

<b>Billing and Collection-Patient</b>		
<b>Effective Date:</b> 01/07/19	<b>Original Date:</b> 3/15/17	<b>Approval Date:</b> PPRC 12/12/18
<b>Number:</b> O-214	<b>Version:</b> 2	
<b>Facility (Scope):</b> Organization wide, Public		

**POLICY STATEMENT:**

- A. Billings Clinic not-for-profit, tax-exempt status and charitable mission guides us in providing exemplary services to the residents of Montana and to surrounding states. Billings Clinic recognizes the collection of accounts receivable resulting from patient balances as important in order to maintain financial viability. The purpose of the Billing and Collection policy is to ensure that that Billings Clinic has offered satisfactory opportunities for patients to apply for financial assistance or make adequate payment arrangements. Billings Clinic requires that charges for hospital and clinic services are posted to the patient’s account.
- B. This policy describes the steps taken to ensure reasonable efforts are made to determine whether a patient is eligible for financial assistance. In addition, there could be certain discounts that are available to patients when paying on their self-pay balances. This policy sets forth the actions that Billings Clinic may take in the event of non-payment on patient balances for services prior to referring for Extraordinary Collection Action (ECA).
- C. For purposes of this policy, references to “patient” mean either the patient or his or her guarantor, *i.e.*, the person having financial responsibility for payment of the account balance.

**DEFINITIONS:**

- A. 30-day Pre-Collection Letter: The final notice letter that is mailed to the patient by Billings Clinic at least 30 days prior to the commencement of collection efforts against the patient, indicating Billings Clinic’s intent to initiate efforts to obtain payment of the balance due.
- B. Application Period: The period in which Billings Clinic must accept and process an application for financial assistance according to Billings Clinic Financial Assistance policy.
- C. Billing Statement: Billing Clinic monthly statement showing all activity on the patient account.
- D. Discount: A 10% discount given to patients with self-pay balances who have a balance of \$250.00 or greater that requests a discount prior to full payment.
- E. Extraordinary Collection Action (ECA): Any action against the patient related to obtaining payment of a patient balance, where such action requires a legal or judicial process. By way of example, ECAs include most types of liens, foreclosure on real estate, attachment or seizure of bank accounts or personal property, commencing a civil action, causing arrest or a writ of body attachment, or garnishment of wages or other income. The term ECA also includes the reporting of a patient debt to a credit bureau or agency. However, ECAs do not include liens asserted by the Hospital on the proceeds of a

personal injury judgment, settlement or compromise, nor the filing of a claim in a bankruptcy proceeding.

- F. Financial Service Representatives: Personnel in Billings Clinic's Patient Financial Services Office who educate patients regarding Billings Clinic's financial policies, including but not limited to the Financial Assistance Policy and the terms of this Billing and Collection policy.
- G. Notification Period: The time period during which Billings Clinic must notify the patient about the availability of financial assistance. The notification period begins on the first date care is provided to the patient and ends on the 120th day.
- H. Patient Balance: Any balance on an account that is not paid by insurance, governmental payor, or other third-party payment source.
- I. Plain-Language Summary: The written summary of the Billings Clinic Financial Assistance Policy, a copy of which is attached to the policy and available at [www.billingsclinic.com/financial](http://www.billingsclinic.com/financial) The Plain-Language Summary will be publicized as described in the Financial Assistance Policy.

**PROCEDURE:**

- A. Billings Clinic patient billing statements include the following:
  - 1. A summary of services provided
  - 2. Services summary with applicable charge amounts, provider and date of service detailed charge summary available upon request for all visits
  - 3. Amounts pending insurance processing, insurance payments and amount owed or paid by patient.
  - 4. The statement reflects payment made at the time of service (i.e. copays). Billings Clinic requests patients pay all or a portion of the estimated copays, co-insurance amounts and/or deductible amounts. If the patient is uninsured, a percentage of gross charges may be requested.
  
