SUBJECT: Billing and Collection Policy	REFERENCE
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	EFFECTIVE: 07/2019
APPROVED BY:	REVISED: 07/2019

PURPOSE:

The purpose of this policy is to establish the guidelines and procedures for direct patient billing and collection procedures for non-payment of patient balances.

POLICY:

- Patients with account balances that are their responsibility for payment will be billed to the patient or their guarantor per the provisions of Coquille Valley Hospital's financial assistance policy and the procedures listed in this collection policy. Patient balances may be the result of assigned liabilities after payment from an insurance plan or government program such as Medicare, as well as liabilities after payment from being uninsured. All billing and collection activities shall be in compliance with the Hospital Fair Pricing Policies law, Section 501(r) of the Internal Revenue Code and Fair Debt Collection Practices Act.

DEFINITIONS:

For the purpose of this policy the terms below are defined as follows:

- Reasonable Efforts: A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under Coquille Valley Hospital's financial assistance policy.

- Amounts Generally Billed: The Amounts Generally Billed (AGB) is defined as the maximum amount a patient who qualifies under the financial assistance policy for a charity or other discount will be billed. It is equal to the average amounts historically allowed as a percentage of billed charges for Medicare-fee-for service and private health insurers, including portions paid by insured individuals for a 12-month look back period calculated in accordance with IRS 501(r).

- Business Affiliate: Organizations that contract with healthcare providers to work directly with patients on behalf of healthcare providers to resolve outstanding medical accounts. Examples include, but are not limited to, accounts receivable management companies and collection agencies.

- Extraordinary Collections Actions (ECAs): As defined in Section 501(r) (6) of the Internal Revenue Code, ECAs are collection activities that may be taken against a patient or guarantor for non-payment that include but not limited to:
  - Reporting adverse information to credit agencies
  - Placing a lien on an individual property except those allowed under state law due to judgments or settlements as part of a personal injury case
  - Commencing civil action against an individual or writ of body attachment
  - Garnishing an individual's wages

Extraordinary collection actions does not include a lien asserted on the proceeds of a judgment, settlement or compromise owed to an individual as a result of a personal injury for which medical services were provided. Moreover, the AGB and FAP protocol does not apply to trusts, estates, partnerships, associations, corporations, LLCs, government agencies, nonprofits or businesses that assume the individuals debt. However, with regards to actions within this policy the facility will consider any individual who has accepted or is required to accept responsibility for an individual having medical treatment rendered as equivalent to the first individual receiving a hospital bill for the care.

Financial Assistance: Healthcare services that have been or will be provided for free or at a discount to individuals who meet established criteria.

Application Period: The time period that begins with the date of the first billing statement and ends 240 days thereafter.

Financial Assistance Policy (FAP): A separate policy that describes The Coquille Valley Hospital's financial assistance program- including the criteria patients must meet in order to be eligible for assistance as well as the process by which individuals may apply for financial assistance.

Procedures

A. Initial Patient Billing

• Patients without insurance or coverage by any government sponsored program will receive an initial patient billing statement within 10-30 days of the date of service.

• The initial patient billing statement will include information on how to apply for financial assistance.

• For patients with primary insurance coverage, any balances remaining after the primary insurance payment; i.e. deductibles, co-payments, co-insurances, non-covered charges will be billed to the patient within 14 days of the primary insurance payments.

• Statements of accounts to patients with balances secondary to a primary insurance payment will include information on how to apply for financial assistance.

• All patients may pay any amounts due over time and the hospital will negotiate a payment arrangement in good faith. If an agreement cannot be reached the hospital must accept the "reasonable payment plan" as defined by law.

• The initial patient billing statement will include a copy of the Plain Language Summary of Hospital Financial Assistance Policy.

B. Statement Billing Cycles

• One statement will be generated by the hospital from the initial self-pay billing.

• After 30 days the unpaid account will be assigned to a Business Affiliate for account management. The Business Affiliate commences self-pay follow-up on accounts by contacting the patient/guarantor to arrange for payment of balance due, using letters and telephone calls. If the Business affiliate is unsuccessful at contacting the patient/guarantor or no payments have been made after 120 days, the account balance will be forwarded to a collection agency for further collection efforts.

C. Collection Agency Assignment Of Delinquent Accounts

1. Patients enrolled in a payment plan and are making the monthly scheduled payments will not be assigned to collections unless the payment plan is delinquent.

2. Existing payment plans will be considered delinquent after one missed payment. The patient will have 30 days to become current with their payment plan.

3. Patients will receive three notifications approximately 30 days within each other requesting payment on account, except in the case of mail return. If the patients address cannot be obtained and the patient is not available by phone the account will be forwarded to a collection agency.

4. If no payment is received 30 days from the final notice or payment is received, but not in conjunction with an agreed upon payment plan, the account will be forwarded to an outside collection agency.

