

**BLACK RIVER MEMORIAL HOSPITAL**

<b>POLICY TITLE:</b> Billing and Collection	<b>PAGE:</b> 1 of 5
<b>DEPARTMENT(S) AFFECTED:</b> Organization Wide	<b>EFFECTIVE DATE:</b> 1-22-19
<b>RESPONSIBLE DEPARTMENT/COMMITTEE:</b> Finance/BOD	<b>LAST REVIEW DATE:</b> 1-15-19
<b>POLICY OWNER:</b> Matt Streeeter, CFO	<b>POLICY NUMBER:</b> 901-0006
<b>APPROVED BY:</b> Board of Directors (BOD)	<b>REVIEW TERM:</b> 12 Months

**PURPOSE:**

- A. To set forth the actions that Black River Memorial Hospital ("BRMH") will take in the event of non-payment of the portion of patient accounts for BRMH-provided services that are the responsibility of the individual patients and not covered by insurance or other third-party payment source.
- B. To ensure that reasonable efforts are made to determine whether the individual responsible for payment of all or a portion of a patient accounts is eligible for assistance under the BRMH Financial Assistance Program ("FAP") prior to commencement of extraordinary collection actions to collect the account.
- C. This policy covers billing and collection for self-pay accounts for both uninsured patients and patients with insurance, including co-payments, co-insurance and deductibles.

**DEFINITIONS:**

- A. Amounts Generally Billed ("AGB"):  
The amounts generally billed to individuals who have insurance covering such care. AGB percentage is recalculated on at least an annual basis.
- B. Application Period:  
The period during which BRMH must accept and process an application for Financial Assistance under this policy. The Application Period begins on the date the care is provided and ends on the 240<sup>th</sup> day after BRMH provides the first post discharge billing statement.
- C. Billing Deadline:  
The date after which BRMH or an authorized party may initiate an ECA against a Patient who has failed to submit a Financial Assistance application under the Financial Assistance Program. The Billing Deadline must be specified in a written notice to the Patient provided at least 30 days prior to such deadline.
- D. Catastrophic Health Care Bill:  
A Patient's hospital bill that is large in comparison to the Patient's assets or income.
- E. Financial Assistance Program ("FAP" or "financial assistance"):  
Black River Memorial Hospital's financial assistance program, which includes eligibility criteria, the basis for calculating charges, the method for applying this policy, and the measures to publicize the policy.
- F. Financial Assistance-Eligible Individual:  
A Patient eligible for financial assistance under the Financial Assistance Program without regard to whether the individual has applied for assistance.
- G. Completion Deadline:  
The date after which BRMH may initiate or resume an ECA against an individual who has submitted an incomplete Financial Assistance application if that individual has not provided the missing information and/or documentation necessary to complete the application. The Completion Deadline must be specified in a written notice and must be no earlier than the late or (1) 30 days after BRMH provides the individual with this notice; or (2) the last day of the Application Period.
- H. Continuum of Care:  
Refers to care provided by a BRMH physician after emergent care is completed. Visits directly related to the emergent care can be considered for financial assistance.
- I. Discount:  
A reduction from the full or standard amount of total charges for services rendered.
- J. Elective:  
Cosmetic surgery, and/or services with pre-determined discounted pricing. These services are scheduled in advance and are not urgent or emergent.

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**K. Emergent/Urgent Medical Care:**

The sudden and, at the time, unexpected onset of a health condition that requires immediate medical attention where failure to provide medical attention could place the health of the individual in serious jeopardy.

Patient types assumed to be covered by this definition include:

1. Emergency Department Outpatients
2. Emergency Department Admissions
3. Inpatient/Outpatient follow-up related to previous emergency visit at BRMH.

**L. Extraordinary Collection Action ("ECA"):**

Any action against an individual related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or involves selling of a Self-Pay Account to another party or reporting adverse information about the Patient to consumer credit reporting agencies. ECA's also include referring, denying, or requiring payment of previous accounts prior to providing medically necessary care.

**M. Federal Poverty Level ("FPL"):**

The Federal Poverty Guidelines as promulgated annually in the Federal Register. The benefit levels of BRMH's financial assistance programs are based on these guidelines using the family size when applicable.

**N. Notification Period:**

The period during which BRMH must notify an individual about its Financial Assistance Program in order to have made reasonable efforts to determine whether the individual is Financial Assistance-Eligible. The Notification Period begins on the first date care is provided to the Patient and ends on the 120<sup>th</sup> day after BRMH provides the first billing statement for care.

**O. Patient:**

The individual who received care at Black River Memorial Hospital or the person who is financially responsible for the care of a patient. This includes all patients that are uninsured, underinsured or do not qualify for any government or private program that provides coverage for any of the services rendered and either:

1. Qualifies for Financial Assistance as defined herein.
2. Does not qualify for Financial Assistance but does qualify for some discount of their charges for services based on a substantive assessment of their financial status.

**P. Plain Language Summary ("PLS"):**

A written statement that notifies an individual that BRMH offers financial assistance under the Financial Assistance Program for inpatient and outpatient hospital services and contains the information required to be included in such statement under the Financial Assistance Program.

**Q. Self-Pay Account:**

Portion of a patient account that is the individual responsibility of the Patient, net of application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance, and deductibles), and net of any reduction or write off made with respect to such patient account after application of the Financial Assistance Program, as applicable.

**R. Single Patient Account:**

One consolidated statement for Self-Pay accounts for BRMH-provided services.

**S. Representative:**

An individual who represents a Patient applying for financial assistance under the Financial Assistance Program that has the Patient's consent to do so.