- B. Insurance and Self-Pay Billing
  - 1. Accounts are billed with insurance information supplied by the patient and when available verified by Billings Clinic. Patients who have no insurance coverage or other sources of third-party payment are considered a Self-Pay (SP) patient.
    - a) Accounts with other sources of payment are billed to the appropriate payer.
    - b) Accounts with insurance information registered are billed to that insurance.
    - c) Self-Pay (SP) patient accounts are reviewed through a third-party vendor for missing or new third-party coverage prior to being billed as a self-pay patient bill.
    - d) Accounts with an initial or resulting self-pay balance are considered for Financial Assistance per patient application.
    - e) Self-Pay discounts are applied when payment is received for date of service or account. The self-pay discount is at patient request and must be for balances over \$250.00. The discount applied is 10%.
    - f) Self-pay discounts are reversed if the patient is later determined to qualify for Financial Assistance; and depending on amount awarded, a refund may be made for amounts patient has paid.

**C. Financial Assistance**

1. Financial assistance is offered to patients who are insured or uninsured, along with all other payment options and is considered payment of last resort. As described in (Billings Clinic Financial Assistance Policy 0-136) Billings Clinic helps patients, or patients' guarantors apply for public programs, such as Medicaid, Montana expanded Medicaid, or Children's Health Insurance plan (CHIP). Once a determination is made stating the patient is not eligible for a public program, financial assistance is based on household income and family size pursuant with the Federal Poverty Guidelines.
2. Copies of the Financial Assistance Policy and the Financial Assistance Application are available at [www.billingsclinic.com/financial](http://www.billingsclinic.com/financial). The application period begins on the date that the healthcare services are provided and ends on the 240th day after Billings Clinic provides the first post-discharge Billing Statement for the care.

**D. Payment Plan**

1. Billings Clinic assists patients with patient balances due by establishing payment plans. Payment plans allow patients the flexibility to pay off a balance with a series of payments that are due every month.
  - a) Billings Clinic's in-house payment plans allow patients to pay accounts within 12 months interest free.
  - b) Billings Clinic offers an extended payment arrangement bank loan option up to 60 months. This is available if patients have incurred balances where payment in full cannot be accomplished within the 12-month interest free time period.

**E. Billings Clinic will not refer patient balances for Extraordinary Collection Action (ECA) until reasonable collection efforts have been exhausted. This includes financial assistance eligibility and the individual being aware of their options for payment during the 120-day billing cycle.**

1. Billings Clinic makes Financial Assistance available and is publicized through the various means, which may include, but are not limited to the following:
  - a) A copy of the Financial Assistance application is available on line at the Billings Clinic website [www.billingsclinic.com/financial](http://www.billingsclinic.com/financial) or from any Financial Services Counselor located in Patient Financial Services Department at Billings Clinic at Billing Clinic Hospital Atrium. A Billings Clinic Financial Services Counselor may be called at (406) 238-2601 for assistance in completing the application or to answer questions.
  - b) Notices in patient bills.
  - c) Posting or distributing notices in public areas on facility campus, and at other organizations as Billings Clinic may elect.
  - d) Conditions of Admission and/or Conditions of Registration documentation.
  - e) Such information shall be provided in the primary languages spoken by the population serviced by Billings Clinic. Referral of patients may be made by any member of the Billings Clinic staff or medical staff, including physicians, nurses,

financial counselors, social workers, case managers, chaplains, and religious sponsors. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

2. Billings Clinic makes reasonable efforts to ensure our patients are informed regarding financial assistance as well as being aware of the options for payment during the 120-day cycle. The following is a workflow for self-pay balances:
  - a) Numerous collection attempts are made with multiple contact attempts by a series of letters (up to 3 letters; possibly more dependent on status of their account); and a minimum of 3 telephone calls.
  - b) Billings Clinic also sends a monthly patient statement in addition to reminder letters.
  - c) All Billings Clinic communications include information about the Financial Assistance Program, a number to call, a webpage address for an application, and a plain-language summary of the Financial Assistance Policy (FAP) and the actual Financial Assistance Policy.
  
