

PURPOSE:

The purpose of this policy is to provide guidelines for billing and collecting amounts due from patients and their guarantors. These amounts may include:

- Coinsurance, co-pays, and deductibles specified by insurance coverage;
- Amounts for services and supplies that are excluded from insurance coverage; or
- Amounts for services and supplies provided to patients who do not have health insurance and are not covered by public assistance programs.

DEFINITIONS:

Uninsured Patients: those patients who have no form of insurance or are not insured for any of the services provided. The term uninsured patients excludes patients who are covered for the services provided by Medicare, Medicaid or another public aid program.

Uncompensated Care Program: UHH's Financial Assistance Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy.

Plain Language Summary: A summary of the Uncompensated Care policy which provides information on the policy and the process for applying for the program.

PROCEDURE:

- Upland Hills Health will provide exceptional health care services to all persons in need regardless of their ability to pay.
- Each person will be treated as an individual with specific needs for assistance without regard to payment.
- All billing and collection policies and practices will reflect the mission and values of Upland Hills Health, including our concern for people who are in need and vulnerable.
- Upland Hills Health embraces its responsibility to serve its community by establishing sound business practices.
- Upland Hills Health's billing and collection practices will be fair and consistently applied.

UHH will:

- Educate its employees and agents to behave in a manner that reflects the policies and values of UHH, including treating patients and their families with dignity, respect, cultural sensitivity and compassion.
- Maintain procedures and protocols on billing and collecting amounts due from patients and their guarantors that are consistent with its mission, this policy and with applicable laws and regulations.
- Appoint contact persons to answer questions from staff and patients about its policies and procedures, and ensure that they have adequate knowledge and the communication skills necessary to fulfill that role.
- Advise patients and their families of the hospital's applicable policies on billing and collection in easily understood terms.

- Provide employees who have patient care contact with an orientation to the billing and collection process so that they will be able to direct patients to the appropriate person for response to their questions and requests.
- Make financial counseling available to all patients, and advise them of that availability.
- Provide timely notification of the availability of Uncompensated Care and financial assistance.
- Respond promptly to patients' questions and concerns about their bills.
- Pursue outstanding patient liabilities fairly and consistently.
- Ensure that its policies and procedures comply with all applicable state and federal laws, including the Fair Debt Collection Practices Act, the Health Insurance Portability and Accountability Act, the Gramm Leach Bliley Act and Regulation Z (Truth in Lending).

Discounts to the Uninsured

All uninsured patients will be provided a standard discount for medically necessary inpatient and outpatient services, including services provided at off-campus sites. The amount of the discount will be based on a weighted average of UHH's top three payor discounts.

The above discount does not apply to such items as:

- Charges for services that are already discounted on the basis of a case rate, Uncompensated Care, or another special pricing mechanism. For example: an additional discount would not be applied to a package price developed for a cosmetic procedure or diagnostic screening or added to an Uncompensated Care discount.
- Physician professional services not billed by UHH. (e.g. Madison Radiology, Associated Pathology and Visiting Specialists).
- A patient's liability for coinsurance and deductibles required by the patient's medical insurance coverage agreement or a government program.
- Charges for services provided in the nursing home/skilled nursing facility.
- Charges for home health agency services and supplies.
- Charges for hospice services and supplies.
- Charges for durable medical equipment (DME) and supplies.
- Charges for hearing aides and other audiology related services.

Uninsured patients may qualify for a discount based upon financial need under the UHH Uncompensated Care Policy. If so, the Uncompensated Care discount, if greater, will be applied instead of the uninsured discount.

Collection Practices

Collection of cash and/or arrangement for payment will be made before or at the time services are rendered, whenever possible, without jeopardizing the physical well-being of the patient. When a patient's condition does not permit timely payment or payment arrangements, patient financial services personnel will follow-up with the patient or responsible party as soon as possible.

Collection for all services shall be accomplished as follows:

1. The patient or guarantor shall be notified of available Uncompensated Care and Uninsured discounts.
2. Payment in full, net of any applicable discounts (.i.e. Uncompensated Care and/or uninsured), is expected of the patient or guarantor (including employees) prior to or at discharge for all balances not covered by third party payors.
3. If the above is not possible the following schedule is applied; (eligible employees may use payroll deduction in accordance with this schedule):

Amount Owed	Collection Period
\$ 0.00 – 75.00	Paid in full within 30 days
\$ 75.01 – 200.00	Paid in full within 3 months
\$ 200.01 – 375.00	Paid in full within 4 months
\$ 375.01 – 600.00	Paid in full within 6 months
\$ 600.01 – 1000.00	Paid in full within 8 months
\$ 1000.01 – 1500.00	Paid in full within 12 months
\$ 1500.01 – 2500.00	Paid in full within 18 months
\$ 2500.01 – 5000.00	Paid in full within 24 months
\$ 5000.01 and above	Required to fill out a financial form to determine proper payment arrangements.

