BURGESS HEALTH CENTER ONAWA, IOWA POLICY AND PROCEDURE MANUAL	**POLICY NUMBER:** 822.3010.4
DEPARTMENT: PFS - Business Office	**EFFECTIVE DATE:** 5-6-2015
POLICY: Billing and Collection Policy	**SUPERSEDES NUMBER:** 822.3010.3/822.3015.2/822.3030.2/ 822.7020.0/822.7015.1/822.7055.1/ 822.3010.2/822.7035.1/8227050.1/ 822.7045.1

I. PURPOSE

A. To set forth the actions that Burgess Health Center (BHC) will take in the event of non-payment of the portion of patient accounts for inpatient or outpatient hospital services, post-acute facility services, and home health and hospice 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 account is eligible for assistance under the Basic Patient Assistance Program and the Enhanced Financial Assistance Program 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. This policy does not cover actions to be taken to enforce any statutory lien that may exist in favor of BHC with respect to the proceeds of any third party recovery to which the patient may be entitled.

II. SCOPE

Level 3 affecting Business Office

III. RESPONSIBILITY

It is the responsibility of the Director of Business Office to ensure compliance with this policy.

IV. DEFINITIONS

A. All-Hospital Plain Language Summary means a written statement that notifies an individual that BHC offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP. A template for the All-Hospital Plain Language Summary is attached as Appendix B on the FAP policy.

B. Amounts Generally Billed (AGB) has the same meaning as in the FAP.

C. Application Period means the period during which BHC must 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 the BHC provides the first billing statement.

D. Billing Deadline means the date after which BHC may initiate an ECA against a Responsible Individual who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual provided at least 30 days prior to such deadline, but no earlier than the last day of the Notification Period

E. Completion Deadline means the date after which BHC may initiate or resume an ECA against an individual who has submitted an incomplete FAP 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 later of (1) 30 days after BHC provides the individual with this notice; or (2) the last day of the Application Period.

F. Extraordinary Collection Action (ECA) means any action against an individual related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or reporting adverse information

about the Responsible Individual to consumer credit reporting agencies or credit bureaus. ECAs also include those actions that require a legal or judicial process and, actions to; place a lien on an individual's property; and garnish an individual's wages.

G. FAP-Eligible Individual means a Responsible Individual eligible for financial assistance under the FAP without regard to whether the individual has applied for assistance.

H. Financial Assistance Policy (FAP) means Burgess Health Center's Financial Assistance Programs, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth two financial assistance programs available to patients: (1) the Basic Financial Assistance Program, and (2) the Enhanced Financial Assistance Program.

I. Hospital-Specific Plain Language Summary means a written statement that notifies a patient and applicable Responsible Person that BHC offers financial assistance under the FAP for inpatient and outpatient hospital services provided at BHC and contains the information required to be included in such statement under the FAP at BHC. A template for the Hospital-Specific Plain Language Summary is attached as Appendix B to the FAP.

J. Notification Period means the period during which BHC must notify an individual about its FAP in order to have made reasonable efforts to determine whether the individual is FAP-Eligible. The Notification Period begins on the first date care is provided to the individual and ends on the 120th day after BHC provides the individual with the first billing statement for the care.

K. B.O. means Business Office, the operating unit of BHC responsible for billing and collecting Self-Pay Account.

L. Responsible Individual means the patient and other individual having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual.

M. Self-Pay Account means that portion of a patient account that is the individual responsibility of the patient or other Responsible Individual, net of the 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 Basic Patient Assistance Program or the Enhanced Financial Assistance Program, as applicable.

V. POLICY

A. Subject to compliance with the provisions of this policy, BHC may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.

B. BHC 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 Responsible Individual is eligible for assistance under the FAP.

C. All patients will be given the Hospital-Specific Plain Language Summary and an application form for financial assistance under the FAP prior to discharge from a hospital.

D. Two separate Patient Account statements and a PreCollect Notice for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual prior to the end of the Notification Period; provided, however, that no additional Patient Account statements need be sent after a Responsible Individual submits a complete application for financial assistance under the FAP. All true uninsured private pay accounts will be given a 10% discount. At least 60 days shall have elapsed between the first and last of the required three mailings. Detail itemizations for hospital charges will be provided upon request.

E. At least one of the Patient Account statements sent during the Notification Period will include written notice that informs the Responsible Parties about the ECAs that may be taken if the Responsible Individual 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 Responsible Individual at least 30 days before the deadline specified in the statement.

F. For Patient Accounts, the Responsible Individual's propensity to pay will be scored and based on the assessment of the Responsible Individual's likelihood to pay and dollar amount of the Self-Pay Account. Prior to initiation of any ECAs, an attempt will be made to contact Responsible Individuals with a higher propensity to pay by telephone at the last know telephone number, if any, at least once during the series of mailed statements if the Patient Account remains unpaid. During all conversations, the patient or Responsible Individual will be informed about the financial assistance that may be available under the FAP.

