



**HARRIS COUNTY  
HOSPITAL DISTRICT**

**PATIENT ELIGIBILITY  
SERVICES  
OPERATIONS MANUAL**

Policy No: 5.10  
Page Number: 1 of 8

Effective Date: 08/01/02  
Revised Date: 08/26/05  
Approved By:

**TITLE: VERIFICATION OF INCOME**

**PURPOSE:** To specify the income documentation requirements for clients seeking financial assistance from HCHD.

**POLICY STATEMENT:**

Clients applying for financial assistance are required to provide proof of all family income for the 30 days prior to the date of application. Proof of income for additional time periods may be required in certain circumstances as outlined in the policy elaboration below. See Eligibility Policy 5.01, "Overview of Income Requirements" for definitions of countable income for purposes of eligibility determination.

**POLICY ELABORATION:**

**I. DEFINITIONS**

- A. Separated Person: A client who is legally married to another person no longer residing in the household. For purposes of financial assistance from HCHD, the client does not have to have filed for legal separation to be considered separated.
- B. Common Law Marriage: Requirements for common-law marriage are:
1. The couple has made a declaration to each other that they are married;
  2. The couple lives together; and
  3. The couple presents themselves to others as husband and wife.



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4. A couple cannot be common law married if one party is legally married to another person.

**II. EMPLOYMENT INCOME**

- A. All employed clients seeking financial assistance from HCHD must prove the source and amount of employment income.
- B. Employment income, or earned income, may be verified by one or more of the following:
  1. Pay stubs covering the prior thirty days (4 if paid weekly, 2 if paid bimonthly; one if paid monthly)
  2. If check stubs are not available, Form 280004, "HCHD Wage Verification Form" completed by the employer with name, address, hourly wage, hours worked, and wages earned in the prior 30 days, with the name, signature, and title of the person completing the form.
- C. Clients whose check stubs show overtime pay may be required to provide additional check stubs or proof from the employer documenting the usual amount of overtime worked per pay period. When overtime is routine, all income earned in the prior 30 days will be used to calculate eligibility. However, if the overtime is sporadic, the average pay for the prior three months may be used with management approval.



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- D. Income paid weekly, bimonthly, or every other week must be converted to the appropriate monthly amount before the monthly income can be determined. Refer to the Eligibility Training Manual for income conversion charts.
- E. Seasonal Workers (temporary employees, migrant workers, non-independent contract workers) – Gross income for the past 12 months should be averaged over a 12-month period to determine monthly income. Income proof, such as a tax return, or check stubs must be provided, but may be up to 12 months old.
  - 1. School district employees paid on a 10-month basis are considered seasonal workers. The employee must present their employment contract or other documentation to determine whether they are paid on a 10-month or 12-month basis. If paid on a 10-month basis, monthly income will be determined by averaging the amount paid over 12 months.
- F. The eligibility interviewer should document the gross income provided and the number of months used to develop the average monthly income on Form E8100, “Application for Eligibility Checklist”.

**III. SELF-EMPLOYMENT INCOME**

- A. All self-employed clients applying for financial assistance from HCHD must provide proof of self-employment income.
- B. A printout from the IRS showing the Federal Tax Form 1040/1040A with Schedule C, Profit or Loss from Operation of a Business for the most recent tax year is the preferred proof of self-employment income.



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1. Annual income is taken from Schedule C, line 29.
  2. If the client does not file Schedule C, the *gross income* from the 1040/1040A (line 35) will be used to calculate annual income.
- C. Gross monthly income is calculated by dividing annual income by 12. If the income proof is provided for a period of less than 12 months, the average gross monthly income will be determined by dividing the annual income by the number of months covered in the proof provided.
- D. Clients indicating that self-employment income has significantly changed from the time covered by the tax return may submit one of the proofs mentioned in section E below, so long as the proof indicates gross sales, business expenses, and net profit or loss. Use of alternate proof requires management approval prior to completion of the eligibility interview.
- E. Other proofs of self-employment income that may be accepted if the client does not file taxes and indicates such on question 14 on Form 280478, "Application for Financial Assistance."
1. Recent quarterly statement (less than three months old)
  2. Recent bookkeeper's statement (less than three months old)
  3. Bank statements for self and business for the last three months.