The above schedule is limited to individuals with assets sufficient to comply. Variance from the above schedule for these individuals will be based on the patient/guarantor circumstances at the time the financial counselor reviews the account. Accounts which are a conflict of interest for certain staff members (e.g. patient is a sibling or parent) must be handled by a different patient financial services representative and approved by a non-patient affiliated member of the Executive Council.

4. Payment arrangements for individuals with limited income (i.e. Social Security, welfare, etc.) will be left to the discretion of the patient financial services representative (PFSR). The PFSR will consult with the Revenue Cycle Director and/or the Vice President of Finance as appropriate.

Legal and collection agency action must be approved by the Revenue Cycle Director or the Vice President of Finance.

Guarantors will be adequately informed about UHH's payment expectations, the Uncompensated Care Program, and other forms of payment assistance. Reasonable efforts will be made to determine financial assistance eligibility prior to sending accounts to the collections agency. These reasonable efforts include but are not limited to:

- Three separate post-discharge statements which include a conspicuous written notice that includes a statement that financial assistance is available, the telephone number to call for financial assistance inquiries, and the direct website address where the financial assistance application and policy may be found. It is the guarantor's responsibility to provide a correct mailing address at registration or upon moving. If a patient does not provide a correct mailing address, UHH will assume that all reasonable mailed notification efforts have been completed.
- A plain language summary will be included with one post-discharge communication.
- A final notice that includes the intended collection action, and the deadline date before collections can occur. Collections will begin no sooner than thirty (30) days after mailing

this final notice or one-hundred and twenty (120) days from the first post-discharge statement, whichever is greater.

- Prior to the initiation of collections, an attempt will be made to contact the guarantor by telephone at the last known telephone number, if any, at least once during the reasonable internal collection efforts above, to inform the guarantor that financial assistance is available to those who qualify.

The following collection practices are prohibited:

- Actions that are not permitted by law or UHH policy.
- Threats of actions that are not permitted by law or policy.
- Body attachment and other forms of arrest.
- Harassment, such as excessive numbers of phone calls and written demands for payment.
- Foreclosure on the principle residence of a patient or guarantor while it is owned or occupied by that person or the person's spouse.
- Action that, by itself, forces a person to declare bankruptcy.
- Suit or other legal action against a patient for the balance on an account while there is a known pending claim for insurance payment on that account. Legal action against a patient may be taken after the claim is denied by the third-party payor, provided such action is not contractually or legally prohibited.

UHH patient account representatives will ensure that:

1. Appropriate legal documentation is assembled for any legal action taken.
2. Notices of patient and guarantor deaths and bankruptcies are acted upon in a timely manner.
3. Claims against an estate are filed timely with the estate executor, meeting all of the legal requirements.
4. Any patient liability due from someone who died without an estate in probate is referred for handling under the Uncompensated Care policy, unless someone other than the deceased is legally responsible for the bill. All other collection efforts will be stopped.
5. Requests for payment for a patient's liability will be sent to the person who has legal responsibility for payment under applicable law.
6. Accounts covered under bankruptcy will be identified and standard collection efforts on these accounts will be stopped.
7. All collection efforts are stopped on a patient's accounts if application for Uncompensated Care, Medicaid or another public aid program has been made, until the application is approved or denied. If the application is denied or the patient fails to provide requested supporting documentation within a reasonable period of time, then the normal billing and collection process may be resumed.
8. Patients are not billed inappropriately for amounts due from HMOs, PPOs and other insurers.
9. A patient or guarantor has been adequately informed about the entity's payment expectations, Uncompensated Care policies, and other forms of payment assistance before any legal action is taken against that person.

10. Demands for payment from patients comply with applicable law.

Outside Agencies

UHH performs due diligence when contracting to outsource billing and collection of patient accounts. The written contract must specify that the contracting agent has the duty to:

1. Comply with all applicable state and federal laws, including the Fair Debt Collection Practices Act, HIPAA (see the "SSMHC HIPAA Privacy Policy Manual"), the Gramm Leach Bliley Act and Regulation Z (Truth in Lending).
2. Comply with all applicable portions of this policy and the policies of UHH.
3. Obtain written approval from the entity before threatening or initiating any legal action against a patient or account guarantor.
4. Report, in a mutually agreed upon format, on the collection activity on all open accounts assigned no less than monthly, including collections.
5. Return accounts that it has closed with report on the reason for closing.
6. Remit amounts collected in accordance with the specified timetable and form.
7. Take reasonable actions to ensure that its employees and agents who are responsible for carrying out the terms of its agreement with UHH will conduct themselves in a manner that is consistent with the mission and values of UHH.

The contract must specify the services to be provided, standards of conduct, standards for performance and collection actions that are permitted under the terms of the contract.

Self-Assessment

UHH will review its billing and collection processes at least annually to ensure that they are being fairly and consistently applied in accordance with policies. UHH will review its policies and procedures at least annually to ensure that they comply with applicable laws, system policies, contracts with insurers and local custom and conditions.

Reference:

Origination Date: 1/2006