

## **BILLING AND COLLECTION POLICY**

### **PURPOSE:**

To ensure appropriate billing and collection procedures are uniformly followed under Henderson Health Care Services (HHCS) financial assistance policy and ensure compliance with IRS section 501(r).

### **POLICY:**

This Billing and Collection Policy is consistent with HHCS' mission and in compliance with the Federal Affordable Care Act, it extends to HHCS employed providers. No extraordinary collection actions (ECA's) will be taken against an individual before reasonable efforts have been made to determine whether the individual is eligible for assistance under the HHCS financial assistance policy (FAP). Patients who have received emergency or medically necessary care will be provided the opportunity to apply for financial assistance in conformance with the federal Patient Protection and Affordable Care Act and its implementing regulations. The policy of HHCS is that it will not discriminate on the basis of race, gender, class, native language, ethnic origin, physical ability, age, religion, sexual orientation, professional experience, personal preferences and work style in providing its services. This policy and the related FAP will be the basis for HHCS' procedures regarding collection of patient accounts. The purpose of the policy is to describe HHCS' process for resolving patients' payment obligations and assisting individual patients in paying their accounts. In order for HHCS to responsibly manage its financial resources and provide an appropriate level of assistance to applicant with financial need, patients are expected to contribute to the cost of their care based on the requirements of their insurance, or in the case of the uninsured and underinsured, based on their individual ability to pay.

### **DEFINITIONS:**

**Medical Financial Assistance Summary:** a plain language written summary that notifies a patients that HHCS offers financial assistance under the FAP for qualified medical bills and directs the patient where the application and policy can be obtained.

**Application Period:** the period which HHCS will accept and process an application for financial assistance under the FAP. The application period begins on the date the care is provided and ends on the 240th day after HHCS provides the first post discharge billing statement.

**Billing Deadline:** the date after which HHCS or collection agency may initiate the Extraordinary Collection Action (ECA) against the patient who has failed to submit an application for financial assistance under the FAP. The Billing Deadline will be communicated to the patient in a formal written collection letter, provided at least 30 days prior to such deadline, but no earlier than 120 days after first post discharge statement.

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**Completion Deadline:** the date after which HHCS or collection agency may initiate or resume and ECA against a patient who has submitted an incomplete application if that individual(s) has not provided missing information and/or documentation necessary to complete the application or denied application. The Completion Deadline must be specified in a written notice and must be no earlier than later of (1) Thirty (30) days after HHCS provides the patient with this notice; or (2) the last day of the application period.

**Extraordinary Collection Action (ECA):** any action against the patient's guarantor responsible for a bill related to obtaining payment of a self-pay account that requires legal or judicial process or reporting adverse information about the patient to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring a self-pay account to another party for purposes of collection without use of any ECAs.

**Financial Assistance Policy–Eligible Individual(s):** a patient eligible for financial assistance under the FAP without regard to whether the patient has applied for assistance.

**Financial Assistance Policy (FAP):** HHCS Financial Assistance Program Policy, which includes eligibility criteria, the basis for calculating charges, the method of apply for policy and the measure to publicize the policy, and sets forth the financial assistance program.

**Bad Debt:** any patient self-pay obligation that is not in conformance with an agreed upon payment plan or goes unpaid for more than 120 days after HHCS has established financial responsibility and sent the initial invoice to the patient, or patient guarantor.

**Guarantor:** an individual other than the patient who is responsible for payment of the patient's bill.

**Payment Plan:** an extended payment plan that is agreed to by both HHCS and a patient, or patient's guarantor, for any out-of-pocket fees.

**Self-Pay Accounts:** accounts receivable that patients, or the patients' guarantors, are obligated to pay directly to HHCS. These may include balances due after insurance claims have been paid, amounts due from uninsured patients, or balances due after adjustments have been made in accordance to the HHCS' FAP.

### **Procedure:**

HHCS is committed to provide financial assistance for medically necessary services to eligible individuals who are uninsured or underinsured and unable to pay for the full cost of their care based on their financial situation. Payment will be pursued from patients identified as having the ability to pay for services provided by HHCS. Collection procedures outlined in this policy will be applied consistently to all patients regardless of insurance status and will comply with applicable laws and with the mission of HHCS.

HHCS will communicate clearly with patients, or their guarantors, regarding financial assistance programs and payment expectations. This will be done as early in the scheduling, appointment, or billing process, as is feasible.

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It is the policy of HHCS to prohibit requiring payment for emergency medical conditions prior to the patient having received services or permitting collection activities that could interfere with provision of emergency medical care.

All financial information obtained from patients, or their guarantors, will be confidential.

**Patient Financial Responsibility:** Reasonable efforts will be made by HHCS to validate patient payment obligations and to identify third-party payers to assist patients in resolving their bills. Reasonable efforts to collect from all known third-party payers for services provided by HHCS will be taken in order to assist patients in resolving their bills. Timely and proper filing of third-party payer claim adjudication procedures will be followed to ensure that claims are paid appropriately. When necessary, HHCS will work with patients to assist them in resolving insurance claim payment issues. Patients, or their guarantors, will also be informed of the HHCS financial assistance policy.

**Resolving Patient Balances:** After determining the patient's self-pay financial responsibility, HHCS will inform the patient, or the patient's guarantor, of the various options for resolving the balance due. This will be done by sending at least one statement and four collection letters to the patient, additionally a phone number may be placed to the patient or patient's guarantor. The statement, collection letters, and phone call will all reference the available options to the patient which include payment plan, bank loan program, or financial assistance. Information on options that best meet patient needs in terms of resolving the self-pay balances is also made available on the HHCS website, at admitting and registration locations, and in the Patient Financial Services office at 1621 Front Street, Henderson NE 68371.

