

## BETHESDA HEALTH

Subject: Billing and Collection Policy for Uninsured Patients

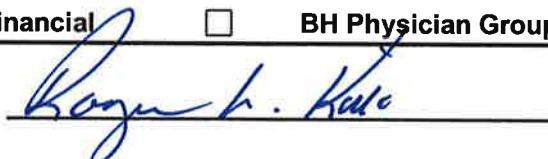
Operations Regulation: 1125

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Department of Origin: **Patient Financial Services** Effective Date: February 14, 2014  
Last Revision: September , 2016

DIVISIONS:  Bethesda Health  Hospital  Women's Health  
 Focus Financial  BH Physician Group  Bethesda Health City

Approved by:



Roger L. Kirk, President & CEO

### I. PURPOSE:

This policy sets forth billing and collection practices at Bethesda Hospital, Inc. ("BHI") for all uninsured patients, including those who qualify as Financially Indigent under its Financial Assistance Policy ("FAP"). Uninsured patients will be treated fairly and with respect during and after treatment, regardless of their ability to pay.

### II. PRINCIPLES:

As described herein, BHI will not engage in any extraordinary collection actions against an individual to obtain payment for care before reasonable efforts have been made to determine whether the individual is eligible for assistance for the care under its FAP.

All uninsured patients at BHI will be provided with financial counseling, including assistance applying for state and federal health care programs such as Medicare and Medicaid. If not eligible for governmental assistance, uninsured patients will be informed of and assisted in applying for financial assistance under the BHI's FAP. Financial counselors will attempt to meet with all uninsured patients prior to discharge from BHI.

### III. DEFINITIONS:

AGB - means Amounts Generally Billed for emergency or other medically necessary (non-elective) care to individuals who have insurance coverage.

AHCA - means the Florida Agency for Health Care Administration.

Application Period - means the period during which BHI must accept and process an application for financial assistance under its FAP submitted by an individual in order to have

made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends on the latter of the 240<sup>th</sup> day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after BHI provides the individual with a written notice that sets a deadline after which ECAs may be initiated.

Assistance Application - means Financial Assistance Application Form.

BHI - means Bethesda Hospital, Inc.

ECA - means extraordinary collection action - a list of collection activities as defined by the Internal Revenue Service and the U.S. Treasury that healthcare organizations may only take against an individual to obtain payment for care *after* reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions include reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.

FAP - means Financial Assistance Policy.

FAP-Eligible Individual - means an individual eligible for financial assistance under BHI's Financial Assistance Policy.

Financially Indigent – means the classification described in Section IV.E.6 of BHI's Financial Assistance Policy.

FPG - means Federal Poverty Guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services.

Hospitals - means Bethesda Hospital East and Bethesda Hospital West.

#### IV. POLICY:

##### A. PATIENT BILLING STATEMENTS - AVAILABILITY OF FINANCIAL ASSISTANCE

When sending a bill to patients, BHI will include (a) a statement on the bill or in an enclosure to the bill that indicates that if the patient meets certain income requirements, the patient may be eligible for a government-sponsored program or for financial assistance from BHI under its FAP; and (b) a statement on the bill or in an enclosure to the bill that provides the patient a website and a telephone number of a BHI employee or office from whom or which the patient may obtain information about such FAP for patients and how to apply for such assistance.

## **B. COLLECTION ACTIONS AGAINST UNINSURED PATIENTS**

### **1. Hospital Billing and Collection Procedures**

- a. An initial bill will be sent to the responsible party for the patient's personal financial obligations.
- b. BHI will issue subsequent billings at least every 30 days and for a minimum of 120 days after the initial bill before referring an account to an external collection agency.
- c. The statement or billing notices may be accompanied by telephone calls, collection letters, personal contact notices, and any other notification method that constitutes a genuine and reasonable effort to contact the party responsible for the obligation.
- d. BHI will document alternative efforts to locate the party responsible for the obligation or the correct address on billings returned by the postal office service as "incorrect address" or "undeliverable" that is otherwise considered a "bad address." Alternative efforts may include use of skip tracing methods, use of the internet, post office records or other purchased or widely available means of tracing a patient or guarantor's residence or point of contact with the intent of collecting outstanding debt or notifying them of options and other programs of public assistance that may be available to them.
- e. Documentation of continuous collection action undertaken on a regular, frequent basis will be maintained by paper or electronic media.
- f. The patient's file will include documentation of collection efforts, including bills, follow-up letters, telephone and personal contact, and will be maintained until an audit is complete.
- g. BHI reserves the right to transfer title on uncollected debt to a third party agency after a period of 18 months from the initial statement. If BHI sells an individual's debt related to care to another party, BHI will enter into a legally binding written agreement with the party that is reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.

