

Approved by: Board of Directors

Effective Date: 7/1/16

Revised:

MARCUS DALY MEMORIAL HOSPITAL Hospital Wide Policy

Billing & Collection Policy

Policy: It is the policy of Marcus Daly Memorial Hospital to pursue collection of patient balances from patients who have the ability to pay for services. Marcus Daly Memorial Hospital will make reasonable efforts to identify patients who may be eligible for financial assistance. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status.

Purpose:

This policy establishes reasonable procedures regarding collection of patient accounts, including actions that may be taken by Marcus Daly Memorial Hospital or contracted external collection agencies or law firms.

Policy:

Extraordinary Collection Actions

Extraordinary Collection Actions that Marcus Daly Memorial Hospital may take or authorize a collection agency or law firm to take related to obtaining payment of a bill for medical care include the following:

1. Deferring, denying or requiring a payment before medically necessary care because of an individual's non-payment of one or more bills for previously provided care;
2. Actions that require legal or judicial process including, but not limited to:
 - a. Commencing a civil action or lawsuit against the patient or responsible individual;
 - b. Garnishing an individual's wages after securing a court judgment;
 - c. Attaching or seizing an individual's bank account, other personal property, or other judgment enforcement action permissible under state law after securing a judgment;
 - d. Placing a lien on an individual's property after securing a judgment provided that placing a lien against an individual's personal injury recovery, settlement, compromise or judgment is not considered an extraordinary collection action (ECA).

Placing a patient's account with a collection agency is not an extraordinary collection action.

Reasonable Efforts to Identify Patients Eligible for Financial Assistance

Marcus Daly Memorial Hospital will make reasonable efforts to identify patient eligible for financial assistance. Marcus Daly Memorial Hospital will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing ECAs to obtain

payment for the care provided by the hospital by doing the following:

1. Provide written notice to the individual indicating that financial assistance is available to eligible individuals which indicates Marcus Daly Memorial Hospital intends to initiate or have a third party initiate payment for care and provides a deadline after which ECA may be pursued which is not earlier than 30 days from the date of the written notice;
2. Make reasonable efforts to orally notify individuals about Marcus Daly Memorial Hospital Financial Assistance policy.
3. A copy of the Plain Language Summary for Financial Assistance will be sent to individuals prior to having a third party initiate payment for care or pursuing ECAs.

Notification Period

ECAs for services will not commence for a period of 120 days after the date of the first billing statement for medically necessary or emergency care.

Financial Assistance Application Period

The financial assistance period begins on the date medical care is provided and ends 240 days after the first billing statement or 30 days after the hospital or authorized party provides written notice of ECAs the hospital plans to initiate, whichever is later. The eligibility and criteria for financial assistance is set forth in the Financial Assistance Policy.

Identification of Reasonable Efforts Taken

Prior to engaging in ECAs, Marcus Daly Memorial Hospital Patient Financial Services staff will identify whether reasonable collection efforts were made to determine whether an individual is eligible for financial assistance. The Patient Financial Services Department Head will provide oversight for identification of reasonable efforts made.

Financial Expectations

Marcus Daly Memorial Hospital will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- Patients may be required to pay a per-service deposit or estimated co-pays and deductibles prior to services (except in the Emergency Department and other emergency situations) or amounts may be collected after services are provided, based on the current business practices of Marcus Daly Memorial Hospital.
- Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third party payers.
- If the patient has a previous bad debt or outstanding balance, Marcus Daly Memorial Hospital may request amounts owed before future appointments are granted. If arrangements cannot be made for resolving the patient's outstanding balance, future non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services. A copy of the financial assistance application will be sent along with written notice that financial assistance is available for consideration of previous balances. The patient will have 30 days to complete and return the application. If a completed financial application is returned by the patient it will be processed on an expedited basis.

Insurance Collections

Marcus Daly Memorial Hospital will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known primary health plans for insurance payers (“Payer”) clearly identified by the patient. If Marcus Daly Memorial Hospital receives timely information about the Payer but does not submit a claim to the Payer timely and the Payer denies the claim, the patient will be responsible for only the amount that the patient would be liable to pay had the Payer paid the claim. However, if Marcus Daly Memorial Hospital determines that it either timely filed or was provided inaccurate or incomplete information, then the patient will be held responsible.