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4. Question 14 on Form 280478, "Application for Financial Assistance". The answer to this question may only be used as income proof if no other proof is available and requires management authorization.

F. Any other income listed on the tax return (e.g., wages, interest income) should be reviewed to determine if it is countable for purposes of eligibility determination and should be included in the monthly income calculation where appropriate.

**IV. UNEMPLOYMENT INCOME**

A. Unemployed clients must provide proof of any income received. An unemployed person applying for financial assistance must complete question 13 on Form 280478, "Application for Financial Assistance."

B. Unemployment income may be demonstrated by one or more of the following proofs:

(a) Current copy of state unemployment benefits slip, printout, or check.

(b) Application for social services or welfare, excluding Food Stamps. Current copy of Social Security Award letter, check or current printout;

(c) VA letter or check;

(d) retirement letter or check; or



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- (e) other documents demonstrating the client is retired and the source of retirement income.
2. Income proof for the spouse or other members of the family unit must be provided.
3. Clients living off savings must present all bank or investment statements for the prior three months. Interest or dividend income is considered countable income. The District reserves the right to request additional statements as it deems necessary.
4. No form of income: Clients with no income must have the person supporting them complete and sign question 17 on Form 280478, "Application for Financial Assistance." The supporter may or may not be responsible for the patient's medical bills, depending on the legal relationship between the supporter and the unemployed person.
5. Dependents: Family income for patients carried as dependents on another person's tax return may be required if it is determined that a legal responsibility for support exists between the dependent and the other party. See Eligibility Policy 4.01, "Verifying Household Composition" for details.



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**V. ADDITIONAL REQUIREMENTS FOR SEPARATED,  
DIVORCED, OR COMMON-LAW MARRIED CLIENTS**

- A. Clients applying for financial assistance from HCHD who are separated, divorced, or common-law married must present additional proof to document all forms of income received, in addition to the appropriate income proof for his/her employment status. Separated clients
1. Separated clients must complete question 16 on Form 280478, "Application for Financial Assistance" at the time of the financial assistance interview, witnessed by the eligibility interviewer.
  2. The client must provide proof that the spouse is no longer in the household, for example, a lease agreement showing only the client and dependent children.
  3. In the event no proof is available, the eligibility manager may authorize use of question 16 on Form 280478, "Application for Financial Assistance" as the sole source of proof.
  4. Any income received from the separated spouse is countable and is documented as unearned income.
- B. Divorced Persons
1. A divorced person must provide a copy of the final divorce decree with the judge's signature or a copy with a page number and volume stamped by courthouse personnel indicating the amount of child support and/or alimony to be paid.



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2. If the divorce occurred in Texas, a current printout from the Family Law Center or verification through the Law Center telephone service will be accepted if the divorce decree is not available.
3. If the divorce occurred outside Texas, and no divorce decree is available, the client should complete question 16 on Form 280478, "Application for Financial Assistance". The financial assistance classification may be approved one time only, with management authorization. This allows the client sufficient time to obtain a copy of the divorce decree. The decree must be provided upon renewal of the financial assistance classification.
4. Proof of divorce is only required the first time a client is approved for financial assistance.

C. Common-law Married

1. Persons who are common-law married must provide income proof for both parties in accordance with each person's employment status.

**REFERENCES/BIBLIOGRAPHY:**

Eligibility Policy 4.01, "Verifying Household Composition"  
Eligibility Policy 5.01, "Overview of Income Requirements"  
Form E8100, "Application for Eligibility Checklist"  
Form 280004, "HCHD Wage Verification Form"  
Form 280478, "Application for Financial Assistance"  
County Indigent Health Care Program Handbook

**OFFICE OF PRIMARY RESPONSIBILITY:** Patient Eligibility Services  
Administration