5. If a patient is covered under the hospital's financial assistance program with an extended payment plan and the payments are not met, the hospital must take the following actions before an account can be assigned to a collection agency:

a. Attempt to contact the patient by phone

b. Give notice in writing that the plan may become inoperative

c. Inform the patient of the opportunity to renegotiate the payment plan and attempt to do so if requested by the patient.

d. The notice and phone call may be made to the last known phone number and address of the patient.

6. After the final statement for a delinquent account is issued, the account is reviewed a final time before the assignment to a collection agency to ensure that a financial assistance application is not pending.

a. If the FAP application is found to be pending due to an incomplete FAP application, and the individual has submitted a FAP application during the application period, the hospital will provide the individual written notice that describes the additional information and/or documentation required under the FAP or FAP application form that must be submitted to complete the FAP application.

b. If the FAP application is subsequently completed during the application period, the individual will be considered to have submitted a complete FAP application during the application period.

c. If the account is already assigned to a collection agency, the agency will put the account on hold during the duration of the application process and the hospital will suspend any ECA actions.

d. Requests for financial assistance shall be processed promptly and CVH shall notify the patient in writing within 30 days of receipt of a completed application.

7. Coquille Valley Hospital contracts with external collection agencies but retains full ownership of the accounts receivables and has the final say in any account resolution.

8. Accounts will be sent to a collection agency for non-payment of the account and lack of applying for financial assistance or contacting the hospital or Business Affiliate to make payment arrangements.

9. It is the guarantor(s) responsibility to provide a correct address at the time of service or upon moving. If the address on the account is invalid or otherwise undeliverable to the individual, the determination for "reasonable effort" will have been made.

10. The contracted collection agencies must follow the hospital's financial assistance policy in all terms related to the application for assistance procedures and time frames, negotiating payment plans and the rules for engaging ECAs.

11. ECAs will not be initiated against a patient during the first 120 days after the first billing statement was mailed; this includes negative credit reporting to credit bureaus.

12. The patient will be informed in writing no less than 30 days before any ECAs are initiated. The 30 day notice will include a copy of the Plain Language Summary of Hospital Financial Assistance Policy. A phone call attempt to contact the guarantor will be done by the Business Affiliate as part of the 30 day notification of the ECA. The Business Affiliate is responsible for making this notification before any and all ECAs are initiated. The hospital is ultimately responsible for the collection actions.

13. If a financial assistance application is made when an account is already assigned to a collection agency, the agency will put the account on hold during the duration of the application process.

14. If the hospital is made aware of any verified Medicaid or other insurance coverage, the account will be recalled from the agency and the insurance billed for the service.

15. Payments made directly to the hospital for accounts assigned to a collection agency will be reported to that agency on a daily basis.

16. Any legal actions against a patient will be limited to liens, lawsuits, and/or wage garnishment. Any legal actions must be approved by the Chief Financial Officer or Revenue Cycle Director, and the proper 30 day notice in advance of such activities must be completed by the collection agencies.

15. All legal action ECAs will be conducted by the collection agency on behalf of the hospital; the hospital retains full control over any ECA legal action.

16. The fact that a patient has accounts in bad debt will not be used as a reason to deny future medical services at the hospital.

D. Patient Accounts eligible for assistance under the Financial Assistance Policy (FAP)

- For patients who qualify for financial assistance and who are cooperating in good faith to resolve their discounted hospital bills, Coquille Valley Hospital may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all extraordinary collection activities.

- Coquille Valley Hospital will not impose ECAs such as wage garnishments; liens on primary residences, or other legal actions for any patient without first making reasonable efforts to

determine whether that patient is eligible for financial assistance under the FAP. Reasonable efforts shall include:

1. Validating that the patient owes the unpaid bill(s) and that all sources of third-party payment(s) have been identified and billed by the hospital;

2. Documentation that Coquille Valley Hospital has, or has attempted to, offer the patient the opportunity to apply for financial assistance pursuant to this Policy and that the patient has not complied with the hospital's application requirements;

3. Documentation that the patient has been offered a payment plan but has not honored the terms of that plan.

- Further, Coquille Valley Hospital will:

1. Refrain from initiating any ECAs for at least 240 days from the date of the first post-discharge billing statement for the patient's care;

2. Provide a written notice about this Financial Assistance Policy (including a copy of the Plain Language Statement regarding any ECAs Coquille Valley Hospital or an authorized party intends to initiate, and reasonable efforts to notify the patient or patient guarantor orally about this Financial Assistance Policy) at least 30 days prior to initiating any ECAs;

3. Accept Financial Assistance Applications for at least 240 days from the date of the first post-discharge billing statement.

A copy of this policy may be requested by mail, free of charge, or by calling Patient Financial Services at (541) 824-1254, or in person at: 940 East 5th St, Coquille, OR 97423.