G. ECAs may be commenced as follows:

1. If all Responsible Individuals fail to apply for financial assistance under the FAP by the last day of the Notification Period, and the Responsible Parties have received the 30-day written notice described in Section V.F above, the BHC may initiate ECAs.
2. If all Responsible Persons apply for financial assistance under the FAP, and B.O. determines definitively that the Responsible Individuals are ineligible for any financial assistance under the FAP (including because the patient was not uninsured), BHC may initiate ECAs.
3. If any Responsible Individual submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed.
   a. B.O. provides the Responsible Individual 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 All-Hospital Plain Language Summary.
   b. B.O. provides the Responsible Individual with at least 30 days' prior written notice of the ECAs that BHC may initiate against the Responsible Individual 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 Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and B.O. determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, BHC may initiate ECAs.
   d. If the Responsible Individual who has submitted the incomplete application fails to complete the application by the deadline set in the notice provided pursuant to Section V.G.3.b. above, then ECAs may be initiated.
   e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Person, at any time prior to the Application Deadline BHC will suspend ECAs while such financial assistance application is pending.

H. A letter indicating intent to transfer the Patient Account to a collection agency shall be mailed to the last known address of Responsible Individual prior to transfer of a Self-Pay Account to a collection agency or the initiation of any ECA.

I. Any Responsible Individual, or representative thereof, who contacts B.O. for information concerning any possible financial assistance, shall be provided with information concerning the Basic Patient Assistance Program and the Enhanced Financial Assistance Program under the FAP.

J. After the commencement of ECAs is permitted under Section V.H above, external collection agencies shall be authorized to report unpaid Self-Pay Accounts to credit agencies, and to file litigation, obtain judgment liens and execute upon such judgment liens using lawful means of collection.

K. Patients who are able, but unwilling, to pay for BHC services are considered uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for either the Basic Financial Assistance Program or the Enhanced Financial Assistance Program 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 the policy are available in the hospital's B.O. Admitting Office, Emergency Room area and on the BHC internet and may be requested by mail. The policy is published in English.

M. If BHC refers 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 ECAs if the individual submits a FAP application during the Application Period;
3. If the Responsible Individual is determined to be FAP-eligible, ensure that the individual does not pay and is 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.

N. Payment methods and other resources. Burgess Health Center accepts a wide variety of payment methods and offers other resources to assist the patient and guarantor in resolving outstanding balances.
1. Cash and Checks. BHC accepts United States currency and coin as payment for hospital

services. Personal checks are accepted but must be pre-printed with the payer's name and address, and the bank name. Also accepted are money orders and bank drafts.

2. Credit Cards. BHC currently accepts MASTERCARD, VISA, DISCOVER, HSA, and BANK DEBIT cards for payment of hospital services. Credit and debit card payments will be accepted upon approval of the issuing authority and subject to the credit card's restrictions. Other credit cards may be added from time-to-time as their customer popularity may warrant.
3. Other Credit Arrangements. BHC will add other vendors of open-end credit services as appear to be consistent with achieving optimal control of the A/R and are consistent with positive patient satisfaction practices.
4. Hospital Payment Plans. If no other payment resource is available, BHC will accept a monthly payment as follows: The greater of $50 or 1/12th of the outstanding balance is payable as a monthly installment. BHC's Business Director, Chief Financial Officer and Hospital President have the authority to make exceptions to this policy on a case-by-case basis for special circumstances. BHC is not required to accept patient-initiated payment arrangements and may refer accounts for collection if the patient is unwilling to make acceptable payment arrangements or has defaulted on a BHC-approved payment plan.
5. Medical and Financial Assistance. BHC will assist the patient and guarantor to secure alternative medical assistance and financial aid available through Federal, State, and local agencies. Examples of these programs include Medicaid, Financial Assistance and other appropriate sources of assistance.
6. Financial Assistance, BHC recognizes that there are occasions when a patient is not only financially unable to pay a medical bill but also fails to qualify for medical assistance programs. Since the provision of care is not dependent on one's ability to pay, BHC will provide Financial Assistance to those patients who qualify. See Financial Assistance Policy.

