet the requirements specified in Exhibit B. A complete Financial Assistance Application is required to be evaluated for eligibility for Catastrophic Medical Expenses.

Times of Emergency: Financial assistance may be available in times of a national or state emergency, independent of assistance for catastrophic expenses. Eligibility criteria and discount amounts will be set at SJH's discretion at the time of such emergency. A complete Financial Assistance Application is required to be evaluated for eligibility for Financial Assistance during Times of Emergency.

Eligibility Requirements: SJH may deny a patient's Financial Assistance Application when the patient or other responsible party fails to meet the requirements outlined in this policy. SJH may, consistent with state law, impose eligibility requirements for financial assistance determinations without a Financial Assistance Application, including but not limited to requirements that patients respond to requests as necessary for their primary insurer to adjudicate a claim for reimbursement and that they provide information concerning any potential third party liability for the cost of services. If a patient does not qualify for financial assistance based on information considered without a complete Financial Assistance Application, the patient may still provide the required information pursuant to the Financial Assistance Application and be considered under the financial assistance eligibility and application process set forth in this policy.

Limitation on Charges for all Patients Eligible for Financial Assistance: No patient who qualifies for any of the above-noted categories of financial assistance will be charged more than the Amounts Generally Billed (AGB) percentage of gross charges for Eligible Services, as defined below.

Reasonable Payment Plan: All patients can request a payment plan, regardless of financial assistance determination or application. The payment plan will include monthly payments (without interest or late fees) that are not more than 10% of a patient's or their family's monthly income, minus the patient's usual living costs as listed on the patient's Financial Assistance Application.

Billing and Collections: If there are any amounts left to pay after application of eligible financial assistance, the amounts may be referred to collections, except that SJH will not refer amounts for Eligible Services provided to Medicaid patients to collections. Before referring an unpaid charge for collections to a collection agency, SJH will conduct a pre-collections screening to determine if the patient qualifies for presumptive assistance as described in this policy. Collection efforts on unpaid balances will cease pending final determination of financial assistance eligibility. In the event an individual has not yet submitted a Financial Assistance Application, SJH will screen such individuals for eligibility for presumptive determinations in a timeframe consistent with applicable

state law and SJH billing and collection practices. Financial assistance based on presumptive determinations will be provided as set forth in Exhibit B. If an individual would like an earlier determination of eligibility for financial assistance, they may submit a Financial Assistance Application at any time. For patients who are determined to be indigent, SJH hospitals will not refer the medical debt to collections or itself take prohibited collection action. SJH will not take or allow collection agencies to take any Extraordinary Collection Actions, as defined below. For information on SJH billing and collections practices for amounts owed by patients, please see SJH's Patient Bad Debt Assignments policy, which is available free of charge at each SJH hospital's registration desk, or at www.providence.org/billing-support/understand-bill

Patient Refunds: If a patient pays for Eligible Services and is later found eligible for financial assistance based on financial assistance application, any payments made for those Eligible Services during the FAP-Eligible Time Period which exceed the payment obligation will be refunded, in accordance with state and federal regulations. For clarity, Providence will not automatically refund amounts previously paid based on a presumptive eligibility determination.

Annual Review: This policy will be reviewed annually by designated Revenue Cycle leadership.

EXCEPTIONS:

See Scope above.

DEFINITIONS:

The following definitions and requirements apply to this policy:

1. Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services.

2. Amounts Generally Billed (AGB): The amounts generally billed for emergency and other medically necessary care to patients who have health insurance is referred to in this policy as AGB. SJH determines the applicable AGB percentage for each SJH facility by multiplying the facility's gross charges for the Eligible Services by a fixed percentage that is based on claims allowed under Medicare or commercial payors. Information sheets detailing the AGB percentages used by each SJH facility, and how they are calculated, can be obtained by visiting the following website: www.providence.org/financialhelp or by calling 1-866-747-2455 to request a copy.

3. Eligible Services: Eligible Services means the emergency or medically necessary services provided by a SJH facility that are eligible for financial assistance. Medically necessary services, for purposes of this policy, include services to prevent, diagnose, or treat an illness, injury, condition, or disease, or the symptoms of an illness, injury, condition, or disease, and that meet accepted standards of medicine. Services that are aesthetic, cosmetic, experimental, investigative, or part of a clinical research program, or services that are for patient or physician convenience, are not considered medically necessary services.

4. Extraordinary Collection Action (ECA): ECAs are defined as those actions that require a legal or judicial process, involve selling a debt to another party, or involve reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

5. FAP-Eligible Time Period: The FAP-Eligible Time Period for (i) hospital services is the 240-day period of time; and (ii) clinic services is the 90-day period, in each case that a patient has to submit a Financial Assistance Application to SJH. The timing begins on the date the first post-discharge billing statement is provided to the patient. A billing statement is considered "post-discharge" if it is provided to a patient after the patient received care, whether inpatient or outpatient, and the individual has left the facility. A separate FAP-Eligible Time

Period starts with each episode of care, and the 240-day period for hospital services or 90-day period for clinic services, as applicable, will be measured from the first post-discharge bill for the most recent episode of care. That said, SJH has the discretion to accept and process Financial Assistance Applications from patients at any time.

REFERENCES:

Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r)(1) – 1.501(r)(7)
Emergency Medical Treatment and Labor Act (EMTALA), 42 U.S.C. 1395dd
42 C.F.R. 482.55 and 413.89
American Hospital Associations Charity Guidelines
Providence St. Joseph Health Commitment to the Uninsured Guidelines
Provider Reimbursement Manual, Part I, Chapter 3, Section 312
N.M. Stat. Ann. § 57-32-1 et seq

Exhibit A – Covered Facilities List

St. Joseph Health Hospital(s) New Mexico	
Covenant Health Hobbs Hospital	

For clarity, this policy also applies to all covered facility inpatient and outpatient departments and clinics. In addition, this policy applies to the employees of covered facilities, as well as any not-for-profit or non-profit entity majority owned or controlled by St. Joseph Health and bearing the St. Joseph Health name and their respective employees.

Exhibit B –

Income Qualifications for St. Joseph Health New Mexico Hospitals: Covenant Health Hobbs Hospital

If...	Then ...
Annual family income, adjusted for family size, is at or below 200% of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for financial assistance 100% write-off on patient responsibility amounts for Eligible Services.
Patient incurs financial liability exceeding $75,000.00	This is considered a “catastrophic medical event” due to high medical costs. Management may determine the patient to be eligible for financial assistance based upon the amount of patient liability, billed charges, income, and assets and may, at its discretion, grant financial assistance without all information or documentation. In such circumstances, the patient’s responsibility shall not exceed the AGB.
If a patient has not submitted a complete Financial Assistance Application as outlined in this policy but analysis by an industry-recognized financial assessment tool estimates an approximate household income, adjusted for family size, is at or below 200% of the current FPL guidelines,	The patient is presumptively eligible for a 100% presumptive charity write-off on patient responsibility amounts for Eligible Services.