

POLICY TITLE: Billing and Collection			
DISTRIBUTION: All Departments		LAST REVISED: March 2022	
OWNER: Business Services		ORIGINATION DATE: August 1993	

POLICY

- A. Subject to compliance with the provisions of this policy, RMC may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. RMC will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a Responsible Individual(s) is eligible for assistance under the FAP.
- C. All patients receiving hospital inpatient and outpatient services will be offered a Plain Language Summary for financial assistance under the FAP as part of the discharge or intake process from a hospital. Note: Offering this summary notice for patients receiving services at Regional Family Health or Regional Home Care and Hospice is not required.
- D. At least five separate statements for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual(s) provided, however, that no additional statements need to be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP or has paid-in-full. At least 60 days shall have elapsed between the first and last of the required three mailings. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made. All Single Patient Account statements of Self-Pay Accounts will include but not limited to:
 - 1.) An accurate summary of the hospital services covered by the statement;
 - 2.) The charges for such services;
 - 3.) The amount required to be paid by the Responsible Individual(s) (or, if such amount is not known, a good faith estimate of such amount as the date of the initial statement); and
 - 4.) A conspicuous written notice that notifies and informs the Responsible Individual(s) about the availability of Financial Assistance. The notice will include the telephone number of the department and direct website address where copies of documents may be obtained.
- E. At least one of the statements mailed will include written notice that informs the Responsible Individual(s) about the ECAs that are intended to be taken if the Responsible Individual(s) does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline. Such statement must be provided to the Responsible Individual(s) at least 30 days before the deadline specified in the statement. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made. RMC does utilize Redsson to attempt to obtain a valid patient address.
- F. ECAs may be commenced as follows:
 - 1.) If any Responsible Individual(s) fail to apply for financial assistance under the FAP by 120 days after the first post discharge statement, and the Responsible Parties have received a statement with a Billing Deadline described, then RMC or collection agency may initiate ECAs.

- 2.) If any Responsible Individual(s) submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed:
- a. RMC provides the Responsible Individual(s) with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary.
 - b. RMC provides the Responsible Individual(s) with at least 30 days' prior written notice of the ECAs that RMC or collection agency may initiate against the Responsible Individual(s) if the FAP application is not completed or payment is not made; provided, however, that the Completion Deadline for payment may not be set prior to 120 days after the first post discharge statement.
 - c. If the Responsible Individual(s) who has submitted the incomplete application completes the application for financial assistance, and RMC determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, RMC will inform the Responsible Individual(s) in writing the denial and include a 30 days' prior written notice of the ECAs that RMC or collection agency may initiate against the Responsible Individual(s) provided, however, that the Billing Deadline may not be set prior to 120 days after the first post discharge statement.
 - d. If the Responsible Individual(s) who has submitted the incomplete application fails to complete the application by the Completion Deadline set in the notice, then ECAs may be initiated.
 - e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, RMC will suspend ECAs while such financial assistance application is pending.
- G. After the commencement of ECAs is permitted, collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file judicial or legal action, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of RMC shall be required before initial lawsuits may be initiated. RMC and external collection agencies may also take any and all legal other actions including but not limited to telephone calls, emails, text, mailing notices and skip tracing to obtain payment for medical services provided.

Policy Availability:

Contact RMC's Business Office at 563-927-7405 for information regarding eligibility or the programs that may be available to you; to request a copy of the FAP, FAP application form, or Collection Policy; or if you need a copy of the FAP, FAP application form or Collection Policy translated to Spanish. Full disclosure of the FAP, FAP application form, or Collection policy may be found at www.regmedctr.org/FAP. A paper copy of the FAP, FAP application form, or Collection Policy can be obtained at our facility located at 709 W. Main St Manchester, Iowa 52057 at the billing, admissions and registration areas.

PURPOSE

This policy applies to RMC and its employed medical partners. Together with the Financial Assistance Policy (FAP), it is intended to meet the requirements of applicable federal, state and local laws, including, without limitation, section 501(r) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by RMC, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to (1) treat all patients and individual(s) responsible equally with dignity and respect; (2) to ensure

appropriate billing and collection procedures are uniformly followed; and (3) to ensure that reasonable efforts are made to determine whether the individual(s) responsible for payment of a patient account is eligible for assistance under the Financial Assistance Policy.

