



**HARRIS COUNTY  
HOSPITAL DISTRICT**

**PATIENT ELIGIBILITY  
SERVICES  
OPERATIONS MANUAL**

Policy No: 5.01  
Page Number: 1 of 8

Effective Date: 08/01/02  
Approved By:

A handwritten signature in black ink, appearing to read "Michael P. [unclear]", written over the "Approved By:" text.

**TITLE: OVERVIEW OF INCOME REQUIREMENTS**

**PURPOSE:** To define countable and exempt income for purposes of determining a client's level of financial assistance.

**POLICY STATEMENT:**

Clients applying for financial assistance are required to provide proof of income for the past 30 days for all members of the household. The definitions and income determinations in this policy are based upon County Indigent Health Care Program criteria.

**POLICY ELABORATION:**

**I. DEFINITIONS**

- A. Income: A type of payment that is a regular and predictable gain or a benefit to a household.
- B. Regular and predictable income: Income that is received in one month, and
  1. Is likely to be received in the next month, or
  2. Was received on a regular and predictable basis in past months.
- C. Earned income: Income related to employment.



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- D. Unearned income: Income received without performing work. It includes benefits from government programs.
- E. Gross family income: The sum of income before taxes, whether earned or unearned, for all members of the family.

II. GENERAL GUIDELINES

- A. Gross family income for the prior 30 days is the basis for determining the client's level of financial assistance. All income, whether earned or unearned, must be included as part of the family income unless the income source is specifically designated as exempt. Income from all members must be included, even if all family members do not apply for financial assistance. See Eligibility policy 4.01, "Verifying Household Composition" for detail on determining the members of a household for eligibility determination purposes.
- B. Clients must pursue and take advantage of all income to which they are legally entitled.
- C. Proof must be provided for all types of income received by the family within the prior 30 days. See Eligibility Policy 5.10, "Verification of Income" for the types of verifications required.
- D. The Patient Eligibility Services department reserves the right to request copies of bank statements or federal tax forms to verify income when deemed necessary.



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- E. An asset test may be required of any applicant for financial assistance if the Director of Patient Eligibility Services or Administrator deems it necessary. In these cases, the eligibility package must be signed by the director or administrator requiring the test.

**III. COUNTABLE INCOME**

- A. Countable income, for purposes of calculating the level of financial assistance, includes the following:
1. **Cash Contributions** - Considered unearned income if they meet the definition of regular and predictable as described above.
  2. **Child Support Payments** - Considered unearned income.
  3. **Disability Insurance Benefits** - Considered unearned income.
  4. **Dividends and Royalties** - Considered unearned income.
  5. **Government-Sponsored Programs** - Considered unearned income unless they are from crisis intervention programs such as FEMA (such payments would be exempt).



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6. **Income-Producing Property** - Considered unearned income whether from rent, lease, or sale on an installment plan. Income produced from boarding situations is considered earned income.
7. **Interest** - Considered unearned income.
8. **Loans (Noneducational)** - Considered unearned income unless there is an understanding that the money will be repaid, and the client can reasonably explain how he will repay it.
9. **Lump Sum Payments** - Count as income in the month received.
10. **Military Pay and Allowances** - Military pay and allowances for housing, food, base pay, and flight pay are considered earned income.
11. **Pensions** - Considered unearned income.
12. **Reimbursements** - Considered unearned income, minus the actual expenses.
13. **Royalties** - Considered unearned income.
14. **Self-Employment Income** - Considered earned income, minus business expenses. Refer to Eligibility Policy 5.10, "Verification of Income" for information on identifying the self-employed client.



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15. **Social Security (RSDI) Benefits/Other Retirement Benefits** - Considered unearned income exempting the amount deducted for the Medicare Part B premium and any amount that is being recouped for a prior overpayment.
16. **Supplemental Security Income (SSI) Payments** - Considered unearned income.
17. **Temporary Assistance To Needy Families (TANF)** - Considered unearned income.
18. **Trust Funds** - Withdrawals or dividends are considered unearned income.
19. **Unemployment Compensation** - Considered unearned income.
20. **Veterans Administration (VA) Benefits** - Considered unearned income, except for benefits that meet a special need. For example, a clothing allowance for an orthopedic appliance or an allowance for an attendant for a disabled veteran who requires special care.
21. **Wages, Salaries, and Commissions** - The gross amount is considered earned income.
22. **Worker's Compensation** - Considered unearned income, less any reimbursement for a medical bill that the household paid and any deductions for FICA or income taxes.



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*ME 8/13/02*

**IV. EXEMPT INCOME**

A. **Exempt Income:** The following types of income are exempt and should not be included in calculating the family income:

1. **Child's Earned Income** - Exempt if the child is under 18 (and is not an emancipated minor), is a full-time student, or a part-time student employed less than 30 hours per week.
2. **Crime Victim's Compensation Payments** - Exempt. Payments are made either monthly or in a lump sum to victims of a violent crime.
3. **Educational Assistance** - Exempt payments including aid from the U.S. Office of Education for undergraduate, vocational, or educational courses. Most common programs include Pell Grants, Supplemental Educational Opportunity Grants, and the Stafford Loan Program.
4. **Energy Assistance** - Exempt the following types of energy assistance:
  - (a) Assistance from federally funded, state-administered programs such as HEAP, Weatherization, or Energy Crisis Intervention.
  - (b) Utility supplement payments from the Department of Housing and Urban Development (HUD) or local housing authorities whether they are in the form of vendor payments, in-kind income, or cash.



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- (c) Assistance from private, non-profit, or governmental agencies based on need.
- (d) If energy assistance is combined with other types of assistance, exempt only the energy assistance program.
- 5. **Foster Care/Adoption Subsidy Payments** - Exempt these payments.
- 6. **In-Kind Income** - Exempt any gain or benefit that is not money or check payable directly to the household.
- 7. **Job Training** - Payments under the Job Training Partnership Act of 1982 (JTPA) or from agencies that are for training-related expenses are exempt.
- 8. **Vendor Payments** - Exempt if made by a person or organization outside the household directly to the household's creditor or person providing the service.
- 9. **Unusual Types of Benefits/Payments** - Exempt benefits or payments from the following programs:
  - (a) Programs stipulated in Title II of the amended Domestic Volunteer Service Act of 1993 (Public Law 93-113), such as Foster Grandparents, Older Americans Community Service, Retired Senior Volunteer, Service Corps of Retired Executives, and Active Corps of Executives. Also exempt VISTA (Volunteers in Service to America) payments to volunteers (Title I).



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- (b) Tax-exempt portions of payments made under the Alaska Native Claims Settlement Act.
- (c) Funds distributed or held in trust by the Indian Claims Commission for Indian tribe members under Public Laws 92-254 or 93-135.
- (d) Child Nutrition Act of 1966.
- (e) National School Lunch Act.
- (f) Food Stamp Program.
- (g) Nutrition Program for the Elderly (Title III, Older American Act of 1965).
- (h) Uniform Relocation Assistance and Real Property Acquisitions Act (Title II).
- (i) WIC (Special Supplemental Food Program for Women Infants and Children) Program.

**REFERENCES/BIBLIOGRAPHY:**

Eligibility Policy 5.10, "Verification of Income"  
County Indigent Health Care Program Handbook

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