### **2. Reasonable Collection Efforts**

- a. BHI must make the same effort to collect accounts for uninsured patients as it does to collect accounts from any other patient classification.
- b. The minimum requirements before writing off an account to Bad Debt include:

1. An initial bill to the party responsible for the patient's personal financial obligations;
  2. Subsequent billings, telephone calls, collection letters, personal contact notices, computer notifications, and any other notification method that constitutes a genuine effort to contact the party responsible for the obligation;
  3. Documentation of alternative efforts to locate the party responsible for the obligation or the correct address on billings returned by the postal office service as "incorrect address" or "undeliverable";
  4. Documentation of continuous collection action undertaken on a regular, frequent basis;
  5. Checking AHCA to ensure that the patient is not a Low Income Patient as determined by the Office of Medicaid and has not submitted an application to the AHCA system for coverage of the services under a public program.
- c. The patient's file must include all documentation of BHI's collection effort including copies of the bill(s), follow-up letters, reports of telephone and personal contact, and any other effort made.

### 3. Outside Collection Agencies

BHI may contract with a collection agency to assist in the collection of certain accounts, including patient responsible amounts not resolved after issuance of hospital bills or final notices. However, as determined through this Billing and Collection Policy, BHI may assign such debt as bad debt or financial assistance (otherwise deemed as uncollectible) prior to 120 days if it is able to determine that the patient was unable to pay following BHI's own internal financial assistance program. BHI has a specific authorization or contract with the collection agency and requires such agencies to abide by BHI's Billing and Collection Policy for those debts that the agency is pursuing. All collection agencies hired by BHI will provide the patient with an opportunity to file a grievance and will forward to BHI the results of such patient grievances.

### 4. Collection Agencies Follow BHI Collection Policies

BHI will define the standards and scope of practices to be used by their outside (non-hospital) collection agencies, and will enter into a legally binding written agreement with each such agency requiring the agency to adhere to such standards and scope of practices. These standards and practices shall comply with BHI collection practices set forth in this policy, and shall be reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.

### 5. Interest Free, Extended Payment Plans

All uninsured patients shall be offered extended payment plans by BHI to assist the patients in settling past due outstanding BHI bills. BHI will not charge uninsured patients any interest under such extended payment plans.

### **C. EXTRAORDINARY COLLECTION ACTIONS**

#### **1. Extraordinary Collection Actions Permitted**

BHI will not engage in ECAs before making reasonable efforts to determine whether a patient is eligible for assistance under BHI's FAP. ECAs in which BHI may engage include (1) reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus, and (2) actions that require a legal or judicial process, including commencing a civil action against an individual.

#### **2. Reporting to Credit Bureaus**

In instances where the patient or debtor has not met the criteria and standards set forth in this policy, and all reasonable means have been exhausted, it is the practice at BHI to have collection agents report to credit bureaus regarding outstanding and unresolved debt. Any account or collective balance of several accounts with combined balances greater than \$50 and no activity or arrangement in place after 45 days at a collection agency (at least 120 days from the first post-discharge billing statement for the most recent episode of care in the collective balance), is reported to a credit bureau. The Credit Bureaus notified include Trans Union, Equifax, and Experian. Once an account is paid in full, the collection agency will close, remove from credit report, and return the account to BHI.

### **D. DETERMINING FINANCIAL ASSISTANCE ELIGIBILITY PRIOR TO ECA**

Before engaging in any ECAs, BHI will make reasonable efforts to determine whether individuals are eligible for financial assistance. To that end, BHI will notify individuals about the FAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date BHI provides the first post-discharge billing statement for the care.

