

HOSPITAL AUTHORITY OF MILLER COUNTY

DOCUMENT NAME: Billing and Collections	Document #:	2009.1555
	Version:	3.00
	Original date:	11/13/2018
HAMC entity: HAMC and its entities	Review Date:	06/07/2023
Manual: Patient Financial Services Policies and Procedures Manual	Process Owner:	Patient Financial Services Director

Revision Date	Revision Description	Approved By:
02/08/19	Purpose Updated	PFS Director
06/07/2023	Formatted Policy	Internal Analyst

Purpose:

The Hospital Authority of Miller County (HAMC) is committed to ensuring its hospital fulfill their charitable missions by providing high quality medical care to all patients in their service areas, regardless of their financial situation. It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collection functions in a manner that promotes compliance, patient satisfaction, and efficiency.

Through the use of billing statements, written correspondence, and phone calls, HAMC will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts.

Additionally, this policy requires HAMC to make reasonable efforts to determine a patient's eligibility for financial assistance under HAMC Financial Assistance Policy before engaging in collection actions to obtain payment.

Policy Statement:

After our patients have received services, it is the policy of HAMC to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all unpaid accounts will be handled in accordance with the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act. Hospital billing and collections are administered by the Patient Financial Services Department of HAMC.

Scope:

This Policy applies to all hospital facilities.

Definitions:

Financial Assistance Program (FAP): HAMC's program that provides financial assistance to persons who have emergent and/or medically necessary healthcare needs and are uninsured or under-insured, ineligible for a government program, and otherwise unable to pay for such care based on their individual financial situation, and who meet the requirements contained within the HAMC Financial Assistance Policy.

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Reasonable Efforts: A certain set of actions a hospital must take in compliance with 26 CFR § 1.501(r) is to determine whether an individual is eligible for financial assistance under the Financial Assistance Policy. In general, reasonable efforts include the following as well as other additional actions deemed to further reasonable efforts: providing individuals with written and verbal notifications about the FAP, FAP application processes, certain collection actions that the hospital intends to take, the deadline after which certain collection actions may be taken, and a plain language summary of the FAP not less than thirty (30) days before engaging in certain collection actions, posting of information about the FAP on the HAMC website, and other public dissemination of such information.

Procedure:

I. Financial Expectations

Consistent with this Policy and the Financial Assistance Policy, HAMC will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible.

1. Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
2. Patients may be required to pay a pre-service deposit or estimated co-pays and deductibles prior to services (except in the Emergency Department and other emergent situations) or amounts may be collected after services are provided.
 - a. Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third-party payers.
 - b. If the patient has a previous bad debt or outstanding balance, HAMC may request amounts owed or a payment plan commitment with an initial payment before future appointments for non-emergency services are granted. If arrangements cannot be made for resolving the patient's outstanding balance, future non-emergency care may be limited or denied, if clinically appropriate after discussion with the treating physician. Pre-service deposits may be required for non-emergency services.

II. Pre-Service Financial Clearance

1. Elective Patients
 - a. Insurance is verified by Central Scheduling team.

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- b. Any patient liability (deductible, co-insurance, co-pay) is determined and recorded in Account Notes and in the online eligibility system.
- c. Central Scheduling will notify the patient of the estimated out of pocket cost, as recorded in Account Notes, and request payment due. Collection attempts will be made and information provided on uninsured discounts, prompt pay discounts, payment plans, and financial assistance.
- d. If an uninsured patient is admitted into HAMC, a representative acting on behalf of HAMC will visit the patient. This representative will educate the patient concerning discounts, payment plans, and financial assistance. This representative may make referrals to the following agencies for potential Medicaid eligibility:
 - Department of Family and Children's Services OR
 - A contracted third-party eligibility vendor.
- e. Non-scheduled and scheduled patients that are not processed through Central Scheduling will undergo insurance verification at the point of service. Patients who present to the Patient Access Specialist (PAS) at point of service, with patient liability information

III. Billing Practices

1. Insurance Billing

- Please note that it is the patient's responsibility to know their insurance benefits and coverage prior to their services at HAMC. All required referral(s) or authorizations must be secured prior to services, except in an emergency. Patients who have questions regarding financial responsibility or coverage of services at HAMC, are encouraged to contact their insurance carrier in advance of services.
- a. For all insured patients, HAMC will bill applicable third-party payers (as based on information provided by or verified by the patient) in a timely manner.
- b. If a claim is denied (or is not processed) by a payer due to an error on our behalf, HAMC will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
- c. If a claim is denied (or is not processed) by a payer due to factors outside of our organization's control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, HAMC may

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bill the patient or take other actions consistent with current regulations and industry standards.

