

Department: Administration

Effective Date: 7/1/2016

Subject: Financial Assistance - Exhibit 2

Reviewed/Revised:

EXHIBIT 2

COLLECTIONS OF ACCOUNTS POLICY

POLICY STATEMENT

The hospital is committed to treating all patients equitably, with dignity, respect, and compassion. The hospital shall pursue its collection policy fairly and consistently in compliance with the Federal Fair Debt Collection Practice and state collection laws. All patients will be treated with dignity and respect in regards to collection activities. The hospital will make reasonable efforts to identify patients who may be eligible for financial assistance. This policy shall apply to the hospital's collection process and to outside agencies performing collection activities on behalf of the hospital.

PROCESS

Financial Counseling and/or Payment Plans. The hospital will review a patient's financial record prior to initiation of collection activities to determine whether a payment plan has already been arranged with the patient pursuant to financial counseling at admission or discharge. If the patient is uninsured and such an offer has not been made, the hospital shall present to the patient the option of financial counseling and work with patient to determine whether the patient is eligible for financial assistance under the Financial Assistance Policy or establish a reasonable payment plan pursuant to the Discount and Payment Plan Policy.

Staff Education. The hospital's billing and collection staff will be trained to administer this policy and provide assistance to the patient. Medicare and non-Medicare patients will be treated in a similar manner.

Timeliness. A bill shall be issued in a timely manner after discharge or death to the party responsible for the patient's financial obligations.

Future Services. A patient shall not be denied future emergency services at the hospital based on outstanding account balances.

Documentation of Collection Effort. The hospital shall document all collection efforts in the patient's financial record including:

- a. Subsequent billing records;
- b. Collection letters;
- c. Correspondence communicating the availability of financial counseling to patients unable to meet their debt obligation;
- d. Correspondence evidencing subsequent attempts at collection;
- e. Logs or documentation on individual patient accounts of all telephone calls to patients; and

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- f. Logs or documentation on individual patient accounts of all personal contacts with patients.

Extraordinary Collection Actions

As used herein, “Extraordinary Collection Actions” has the meaning given such term in Section 501(r) of the Internal Revenue Code, including (i) deferring, denying, or requiring a payment before providing medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care, (ii) actions that require legal or judicial process, and (iii) reporting an individual to consumer credit reporting agencies or credit bureaus. Placing a patient’s account with a collection agency is not an Extraordinary Collection Action.

The hospital will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing Extraordinary Collection Actions to obtain payment by (i) providing written notice to the individual indicating that financial assistance is available to eligible individuals, indicating that the hospital intends to initiate or have a third party initiate actions to obtain payment, and providing a deadline after which Extraordinary Collection Actions may be pursued and which is no later than 30 days after the date of the written notice, (ii) providing the individual a plain language summary of the Financial Assistance Policy with the written notice, and (iii) making reasonable efforts to orally notify the individual about the hospital’s Financial Assistance Policy. Extraordinary Collection Actions will not commence for a period of 120 days after the date of the first post-discharge billing statement for the applicable care.

The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement or 30 days after the hospital or authorized third party provides written notice of intent to initiate Extraordinary Collection Actions, whichever is later. The hospital will widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible. If a patient submits a complete financial assistance application during the application period, the hospital will suspend Extraordinary Collection Actions and make an eligibility determination before resuming Extraordinary Collection Actions.

Prior to engaging in Extraordinary Collection Actions, the hospital’s Chief Financial Officer will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance.

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Referral to Collection Agency

The referral of an account to a collection agency shall be limited to situations where the patient has ignored the hospital's offer of financial counseling or has violated the payment plan established to address the individual needs of the patient. The Chief Financial Officer or designee must approve the referral of any account to a collection agency. Prior to the engagement of any collection agency, the hospital shall ensure that a written agreement is in place. Such agreement shall require the agency to abide by the hospital's collection policy. Any agency with which the hospital has an agreement must be appropriately bonded and insured. All agencies will meet all HIPAA requirements for handling protected health information.

Collection efforts must allow the patient appropriate time to dispute his or her obligation. A collection agency shall cease collection efforts while a patient's balance is in dispute. All disputed accounts shall undergo an appropriate investigation. Under no circumstances will a collection agency make a report to a consumer credit reporting agency or credit bureau unless (i) all of the requirements for taking Extraordinary Collection Actions have been met with respect to the affected individual, and (ii) if applicable, it is disclosed that the patient has disputed the obligation to the hospital.

The agreement with the agency shall provide that the hospital will have the right to withdraw any account from the agency at any time and for any reason.

Legal Action.

- a. The hospital recognizes its right to initiate legal action where there is evidence that the patient or responsible third party has income or assets to meet his or her obligation.
- b. If the hospital chooses to engage a law firm, the hospital shall enter into a written engagement agreement prior to referring any matter to the firm for collection. All firms will meet all HIPAA requirements for handling protected health information.
- c. A lawsuit may be filed against a responsible party only in those situations where there is evidence that the responsible party has or will likely have in the future income or assets to meet his or her debt obligation.
- d. Prior to the filing of any lawsuit, the law firm shall send written notice to the responsible party of its intent to institute legal action to collect the account.
- e. The hospital's Chief Financial Officer shall have final authority to approve any settlement of a lawsuit