**Financial Assistance:** Information on financial assistance will be available to patients and the community served by HHCS. The HHCS financial assistance policy, application and a medical financial assistance summary of the policy will be available on the HHCS website.

Information will be provided in the patient admission information package. It will include instructions on how to contact HHCS for this assistance. Information on the financial assistance will also be included on monthly statements. Information on the HHCS financial assistance policy and instructions on how to contact HHCS for assistance and further information will be posted in hospital and clinic registration and admitting locations, as well as in the hospital emergency department.

**Payment Plan:** Patients, or their guarantors, will also be provided with information on payment plans. For patients unable to pay the balance due within thirty days, payment plans may be extended for up to six months with no interest charged on the outstanding balance. Arrangements for such payment plans must be made with HHCS Patient Financial Services Representative. If an HHCS patient with an existing payment plan subsequently receives services at a HHCS and incurs additional self-pay balances, the patient's, or patient guarantor's current payment plan will be revised to account for the additional charges.

**Bank Loan Program:** HHCS offers a bank loan program as an additional option for those needing to extend payments beyond the six month interest free option. HHCS partners with several area financial institutions to offer these unsecured bank loans at reasonable rates for those individuals that

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are unable to pay their self-pay balances according to payment terms described above. Any HHCS patient that pursues a bank loan to assist in resolving self-pay balances will do so voluntarily. The Patient Financial Services Representative will aid the patient in applying for a loan in this program.

**Bad Debt Collection Actions:** No account will be subject to bad debt collection actions within 120 days of issuing the first post-discharge bill and without first making reasonable efforts to determine whether that patient is eligible for financial assistance. This 120 day timeframe may be shortened if a determination has been made on financial assistance, a payment plan has been established and agreed to by the patient or guarantor, and the patient or guarantor is no longer complying with the payment plan. No collection actions will be pursued against a patient if the patient, or guarantor, has provided documentation showing that he or she has applied for coverage under Medicaid, or other publicly sponsored health programs, that may pay the outstanding claim and for which an eligibility determination is still pending.

Prior to being sent to a collection agency, the patient, or guarantor, will typically be mailed a minimum of one written monthly statement and four collections letters which will include conspicuous notice on the availability of financial assistance and a phone number for information on the policy and resolving patient balances. HHCS may also attempt to contact the patient, or guarantor, via telephone numbers listed by the patient, or guarantor. If all efforts to communicate with the patient, or guarantor, are unsuccessful, and a correct address for undeliverable mail is not found, accounts will be sent to a collection agency.

Collection actions may be utilized by HHCS when pursuing payment from:

- Patients, or guarantors, with balances due that go unpaid for more than 120 days.
- Patients, or guarantors, not in conformance with an agreed upon payment plan.
- Patients, or guarantors, who have received financial assistance discounts but are no longer cooperating in good faith to pay off the remaining balance.
- Patients, or guarantors, who've not made arrangements to resolve bills.

**Collection Agencies:** Collection agencies may be used to aid in pursuing payment for self-pay balances. Accounts will not be placed with a collection agency within the first 120 days after issuing the initial post-discharge invoice, unless patient, or guarantor, is not complying with an agreed upon payment plan. All collection agencies working on behalf of HHCS will have in place a written contract that will specify that their collection processes must conform to the policies of HHCS and comply with applicable state and federal laws. A copy of the approved HHCS Billing and Collection Policy and Financial Assistance Policy shall be given to all collection agencies working with HHCS self-pay accounts to assure compliance with the policy. A signed acknowledgement of receipt of these policies and agreement to make a good faith effort to comply with the policies will be kept on file by HHCS.

Within the 240 days from the first post-discharge invoice, if a patient, or guarantor, applies for financial assistance, collection actions will cease while the application is under consideration. If the applicant is approved for full free care, no further actions will be taken to collect on the account. If the applicant is denied financial assistance or is approved for discounted care, appropriate steps must be taken by the patient, or guarantor, to resolve the outstanding self-pay balance or additional collection actions will be pursued. Applicants approved for discounted care will be refunded payments in excess of the amount determined owed by the patient, or patient's guarantor, on

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accounts for which they have been granted assistance under the HHCS financial assistance policy. Refunds apply to excess payments of \$5 or more.

**Legal Actions:** In certain cases, legal action may be utilized by collection agencies to collect patient self-pay balances. A collection agency may initiate legal action for non-payment of a HHCS bill against a patient, or guarantor, after following the process outlined above. HHCS will be consulted prior to pursuing legal actions. All accounts are reviewed on a case-by-case basis and will take into consideration the patient or guarantor's situation. HHCS management will review all relevant collection activity to ensure that all attempts at voluntary collection have taken place, and the account meets the requirements for litigation. Legal action may include pursuing a legal judgement. If legal judgment is obtained, the following actions may be utilized: bank garnishments, wage garnishments, property liens, and liens on insurance settlements associated with the medical treatment provided by HHCS for which there is an outstanding balance.

### **Policy Availability**

Contact the HHCS Patient Financial Services at (402) 723-4512 for information regarding eligibility of programs that may be available to you, to request a copy of the FAP, FAP application form, or Billing and Collection Policy to be mailed to you. Full disclosure of the FAP, FAP application form, or Billing and Collection Policy may be found at [www.hendersonhealthcare.org](http://www.hendersonhealthcare.org). A paper copy of our FAP, FAP application form or Billing and Collection Policy can be obtained at our facility located at 1621 Front Street, Henderson, NE within the Patient Financial Services department.