2. Patient Billing

- a. All uninsured patients will be billed directly and timely and will receive a statement as part of the organization's normal billing process. The statement will include information on the FAP.
- b. For insured patients, after claims have been processed by third-party payers, HAMC will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits. The statement will include information on the FAP.
- c. All patients may request an itemized statement for their accounts at any time.
- d. If a patient disputes his or her account and requests documentation regarding the bill, staff members will provide the requested documentation. Patient requested audits may result in a change to the billed amount to increase or decrease the total bill, based on supporting clinical documentation.
- e. HAMC may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment. In some situations, HAMC may engage a third party to provide account management for their payment plans.
 - HAMC is not required to accept patient-initiated payment arrangements and may refer accounts to a collection agency as outlined below if the patient is unwilling to make acceptable payment arrangements or has previously defaulted on an established payment plan.

IV. Collections Practices

1. In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collections Policy, HAMC may engage in collection activities to collect outstanding patient balances.
 - a. General collection activities may include follow-up calls and statements.
 - b. Patient balances may be referred to a third party for collection at the discretion of HAMC, to include reporting unpaid debts to credit reporting agencies and/or credit bureaus. HAMC will not refer an unpaid account to a third-party collection agency for at least 120 days from the first post-discharge statement and will only do so after making reasonable efforts to determine whether an individual is eligible for assistance under the FAP.

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- c. HAMC will maintain ownership of any debt referred to debt collection agencies and patient accounts will be referred for collection only with the following caveats:
- There is a reasonable basis to believe the patient owes the debt.
 - All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient.
 - HAMC will not refer accounts for collection while a claim on the account is still pending payer payment. However, HAMC may classify certain claims as “denied” if such claims remain in a “pending” mode for an unreasonable length of time, despite efforts to facilitate resolution.
 - HAMC will not refer accounts for collection when the claim was denied due to an HAMC error. However, HAMC may refer the patient liability portion of such claims for collection if unpaid.
 - HAMC will not refer accounts for collection where the patient has submitted a completed application for financial assistance and HAMC has not yet notified the patient of its determination (provided the patient has complied with the timeline and information requests delineated during the application process).
 - HAMC may refer accounts if patients were 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 charity care or financial assistance.
- d. Collection agencies and law firms may be enlisted after all reasonable internal collection and payment options have been exhausted. Collection agency and law firm staff will uphold the confidentiality and individual dignity of each patient. All agencies and law firms will comply with all applicable laws including HIPAA requirements for handling protected health information, 26 CFR § 1.50l(r), and the Fair Debt Collection Practices Act.
- e. HAMC may pursue legal action against patients who keep insurance payments or settlement proceeds related to medical services received that are properly due to the hospital and patients who refuse to pay a bill and are not eligible for financial assistance or have not cooperated in the process to make that determination. Authorization to take legal action against a patient for the collection of medical debt will be provided on a case-by-case basis.

V. Extraordinary Collection Actions (ECA)

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1. Actions that HAMC 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:
 - a. HAMC may defer or reschedule non-emergent services, if clinically appropriate after discussion with the treating physician, until payment is received or payment arrangements are made.
 - b. Reporting unpaid debts to credit reporting agencies and/or credit bureaus after a minimum of 120 days from the first post-discharge statement and will only do so after making reasonable efforts to determine whether an individual is eligible for assistance under the FAP.
 - c. Actions that require legal or judicial process including but not limited to:
 - Commencing a civil action or lawsuit against the patient or responsible individual;
 - Garnishing an individual's wages after securing a court judgement;
 - Attaching or seizing an individual's bank account, other personal property, or other judgement enforcement action permissible under state law after securing a judgement.

Expected Outcome:

N/A

Responsibilities:

All employees, contractors, and vendors of HAMC.

Associated forms:

N/A

Competency Assessment:

N/A

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Reference Document Information: (Standards of Practice, Standard Operation, Regulatory, Legal Documents):

- Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)) Internal Revenue Service Regulations s. 1.501(r)-1 through s.1.501(r)-7