3. Billings Clinic provides each patient a monthly Billing Statement. Each statement sent shows information regarding the availability of financial assistance, including:
  - a) A phone number for contact regarding Financial Assistance, the policy and the application process; and
  - b) A website address where the Financial Assistance Application and policy as well as the Plain-Language Summary are available.
  - c) If patients call in or a Billings Clinic Financial Representative contacts the patient and the patient requests a financial assistance application, Billings Clinic will provide it along with the Plain-Language Summary form at no charge. Contact information will accompany the application should more information be needed by the patient.

- F. If Billings Clinic intends to refer a Patient Balance for Extraordinary Collection Action (ECA) at least 30 days prior to the referral, the following will occur:
1. A monthly Billings Clinic patient statement showing amount owing with conspicuous Financial Assistance information;
  2. A 30-day Pre-Collection Letter (final notice letter) that includes the amount owed, when a payment is due and the number to contact a Financial Representative for assistance.

Each date of service or episode of care will be honored with the 120-day collection time frame. If the account is referred for collection, each date of service will be reviewed using the 240 days used to measure whether the date of service will be considered for Financial Assistance.

- G. Once the Final Notification Period expires Billings Clinic may move forward with the Extraordinary Collection Action (ECA).

1. If the patient has not responded to Billings Clinic to set up payment arrangements or apply for financial assistance during the 30-day Final Notification Period, Extraordinary Collection Action (ECA) will be initiated.
  2. If the patient has applied for financial assistance and Billings Clinic has determined the patient does not qualify, Extraordinary Collection Action (ECA) may be initiated.
  3. If the patient has submitted an incomplete financial assistance application prior to the 30-day final notification period Extraordinary Collection Action (ECA) may not be initiated until the following has been completed:
    - a) Billings Clinic has provided the patient with a written notification that states what additional information or documents are needed in order to complete the application.
    - b) If the application is completed by the patient and it is still determined that they are not eligible for financial assistance, Billings Clinic will give a 30-day period to the patient to establish an arrangement before Extraordinary Collection Action (ECA) is initiated.
    - c) If the patient does not complete the Financial Assistance Application by the specific time frame provided in the written notice, Billings Clinic can initiate Extraordinary Collection Action (ECA).
- H. When a Financial Assistance Application is received regardless of being complete or incomplete and received during the application period, collection efforts will be suspended while the application is pending.
- I. Billings Clinic has authorized external collection agencies to act on its behalf to undertake collection efforts consistent with provisions set forth in the above information and the applicable law.
1. Patient balances whereby the patient is unwilling to pay for services will be considered uncollectable and will be referred for Extraordinary Collection Action (ECA). The account balances of patients who qualify for financial assistance under Billings Clinic policy but have failed to pay the remaining discounted balance when due are considered uncollectable balances and will be referred for Extraordinary Collection Action (ECA).
  2. Failure to comply with payment arrangements results in the balance being assigned for Extraordinary Collection Action (ECA). The Extraordinary Collection Action (ECA) may include: notices mailed to the debtor; phone calls to the debtor; skip tracing; reporting the delinquent account to one or more credit bureaus; filing a suit which may result in wage garnishment.
  3. An account will only be transferred for Extraordinary Collection Action (ECA) following the reasonable efforts to determine the financial assistance eligibility and the individual being aware of their options under the financial assistance policy.
  4. This Billing and Collection policy is available and provided to the public. This policy is available in the same manner as the Billings Clinic Financial Assistance policy. Both the Billings Clinic Financial Assistance policy and Billing and Collection policy are available in English and available for translation in Patient Financial Services via a translator system.

**REFERENCES**

1. Federal Register: Code of Federal Regulations, Title 26 C.F.R. §1.501(r)-6 Billing and collection. Retrieved from <https://www.ecfr.gov>

**KEY WORDS AND KEY PHRASES:** bills, Extraordinary Collection Action (ECA), payment

**ADDITIONAL POLICY INFORMATION:**

<b>Type:</b> General 3 Yr. Review	<b>Owner:</b> Felicia Kimble
<b>Replaces:</b>	
<b>Other required review/approval(s) (name, title, date):</b> Director Financial Services	
<b>Regulatory or Accreditation Agency:</b> IRS	