Marcus Daly Memorial Hospital shall not refer any bill to a third party collection agency or attorney for collection activity while a claim for payment of services is pending with a contracted Payer. Marcus Daly Memorial Hospital may refer a bill to a third party collection agency or attorney following an initial denial or untimely denial of the claim by the Payer. Marcus Daly Memorial Hospital will not refer any bill to a third party collection agency or attorney for collection activity when a claim is denied by a third party payer due to Marcus Daly Memorial Hospital’s error and such error results in the patient becoming liable for the debt when they would not otherwise be liable. Marcus Daly Memorial Hospital reserves the right to substantiate that an error has been made and if Marcus Daly Memorial Hospital determines that it has not made an error, then the patient may be held liable. Patients must sign an authorization allowing Marcus Daly Memorial Hospital to bill the patient’s health plan, insurance company or any other third party payer and must cooperate with Marcus Daly Memorial Hospital in a reasonable manner by providing requested information to facilitate proper billing to the patient’s health plan or insurance company.

Marcus Daly Memorial Hospital makes every reasonable attempt to collect from all known Payers, with whom Marcus Daly Memorial Hospital has a contract and non-contracted payers for services provided to assist patients in resolving their bills.

Self-Pay Balance Resolution

Marcus Daly Memorial Hospital will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. Financial Assistance will be offered those patients whose income and assets will not allow full payment of services within a reasonable time.

- Self-pay collection procedures and processes are followed by Marcus Daly Memorial Hospital and must fully comply with this Policy. The phone number and address for questions or disputes shall be listed on all patient bills and collection notices sent by Marcus Daly Memorial Hospital. Marcus Daly Memorial Hospital will make reasonable attempts to return telephone calls made by patients to this number as promptly as possible, but in no event later than five business days after the call is received.
- Marcus Daly Memorial Hospital will consider reasonable payment plans, such as dividing payments over two or three months.
- If a patient has additional services and additional self-pay balances are owed, Marcus Daly Memorial Hospital will require increases to the patient’s current payment plan, based on the patient’s ability to pay.

Collection Agency

- Third party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for

services where patients are uncooperative in making payments, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for financial assistance.

- Collection agency staff will uphold the confidentiality of each patient. All agencies will meet HIPAA requirements for handling protected health information.
- When reviewing the account for referral to a collection agency, the responsible person will confirm that:
 - There is a reasonable basis to believe the patient owes the debt
 - All known Payers have been properly billed such that any remaining debt is the financial responsibility of the patient
 - Where the patient has indicated the inability to pay the full amount of the debt in one payment, consideration of a reasonable payment plan is permitted however Marcus Daly Memorial Hospital may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment.
 - The patient has been given a reasonable opportunity to submit an application for Financial Assistance.
- If a patient submits a complete application for Financial Assistance after an account has been referred for collection activity, Marcus Daly Memorial Hospital will suspend ECAs until the patient's application has been processed and notified the patient of Marcus Daly Memorial Hospital determination

Legal Action

Marcus Daly Memorial Hospital may pursue legal action against patients who keep insurance payments or settlement proceeds related to the medical services, patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make that determination. Legal follow-up and commencing a lawsuit is appropriate and permitted subject to the following:

- Authorization to take legal action against the patient for medical debt will be provided on a case by case basis
- Legal action will not be filed against any particular patient to collect medical debt until Marcus Daly Memorial Hospital determines that:
 - There is reasonable basis to believe that the patient owes the debt;
 - All known Payers have been properly billed
 - Where the patient has indicated the inability to pay the full amount of the debt in one payment, Marcus Daly Memorial Hospital has offered the patient a reasonable payment plan. The patient has been given a reasonable opportunity to submit an application for Financial Assistance.

Related Documents

Financial Assistance Policy

Plain Language Summary of Financial Assistance

Financial Assistance Application