
Billing and Collections

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POLICY STATEMENT

It is the policy of Centegra Health System (CHS) to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all applicable outstanding accounts will be handled in accordance with the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act and all applicable state laws and regulations.

Purpose

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, CHS will make diligent efforts to inform patients of their financial responsibilities, the Financial Assistance Policy and availability, other financial programs and availability, as well as follow up with patients regarding outstanding accounts.

Additionally, this policy requires CHS to make reasonable efforts to determine a patient's eligibility for financial assistance under our separate financial assistance policy (FAP) (see Financial Assistance Policy no. 9850-141) before engaging in extraordinary collection actions (ECAs) to obtain payment for those services covered under the FAP. This does not pertain to other financial programs offered to patients deemed ineligible for financial assistance under the Policy. Financial assistance is available for Hospital services and select professional services. Please see Exhibit C of the FAP for a list of services eligible for assistance.

Definitions

Extraordinary Collection Actions (ECAs): A list of collection activities, as defined by the IRS and 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 under CHS's Financial Assistance Policy. These actions are further defined in Section 2 of this policy below

and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.

Financial Assistance Policy (FAP): A separate policy that describes CHSs financial assistance program—including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance. (See Policy #9850-141).

Reasonable Efforts: A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under CHS's financial assistance policy. For example, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application processes.

Uninsured: Patient with no health insurance coverage and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program, including, but not limited to, high deductible health insurance plans, workers' compensation, accident liability insurance or other third-party assistance to help resolve their financial liability to healthcare providers

Procedures

1. Billing Practices

a. Insurance Billing

- i. For all insured patients, CHS will bill applicable third-party payers (based on information provided by or verified by the patient) in a timely manner.
- ii. If a claim is denied (or is not processed) by a payer due to a confirmed error on our behalf, CHS will evaluate the nature of the error and determine whether it bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
- iii. If a claim is denied (or is not processed) by a payer due to factors outside of our organization's control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, CHS may bill the patient or take other actions consistent with current regulations and industry standards.

b. Patient Billing

- i. All uninsured patients will be billed directly and timely, and they will receive a statement as part of the organization's normal billing process.
- ii. For insured patients, after claims have been processed by third-party payers, CHS will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.

- iii. All patients may request an itemized statement for their accounts at any time.
- iv. If a patient disputes his or her account and requests written documentation regarding the bill, CHS associates or agents strive to provide the requested documentation in writing within 10 business days, limited certain circumstances may delay this response. After resolving the complaint or dispute CHS will hold the account for at least 30 days before further processing the account.
- v. CHS may approve financial assistance or additional financial discounts, programs or payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment pursuant to this policy.
 - 1. Patient Financial Services supervisors and directors have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.
 - 2. CHS is not required to accept patient-initiated payment arrangements which are not approved by CHS and/or do not comply with the minimum monthly payment as outlined in this policy.
- vi. CHS reserves the right to refer accounts to a collection agency as outlined below if the patient refuses to apply for financial assistance, does not qualify for financial assistance, is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.

2. Collections Practices

- a. In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collections Policy, CHS may engage in collection activities—including extraordinary collection actions (ECAs)—to collect outstanding patient balances.
 - i. General collection activities may include statements requesting payment sent to the patient/guarantor address on file, follow-up calls on statements. If applicable, calls may be made to the telephone number consented to by the patient. This may be a cellular telephone, home telephone or work telephone. Centegra will not contact a patient on a telephone number that the patient expressly prohibited.
 - ii. For services not covered under the FAP, CHS reserves the right to require a deposit for prior balances due prior to new services being provided.
 - iii. Patient balances may be referred to a third party for collection at the discretion of CHS. CHS will maintain ownership of any debt referred to debt collection agencies, and patient accounts will be referred for collection only with the following caveats:
 - 1. There is a reasonable basis to believe the patient owes the debt.

2. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. CHS shall not bill a patient for any amount that an insurance company is obligated to pay.
 3. CHS will not refer accounts for collection while a charge on the account is still pending payer payment. However, CHS may classify certain charges as “denied” or if such charges are stuck in “pending” mode for an unreasonable length of time despite efforts to facilitate resolution.
 4. CHS will not refer accounts for collection where the claim was denied due to a CHS error. However, CHS may still refer the patient liability portion of such claims for collection if unpaid.
 5. CHS will not refer accounts for collection where the patient has initially applied for financial assistance or other CHS-sponsored financial program and CHS has not yet notified the patient of its determination (provided the patient has complied with the timeline and information requests delineated during the application process).
 6. CHS will not refer accounts for collections where the patient has made payments/partial payments which meet the outlined payment requirements below.
 7. If the patient submits a Financial Assistance application after the account has been referred to collections and within the timeframes required within the Financial Assistance Policy, CHS will promptly process the application and place the account on hold until CHS has determined whether the patient is eligible for Financial Assistance.
- b. Reasonable Efforts and Extraordinary Collection Actions (ECAs)
- i. Before engaging in ECAs to obtain payment for care, CHS will make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy including, but not limited to:
 1. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
 2. However, at least 30 days before initiating ECAs to obtain payment, CHS shall do the following:
 - a. Provide the individual with a written notice that indicates the availability of financial assistance, lists potential ECAs that may be taken to obtain payment for care, and gives a deadline after which ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice)
 - b. Provide, free of charge and upon request, a plain-language summary and full version of the Financial

