

 <p>DEARBORN COUNTY HOSPITAL</p> <p>PATIENT ACCOUNTING  <b>POLICY &amp; PROCEDURE</b>  FC013095.01</p>	<p style="text-align: center;"><u>SUBJECT</u></p> <p style="text-align: center;"><b>Billing and Collections  Policy</b></p>	Approvals: President & CEO: <u>          <i>RAT</i>          </u> Administrative Council: <u>          <i>PA</i>          </u> Department Director: <u>          <i>DM</i>          </u> Origination Date: 01/95 Associated Forms: Revised Date: 12/15 Reviewed Date: 4/04; 3/06; 3/08; 11/13
---	---	--

**I. PURPOSE**

This Policy, together with DCH’s Financial Assistance Policy and its Triage in the Emergency Department Policy, 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 DCH, including collection actions and reporting to credit agencies. The guiding principles behind this Policy are to treat all patients equally with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed.

**II. DEFINITIONS**

- A. Emergency Care – Medical care required to treat a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in the following: (i) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; (ii) serious impairment of bodily functions; or (iii) serious dysfunction of any bodily organ or part.
- B. Extraordinary Collection Actions (ECAs) – Any actions that result in (i) selling an individual’s debt to another party unless the sale complies with IRS Section 1.501(r)6-(b)(2); (ii) reporting adverse information about the individual to consumer credit reporting agencies; (iii) deferring or denying, or requiring a payment before providing medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care covered under DCH’s Financial Assistance Policy, (ii) actions that require a legal or judicial process unless the action complies with IRS Section 1.501(r)6-(b)(3) or (b)(4).
- C. Financial Assistance – Medical care provided by DCH to patients who qualify for free or discounted care provided pursuant to DCH’s Financial Assistance Policy. This is also referred to as Charity Care.
- D. Third-Party Coverage – (1) A third-party insurer, (2) an ERISA plan, (3) a federal, state, or, local governmental health care program (including without limitation Medicare, Medicaid, SCHIP and TRICARE), (4) Workers’ Compensation, Medical Savings Accounts, or other coverage for any part of the bill, including claims against third parties covered by insurance to which DCH is subrogated, to the extent that payment is actually made by such insurance company.

### **III. BILLING PROCEDURES**

This Policy sets forth DCH's billing procedures and actions that DCH may take if a bill for medical care is not paid.

- A. DCH shall request payment for any known patient responsibility for medical care (such as co-pays or deductibles) prior to or at the time care is provided.
- B. If a patient has not fully paid DCH for patient responsibility at the time medical care is provided. DCH will bill the patient for his or her responsibility after receipt of Third-Party Coverage payments.
- C. If a patient qualifies for Financial Assistance, DCH shall write off any balance after Third-Party Coverage that the patient is not obligated to pay.
- D. DCH will bill patients for any outstanding balances using its normal billing process which includes a minimum of three (3) statements over a span of at least ninety (90) days. DCH shall include a plain language summary of DCH's Financial Assistance Policy with each of the three statements.

### **IV. COLLECTION PROCEDURES**

- A. During the first ninety (90) days after the patient's first billing statement for care is issued, DCH shall not refer the account to a collection agency or engage in any ECAs.
- B. DCH shall observe all patient notification procedures set forth in Part VII of DCH's Emergency Care, Charity Care, and Financial Assistance Policy.
- C. If no positive patient response is received after ninety (90) days from the first billing statement, DCH shall characterize the unpaid balance as bad debt. DCH may continue its own bad debt collection efforts or refer the bad debt account to a collection agency for additional collection efforts in accordance with this Policy.
- D. Notwithstanding bad debt classification or referral to a collection agency, a patient may apply for Financial Assistance using the process outlined in the DCH's Financial Assistance Policy, for a total application period of two hundred forty (240) days from the first billing statement.
- E. DCH shall enter into a written contract with any collection agency to which it refers bad debt. The contract will obligate the collection agency to observe the same procedures with respect to determining qualification for Financial Assistance that apply to DCH under DCH's Financial Assistance Policy. The contract shall prohibit the referral or sale of the bad debt to another party.
- F. A collection agency to which bad debt is referred for collection may not engage in any ECAs without the prior written consent of DCH.
- G. The DCH Vice President, Finance or his designee has the authority to determine whether reasonable efforts have been made to determine whether a patient qualifies for Financial Assistance.
- H. After making reasonable efforts to determine if a patient qualifies for Financial Assistance, and if no positive patient response is received after ninety (90) days from the first billing statement, DCH

may engage in one or more of the following ECAs, to the extent authorized by the Vice President, Finance or his designee:

1. Report to credit agencies;
2. Commence a civil action against an individual;
3. Garnish an individual's wages;
4. Place a lien on an individual's property;

## **V. POLICY AVAILABILITY**

A. Web Site – DCH shall make this Policy widely available through its website, <http://www.dch.org>. The website shall also include a prominent link that allows readers to download a PDF file of this Policy, free of charge. DCH shall provide any individual who asks how to access a copy of this Policy online with the URL of this web page.

B. Paper Copies – DCH shall make paper copies of this Policy available upon request and without charge, both by mail and in its Patient Accounting office, admissions and registration areas, and Emergency Department.

C. Contact Information – The Dearborn County Hospital Patient Accounting Department at 600 Wilson Creek Road, Lawrenceburg, IN 47025 is available to provide more information about this Policy. The office can be reached at telephone number (812) 537-8220.

## **VI. FINANCIAL ASSISTANCE POLICY**

DCH has a separate Financial Assistance Policy. The Financial Assistance Policy sets forth:

(1) eligibility criteria for Financial Assistance; (2) the basis for calculating amounts charged to patients; (3) the method for applying for Financial Assistance; and (4) measures to widely publicize the Financial Assistance Policy within the community. A free copy of the Financial Assistance Policy is available in the same manner as paper copies of this Policy and also at the website, <http://www.dch.org>

## **VII. TRIAGE IN THE EMERGENCY DEPARTMENT POLICY**

DCH has a separate Triage in the Emergency Department Policy. The Triage in the Emergency Department Policy sets forth that the DCH will provide, without discrimination, care for emergency medical conditions to individuals regardless of whether they are eligible for Financial Assistance under this Policy. A free copy of the Triage in the Emergency Department Policy is available in the same manner as paper copies of this Policy and also at the website, <http://www.dch.org>