1. BHI will take the following actions at least 30 days before first initiating one or more of the above ECA(s) to obtain payment for care:
  - a. Provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identify the ECA(s) that BHI (or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECA(s) may be initiated that is no earlier than 30

days after the date that the written notice is provided.

- b. Provide the individual with a plain language summary of the FAP with the written notice described above.
  - c. Make a reasonable effort to orally notify the individual about BHI's FAP and about how the individual may obtain assistance with the FAP application process.
2. If BHI aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECA(s) until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.
  3. If BHI defers or denies, or requires a payment before providing, medically necessary care to an individual with one or more outstanding bills for previously provided care, BHI will provide the individual with a FAP application form and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline, if any, after which BHI will no longer accept and process a FAP application submitted (or, if applicable, completed) by the individual for the previously-provided care. The deadline will be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date that the first post-discharge billing statement for the previously-provided care was provided. BHI will also provide the individual with a plain language summary of the FAP with the written notice, and make a reasonable effort to orally notify the individual about BHI's FAP and about how the individual may obtain assistance with the FAP application process. If a FAP application is timely received by BHI, it will process the application on an expedited basis.

#### **E. PROCESSING FINANCIAL ASSISTANCE APPLICATIONS**

BHI will process FAP applications in accordance with the provisions set forth below.

##### **1. Submission of Complete FAP Application:**

- a. If an individual submits a complete FAP application during the Application Period, BHI will—
  1. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
  2. Make a determination as to whether the individual is FAP-eligible and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination;
  3. If BHI determines the individual is FAP-eligible, BHI will—
    - a) Provide the individual with a statement that indicates the amount the

individual owes for the care as a FAP-eligible individual (if the individual is eligible for assistance other than free care) and how that amount was determined and states, or describes how the individual can get information regarding, the AGB for the care.

- b) Refund to the individual any amount he or she has paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin).
  - c) Take all reasonably available measures to reverse any ECA (with the exception of a sale of debt) taken against the individual to obtain payment for the care.
- b. If, upon receiving a complete FAP application from an individual who BHI believes may qualify for Medicaid, BHI may postpone determining whether the individual is FAP-eligible for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.

## 2. Submission of Incomplete FAP Application

- a. If an individual submits an incomplete FAP application during the Application Period, BHI will—
  - 1. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
  - 2. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that the individual must submit to BHI to complete his/her FAP application.
- b. If an individual who has submitted an incomplete FAP application during the Application Period subsequently completes the FAP application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the individual will be considered to have submitted a complete FAP application during the Application Period.

## F. MISCELLANEOUS PROVISIONS

- 1. Anti-Abuse Rule – BHI will not base its determination that an individual is not FAP-eligible on information that BHI has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive

practices.

2. No Waiver of FAP Application – BHI will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the FAP, or receive the information described above, in order to determine that the individual is not FAP-eligible.
3. Final Authority for Determining FAP Eligibility – Final authority for determining that BHI has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual rests with the Patient Financial Assistance Department.
4. Providing Documents Electronically – BHI may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.

#### **G. HOSPITAL CONTACT INFORMATION**

Telephone Number	561-737-7733, Ext. 84671
Website	<a href="http://www.bethesdaweb.com">www.bethesdaweb.com</a>
Mailing Address	Bethesda Hospital East Attn: Patient Financial Assistance 2815 South Seacrest Blvd. Boynton Beach, FL 33435
Physical Address	Ask for a Financial Counselor at either of the following locations: Bethesda Hospital East 2815 South Seacrest Blvd. Boynton Beach, FL 33435 Bethesda Hospital West 9655 West Boynton Beach Blvd. Boynton Beach, FL 33472

#### **H. RESPONSIBILITY AND AUTHORITY:**

1. The President/System CEO shall have overall responsibility and authority for this policy.
2. The Vice President of Finance & CFO will be responsible to assure implementation of this policy.
3. The Director of Patient Financial Services is responsible for assuring that the Financial Assistance Unit properly classifies documents, and processes patients referred by Patient Access or other sources. The Director of Patient Access is responsible for assuring that proper referrals are made to the Financial Assistance Unit. Patient Financial Services and the Financial Assistance Unit are responsible for assuring compliance with the proper write off procedures.