- Assistance Policy, Financial Assistance Application along with the notice described above through a variety of different means
- c. Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process
3. Promptly process Financial Assistance Applications to determine eligibility
 4. Follow Centegra's Presumptive Eligibility Process as outlined in its FAP
- ii. After making reasonable efforts to determine financial assistance eligibility as outlined above, CHS (or its authorized business partners) may take any of the following ECAs to obtain payment for care:
 1. Place account balance with a third-party collection agency
 2. Report adverse information to credit reporting agencies and/or credit bureaus
 3. Garnish wages
 4. File suit to recoup balance due
 5. Place a lien on property
 - iii. If a patient has an outstanding balance for previously provided care, CHS may engage in the ECA of deferring, denying, or requiring payment before providing additional medically necessary (but non-emergent) care only when the following steps are taken:
 1. CHS provides the patient with an FAP application and a plain language summary of the FAP
 2. CHS provides a written notice indicating the availability of financial assistance and specifying any deadline after which a completed application for assistance for the previous care episode will no longer be accepted. This deadline must be at least 30 days after the notice date or 240 days after the first post-discharge billing statement for prior care—whichever is later.
 3. CHS makes a reasonable effort to orally notify the individual about the financial assistance policy and explain how to receive assistance with the application process.
 4. CHS processes on an expedited basis any FAP applications for previous care received within the stated deadline
 5. At any time, Centegra Physician Care (CPC) reserves the right to defer or deny services that are not covered under the FAP if there are unpaid balances for services not covered by the FAP. Please refer to Exhibit C of the FAP for a list of services and providers included and excluded from the FAP.
 - iv. Financial Assistance Committee made up of VP Revenue Cycle, Selfpay Manager, Financial Assistance Coordinator(s) and additional key stakeholder leaders are ultimately responsible for

determining whether CHS and its business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance. This body also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy. This body is not reviewing individual patient cases as part of this policy or operations.

3. Financial Assistance (FA)

- a. All billed patients receiving services which are eligible for FA will have the opportunity to contact CHS regarding financial assistance for their accounts, financial discounts, payment plan options, and other applicable financial programs.
 - i. CHSs financial assistance policy and application is available free of charge. Individuals can request a copy or ask questions regarding financial assistance through the following methods:
 1. Centegra Centegra Patient Business Services, 527 W South Street, Woodstock, IL 60098 - 815-334-5033 Office hours: 8:00 am – 4:30 pm, Monday through Friday.
 2. McHenry Hospital – Financial Counselors at 815-759-4637, 815-759-4638 or 815-759-4993 Office hours: 6:00 am to 6:30pm.
 3. Woodstock Hospital – Financial Counselors at 815-334-3112 or 815-334-3144 Office hours: 6:00 am to 6:30pm.
 4. Huntley Hospital – Financial Counselors at 224-654-0253 or 224-654-0256 Office hours: 6:00 am to 6:30pm.
 5. Email at CentegraFinancialAssistance@centegra.com
 6. Online at <http://centegra.org/billing-new/>

4. Other Financial Programs

- a. Uninsured patients may receive a prompt pay discount for hospital services (not professional services) equal to:
 - i. 35% discount if paid in full within 30 days of discharge
 - ii. 25% discount if paid in full via 6 or less equal monthly payments
- b. Uninsured patients who provide documentation supporting a household income level and family size less than 600% of the federal poverty guidelines will not be required to pay more than 135% of the cost (estimated to result in a 60-65% discount, see the Financial Assistance Policy for discount percentages) for hospital services only (not professional services)
- c. All patients can establish monthly payment arrangements within the below minimum monthly payment schedule:

Balance \$25-\$250

minimum \$25 monthly

Balance \$250.01-\$1000

minimum \$50 monthly

<i>Balance \$1000.01 - \$2000</i>	<i>minimum \$100 monthly</i>
<i>Balance \$2000.01 - \$3000</i>	<i>minimum \$150 monthly</i>
<i>Balance \$3000.01 - \$4000</i>	<i>minimum \$200 monthly</i>
<i>Balance \$4000.01 - \$5000</i>	<i>minimum \$250 monthly</i>

5. Customer Service

- a. During the billing and collection process CHS or any authorized agent acting on behalf of CHS will provide quality customer service by implementing the following guidelines:
 - i. Comply with all applicable billing, collection or payment laws and regulations
 - ii. CHS will maintain a zero tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees or authorized representatives
 - iii. CHS will maintain a streamlined process for patient questions and/or disputes, which includes a toll-free phone number that patients may call and a prominent business office address to which they may write. This information will remain listed on all patient bills and collections statements sent.
 - iv. After receiving a communication from a patient (by phone or in writing), CHS staff will return phone calls to patients as promptly as possible, preferably no later than 48 hours after the call was received and will respond to written correspondence preferably within 10 days.
 - v. CHS will document all patient billing complaints (oral or written).

Sponsors: Director Patient Financial Services and Director of Compliance