DEFINITIONS

Plain Language Summary means a written statement that notifies an individual that RMC offers financial assistance under the FAP for inpatient and outpatient services rendered by Regional Medical Center, Regional Family Health and Regional Medical Home Care and Hospice. The summary contains information required to be included in such statement under the FAP.

Application Period means the period during which RMC must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and, at minimum, ends the 240th day after RMC provides the first post discharge billing statement. Special consideration will be given to individuals who are beyond the 240 days as long as the account is not in legal action.

Billing Deadline means the date after which RMC or collection agency may initiate an ECA against a Responsible Individual(s) who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual(s) provided at least 30 days prior to such deadline, but no earlier than 120 days after the first post discharge statement.

Completion Deadline means the date after which RMC or collection agency may initiate or resume an ECA against an individual(s) who has submitted an incomplete FAP if that individual(s) has not provided the missing information and/or documentation necessary to complete the application or denied application. The Completion Deadline must be specified in a written notice and must be no earlier than the later of (1) 30 days after RMC provides the individual(s) with this notice or (2) the last day of the Application Period.

Extraordinary Collection Action (ECA) means any action against an individual responsible for a bill related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or reporting adverse information about the responsible individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring of a Self-Pay Account to another party for purposes of collection without the use of any ECAs.

FAP-Eligible individual(s) means a Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the individual(s) has applied for assistance.

Financial Assistance Policy (FAP) means RMC's financial assistance program for uninsured and underinsured patients. The policy includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy.

Responsible Individual(s) means the patient and any other individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual(s).

Self-Pay Account means that portion of a patient account that is the responsibility of the patient or other Responsible Individual(s), net of the application of payments made by any available healthcare insurance or other third-party payer (include co-payments, co-insurance and deductibles), and net of any reduction or write off made with respect to such patient account after application of an Assistance Program, as applicable.

PROCEDURE

1. Once the account has been determined to be true self-pay and patient responsibility, guarantor statements will be generated.
2. If payment in full is not made within 150 days of placement with the monitoring service, or the Responsible Individual(s) has not applied for financial assistance or does not comply with the payment schedule indicated below, the account is reviewed and written off to bad debt status by the Business Services Manager in the Revenue Cycle system in Cerner. The account is then placed at a bad debt Collection Agency (H&R Accounts). An account with an outstanding balance of \$5000.00 or higher will be reviewed by the CFO to determine eligibility for bad debt write-off and will proceed with the write off to bad in Cerner if appropriate. Accounts with a balance of \$10.00 or less will not be referred to a bad debt Collection Agency. Instead, they will be written off as Bad Debt-In House. Accounts forwarded to the Collection Agency are actively worked for 12 months. If there has been no activity or legal action taken on the balance after 12 months, the account is returned to RMC to be reviewed for possible secondary placement.

Balance owed:	Minimum REGULAR Monthly Payment Required:
\$5.00 - \$49.99	Payment in full
\$50.00 - \$100.00	\$25.00 Minimum regular monthly payments
\$100.01 - \$250.00	\$50.00 Minimum regular monthly payments
\$250.01 - \$750 .00	\$75.00 Minimum regular monthly payments
\$750.01 - \$1,200.00	\$100.00 Minimum regular monthly payments
\$1,200.01 - \$2,000.00	\$150.00 Minimum regular monthly payments
\$2,000.01 or greater	The greater of \$200.00 or the amount needed to pay off accounts in full in 18 months.

3. Secondary Bad Debt Placement:
If approved, uncollected accounts with no activity for 12 months will be forwarded to a secondary bad debt Collection Agency. Collection efforts will continue until the account is five (5) years past the date of discharge.
4. Uncollectible:
If no payment activity has occurred in the last 12 months and no legal activity has taken place, the account is returned to RMC and all collection efforts cease.
5. Small Balances
Accounts with balances of \$4.99 or less will be automatically written off, no statements will be sent

RELATED POLICIES

Financial Assistance Program