


POLICY		TITLE <b>Billing and Collections</b>
		DEPARTMENT Business Office
		APPROVED BY Board of Directors
	Printed copies are for reference only. Please refer to the electronic copy for the latest version.	

**BACKGROUND - PURPOSE:**

Loring Hospital will fairly and consistently bill patients for health care services provided. All patients who are financially able should contribute to paying for a portion of their health care costs. Loring Hospital will take steps to collect amounts due from patients for health care services provided.

**SCOPE:**


Facility-Wide

**POLICY:**


1. Patients who are able to pay a portion of their health care costs have an obligation to seek accessible insurance coverage and pay for a portion of their health care services, and Loring Hospital has a duty to seek payment from those Patients.
2. The purpose of this policy is to outline the methods used by Loring Hospital for billing Patients for healthcare services provided to them, and for collecting on accounts in situations where Patients have not appropriately contributed to those healthcare costs.

**PROCEDURE:**


1. Definitions.
  - a. Patient(s). Includes either the patient and/or the patient’s responsible party (parent, guardian, guarantor).
  - b. Emergency Medical Care. As defined in the Emergency Medical Treatment and Labor Act ("EMTALA"), a medical condition manifesting itself by acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in placing the health of the Patient in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ part. It also includes a pregnant woman who is having contractions.
  - c. Hospital. Includes both the Hospital where the health care was provided, as well as entities acting on behalf of such Hospital to collect amounts due from Patients under this Policy.
  - d. Financial Assistance. Pursuant to *Loring Hospital Financial Assistance* policy, the method(s) of assistance offered to Patients determined to be financially needy.
  - e. FINA-Eligible Patients. Patients who follow the procedures outlined in this policy and are determined to be eligible for Financial Assistance under *Loring Hospital Financial Assistance* policy.
  - f. Medically Necessary Care. Services that are (1) consistent with the diagnosis and treatment of the Patient’s condition; (2) in accordance with standards of good medial practice; (3) required to meet the medical needs of the Patient and be for reasons other than the convenience of the Patient or the Patient’s practitioner or caregiver; and (4) the least costly type of service which would reasonable meet the medical needs of the Patient.

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- g. Excessive Interest. An interest rate in excess of the federal short-term interest rate plus three percentage points in effect at the time.
  - h. Extraordinary Collection Actions (“ECs”). Actions taken by or on behalf of a Hospital against a Patient to obtain payment of a bill for care, if such actions involve any of the following:
    - i. Selling the Patient’s debt.
      - 1. However, the sale of debt is not considered to be an ECA if done pursuant to a legally binding written agreement in effect prior to the sale of debt that prohibits the debt purchaser from engaging in ECAs or charging Excessive Interest; requires that the debt is returned to the Hospital if the Patient is or becomes a FINA-Eligible Patient; and if the Patient is determined to be a FINA-Eligible Patient and the debt is not returned to or recalled by the Hospital, the purchaser must ensure that the Patient does not pay, and has no obligation to pay, the purchaser and the Hospital together more than what the Patient is personally responsible for paying as a FINA-Eligible Patient.
    - ii. Reporting adverse information about the Patient to consumer credit reporting agencies or credit bureaus.
    - iii. Deferring or denying, or requiring a payment on past, unpaid bills before providing Medically Necessary Care.
      - 1. Under no circumstances will a Hospital undertake debt collection activities that interfere with the provision of Emergency Medical Care.
    - iv. Involving a legal or judicial process (examples include commencing a civil action, placing a lien, foreclosing on real property, or garnishing wages).
      - 1. However, this policy does not apply to the portion of a Patient's services that have been, or may be, paid for by a first or third party payer such as an automobile insurance company or worker's compensation. As allowed by the States of Iowa, Illinois, and Wisconsin, when a Patient presents for services following an accident or injury, the Hospital may place a hospital lien against the third party settlement, and the lien is not an ECA.
    - v. The filing of a claim in any bankruptcy proceeding is not an ECA.
  - i. Plain Language Summary. A document that provides a summary of *Loring Hospital Financial Assistance* policy.
  - j. Post-Discharge Billing Statement. Billing statement provided to a Patient after the patient has received health care services and has left the Hospital.
  - k. Application Period. The period beginning on the date of care provided to the Patient and ending on the later of (1) 240 days after the first Post-Discharge Billing Statement; (2) the deadline indicated in the notice provided to the Patient as described in 2.b.i.1 of this policy; or (3) the deadline for providing additional information has passed.
2. Billings and Collection Guidelines.