**T. Uninsured/Self-Pay Patient:**

An individual who does not have third-party coverage by a commercial third-party

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insurer, ERISA plan; a Federal Health Care Program coverage for all or a portion of their bill. This includes claims against third parties covered by insurance to which BRMH is subrogated but only if payment is actually made by such insurance company. This also includes auto insurance accounts after they have been fully processed.

U. Under-Insured Patient:

Those that have a remaining balance after consideration of third party coverage or third party liability, which exceeds 25% of the patients annual gross income, may apply for a reduction of balance due through the Financial Assistance process.

**PROCEDURE:**

- A. Subject to compliance with the provisions of this policy, BRMH may take any and all legal actions including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. BRMH will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a patient is eligible for assistance under the FAP.
- C. BRMH provides PLS, FAA & FAP on monthly statements, the hospital website, and upon request from Patient Financial Advocates.
- D. At least three separate billing statements for collection of Self-Pay accounts shall be mailed to the last known address of each patient prior to the end of the Notification Period; provided, however, that no additional billing statements need to be sent after a patient submits a complete application for financial assistance under the FAP. At least 60 days shall have elapsed between the first and last of the required three mailings.  
**Note: It is the responsibility of the individual to provide the correct mailing address at the time of service or upon moving.**  
 All billing statements of Self-Pay accounts will include:
  1. An accurate summary of the hospital services and a detail listing of the physicians covered by the statement;
  2. The charges for such services;
  3. The amount required to be paid by the patient (or, if such amount is not known, a good faith estimate of such amount as of the date of the statement); and
  4. A PLS.
 Detail itemizations for hospital charges will be provided upon request.
- E. At least one of the billing statements sent during the Notification Period will include a written notice that informs the patient about the ECAs that may be taken if the patient does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline (i.e., the last day of the Notification Period). Such statement must be provided to the patient at least 30 days before the deadline specified in the statement.
- F. At least 30 days before first initiating one or more ECAs, the Hospital makes reasonable efforts to orally notify all patients about the Hospital's FAP and how the individual may obtain assistance with the FAP application process.
- G. ECA's may be commenced as follows:
  1. If the patient fails to apply for financial assistance under the FAP by the last day of the Notification Period and the patient has received the 30-day written notice described in Section F of this policy, then BRMH may initiate ECAs.
  2. If the patient applies for financial assistance under the FAP, and the Patient Advocate of BRMH determines definitively that the patient is ineligible for any financial assistance under the FAP (including because the patient was not insured), BRMH may initiate ECAs.
  3. If a patient submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after

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each of the following steps has been completed;

- a. Patient Financial Advocate provides the patient with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the PLS.
  - b. Patient Financial Advocate provides the patient with at least 30 days' prior written notice of the ECAs that BRMH may initiate against the patient if the FAP application is not completed or payment is not made; provided, however, that the deadline for completion or payment may not be set prior to the Application Deadline.
  - c. If the patient who has submitted the incomplete application completes the application for financial assistance, and the Patient Financial Advocate determines definitively that the patient is ineligible for any financial assistance under the FAP, BRMH may initiate ECAs.
  - d. If the patient who has submitted the incomplete application fails to complete the application by the deadline set in the notice provided pursuant Section G.3.b. of this policy, then ECAs may be initiated.
  - e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a patient, at any time prior to the Application Deadline, BRMH will suspend ECAs while such financial assistance application is pending.
- H. A letter indicating intent to transfer a Single Patient Account to a collection agency or shall be mailed to the last known address of the patient prior to transfer of a Self-Pay account to a collection agency or the initiation of ECAs.
- I. A patient or Representative, who contacts BRMH for information concerning any possible financial assistance, shall be provided with information concerning financial assistance available under the FAP.
- J. After the commencement of ECAs is permitted under Section G of this policy, external collection agencies shall be authorized to report unpaid Self-pay accounts to consumer credit agencies, and to file litigation, obtain judgment liens, and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of a Patient Financial Advocate shall be required before lawsuits may be initiated.
- K. Patients who are able, but unwilling, to pay for BRMH services are considered uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for financial assistance under the FAP and who fail to pay the balance when due, after application of the appropriate discount, are considered uncollectible bad debts for the amount of such balance and will be referred to outside agencies for collection.
- L. Copies of this policy are available free of charge to the public. Copies of this policy are available by contacting a Patient Financial Advocate. Financial Assistance application is available on the BRMH website and at all points of Registration.
- M. BRMH may at any time offer a one-time discount for aging accounts.
- N. If BRMH refers or sells patient debts to another party during the Application Period, the written agreement with such party must obligate such party to:
1. Refrain from engaging in ECAs until the Billing Deadline;
  2. Suspend any ECA's if the individual submits a FAP application during the Application Period;
  3. Ensure FAP-eligible patients do not pay and are not obligated to pay more than required, and to reverse any ECA previously taken; and
  4. Obtain similar provisions in a written agreement if such party refers or sells the debt to yet another party.

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Approved:

The Board of Directors approved the Policy as presented.  
See the January 22, 2019 meeting minutes.

**ORIGINAL DATE:** 5-23-12      **REVISE DATE:** 1/1/15, 12/16/15, 4/4/17, 1/22/19

**REVIEW DATE:** 1/9/14, 7/1/16, 12/14/17, 11/30/18

**REPLACES POLICY/POLICIES:**

**RELATED POLICIES:** Financial Assistance Policy and Procedure.doc # 945-0100

**REFERENCES:**

**ATTACHMENTS:**

**PATIENT CARE POLICY GENERAL STATEMENT:** Decisions surrounding procedures, internally written and/or adopted by Elsevier's Clinical Skills©, are made by the practitioner based on available resources and by circumstances presented by individual patients. The recommendations in the procedure may not be appropriate for use in all patient care related circumstances.