O. Insurance Billing Guidelines

1. For all insured patients, Burgess Health Center will bill all third party payer information (as provided by or verified by the patient) on a timely basis.
2. If a claim is denied (or is not processed) by a payer do to a BHC error, BHC will not bill the patient for any amount in excess of that for which the patient would have been liable to had the payer paid the claim.
3. If a claim is denied (or is not processed) by a payer due to factors outside of BHC's control, hospital staff will follow up with the payer and patient as appropriate to facilitate the resolution of the claim. If resolution of the claim does not occur after reasonable follow-up efforts, BHC may bill the patient or take other actions consistent with current industry standards.
4. After claims are processed by payers, BHC will bill patients on a timely basis for their respective liability amounts as determined by the payers.
5. All insured patients will be billed on a timely basis. All patients may request an itemized statement of their accounts at any time.
6. All billed patients will have opportunity to contact BHC regarding Financial Assistance, payment arrangements, or other applicable programs for their accounts.
7. BHC will approve payment arrangements for patients whereby the patient pays the greater $50 or 1/12th of the outstanding balance payable on monthly installments. BHC's Business Office Director, Chief Financial Officer and Hospital President have the authority to make exceptions to this policy on a case-by-case basis for special circumstances. BHC is not required to accept patient-initiated payment arrangements and may refer accounts for collection if the patient is unwilling to make acceptable payment arrangements or has defaulted on a BHC-approved payment plan.
8. Through the use of billing statements, letters and phone calls, BHC will take diligent follow-up actions to contact patients to resolve outstanding accounts. If accounts are not resolved during this process, the outstanding balances may be referred to a third-party agency or attorney for collection in the discretion of BHC. Accounts referred for collection with the following caveats.
    a. There is a reasonable basis to believe that the patient owes the debt.
    b. All third-party payers have been properly billed by BHC and the remaining debt is the financial responsibility of the patient. Hospital shall not bill a patient for any

amount that an insurance company is obligated to pay.

c. BHC will not refer accounts for collection while a claim on the account is still pending payer payment. However, BHC may classify certain claims as "denied" if such claims are stuck in "pending" mode for an unreasonable length of time despite BHC's efforts to facilitate resolution.

d. BHC will not refer accounts for collection where the claim was denied due to BHC error. However, BHC may still refer the patient liability portion of such claims for collection if unpaid.

e. BHC will not refer accounts for collection where the patient has initially applied for Financial Assistance.

f. BHC will not refer accounts for collection where the patient has disputed his or her account and has requested documentation or has been offered the opportunity to apply for arbitration.

9. If a patient disputes his or her account and requests documentation regarding the bill, BHC will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.

10. **Contracted Payers**. BHC will bill all contracted managed care payers with the presentation of complete and accurate insurance information and with any payer authorization requirement satisfied. BHC will make its best effort to verify insurance benefits in advance. BHC will also make its best effort to confirm that any required insurance precertification has been completed. BHC will bill the managed care payer after completion of the necessary medical record coding of the hospitalization. Claims not paid by the payer within the payment time frames of BHC's payer contract will be identified for follow-up. The guarantor will be kept informed regarding the status of the claim (paid or unpaid) through BHC's monthly statement process. After payment is received from the payer, any remaining unpaid patient responsibility amounts will be billed to the patient.

Medicare. BHC is a certified Medicare provider of health care services. Both Medicare Part A and B for either hospital of hospital-based physician services will be billed upon verification of coverage. For Medicare deductibles and co-insurance amounts, BHC will submit supplemental insurance claims, assuming complete and accurate supplemental insurance information has been provided to the hospital at the time of admission or registration.

Worker's Compensation. Charges for hospital services incurred as a result of a work-related injury will be treated as a normal insurance claim. BHC will confirm benefits with the employer or claims adjuster in advance of the hospitalization or with one working day from admission/registration for urgent and emergency cases. Claims numbers and/or written confirmations will be captured by the staff completing the verification process to facilitate the billing of the hospital claim. Should the claim be subsequently disputed, the patient's health insurance carried will be billed in lieu of the worker's compensation claim. If the patient has no health insurance, the claim will be the patient's responsibility.

Accidents and Injuries. If a patient received treatment as a result of a vehicle accident or public liability, the hospital must continue to look to the patient for payment even in cases that BHC has filed a lien. BHC prefers to bill the patient's health insurance carrier since many of these cases are difficult to settle and require many months before resolution. If BHC has received payment from the health insurance carrier and then later is paid by the liability carrier, BHC will promptly refund the overpayment to the health insurance carrier.

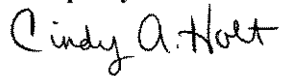
Prior Authorization (Pre-Certification). Most insurance companies require the patient's physician or insurance policyholder to obtain authorization prior to receiving hospital services. If the insurance company has such a requirement, the patient must confirm with his/her physician or insurance company that prior authorization has been secured. Failure to secure required prior authorization might result in partial or complete denial of insurance benefits for the service. The patient will be responsible for payment of any denied charged due to lack of prior authorization, unless contractually prohibited,

VI. AUTHORITY

This policy is issued by the Business Office Department and recommended for approval by:

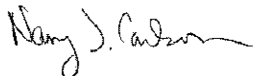
Gerri Lyons
Director of Business Office

This policy has been reviewed by:



Cindy Holt
HR/Admin Assistant

This policy has been approved by:



Nancy Carlson
Vice President of Finance