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- a. Hospitals will provide reasonable options for Patients who are making a good faith effort to pay their bills. However, Hospitals expect Patients to pay the amounts due for health care services provided, and will pursue collections when necessary.
- b. Hospitals will not engage in Extraordinary Collection Actions against a Patient to obtain payment for care until making Reasonable Efforts to make the Patient aware of the availability of Financial Assistance and the process for applying for Financial Assistance.
  - i. Reasonable Efforts include all of the following actions by the Hospital:
    1. Providing written notice (and attempting to provide oral notice) to the Patient that Financial Assistance is available, providing a Plain Language Summary identifying the ECAs that the Hospital may take if needed, and stating a deadline after which ECAs may be initiated that is no earlier than 30 days after the date when the written notice is provided.
    2. Notifying a Patient who submits an incomplete Financial Assistance application about how to complete it properly, and giving the Patient a reasonable opportunity to do so. The Hospital must provide this notification in writing and must provide contact information for resources in assisting the Patient with completing the application.
    3. Making a determination regarding Financial Assistance eligibility if the Patient submits a complete Financial Assistance application during the Application Period.
  - ii. If the Hospital will defer or deny care based on outstanding bills for prior care, then Reasonable Efforts requirements differ. The Hospital must provide the Patient with a FAP application form and a written notice that Financial Assistance may be available, and state the deadline for submitting this FAP application for the previous care. This deadline must be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date of the first Post-Discharge Billing Statement for the previously provided care. If a complete FAP application is submitted within these timeframes, then the Hospital must process the application on an expedited basis.
  - iii. If the Hospital uses information generated by third party agencies to assist in determining a Patient's eligibility for Financial Assistance, and this determination concludes that the Patient is not eligible for free care under the Financial Assistance policy, then the Patient must be provided with a notice of the third party determination and must be given a reasonable amount of time to apply for additional Financial Assistance.
- c. The Hospitals will not attempt to collect from Patient assets that are exempt from such collection activities under state or federal regulations.
- d. If a patient submits a complete Financial Assistance application and the Hospital believes that the Patient may qualify for Medicaid, the Hospital may postpone making an eligibility determination until after the Patient applies for Medicaid and a determination has been made regarding such Medicaid eligibility.
- e. If a Patient's eligibility for Financial Assistance is undetermined, then the Hospital will refrain from initiating Extraordinary Collection Actions for 120 days from the date of the Patient's first Post Discharge Billing Statement, plus the any additional deadline provided to the Patient in the notice described at section 2.b.i.1 of this policy.

POLICY	 Loring Hospital Your Family Health Center <small>An Affiliate of UnityPoint Health</small>	TITLE <b>Billing and Collections</b>
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- i. If the Patient submits a complete Financial Assistance application at any time within the Application Period, then the Hospital must suspend any ECAs, determine the Patient's eligibility for Financial Assistance, and notify the Patient whether Financial Assistance is available.
  - 1. If the Patient is eligible for Financial Assistance but not eligible for free-care, then the Hospital must provide the Patient with a statement indicating the amount that the Patient owes.
  - 2. If the Patient is eligible for Financial Assistance, the Hospital must reverse any previously taken ECAs and refund any excess amounts owed to the Patient.
- ii. If the Patient submits an incomplete Financial Assistance application within the Application Period, the Hospital must suspend any ECAs until either the Patient completes the Financial Assistance application and the Hospital determines whether the patient is eligible for Financial Assistance, OR until the Patient has failed to provide additional information up to a maximum of 240 days from the date of the first Post Discharge Billing Statement, the deadline provided to the Patient in the notice described at section 2.b.i.1 of this policy, and the deadline for responding to a presumptive determination of ineligibility for full Financial Assistance.
- iii. The Hospital may initiate ECAs if the Patient has not submitted a complete Financial Assistance application for 240 days from the date of the Patient's first Post Discharge Billing Statement and if the notification requirements have been met.
- f. For Patients who have had multiple episodes of care at a Hospital, the Hospital may satisfy the notification requirements under this Policy simultaneously. If a Hospital aggregates a Patient's outstanding bills for multiple episodes of care, it may not initiate the ECA(s) until after the Application Period for the most recent episode of care.

**RESPONSIBILITIES:**

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As outlined above.