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|  | <p><b>Subject:</b><br/>Billing and Collections</p> | <p><b>Department:</b> Financial Services<br/> <b>Section:</b> Patient Financial Services<br/> <b>Policy Number:</b> 11-0310-01<br/> <b>Effective Date:</b> 04/01/2014<br/> <b>Supersedes:</b> 05/01/2009<br/> <b>Revision:</b> 04/01/2016</p> |
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**PURPOSE:** To set forth the actions St. Claire Regional Medical Center will take in the event of non-payment of the portion of patient accounts for inpatient or outpatient hospital services, surgical, specialty medicine, post-acute facility services, family medicine, and home health and hospice services, that are the responsibility of the individual patients and not covered by insurance or other third-party payment source.

To ensure that reasonable efforts are made to determine whether the individual responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Program prior to commencement of extraordinary collection actions to collect the account.

This policy covers billing and collection for self-pay accounts for both uninsured patients and patients with insurance, including co-payments, co-insurance and deductibles.

**I. Policy :**

- A. St. Claire Regional Medical Center 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 is eligible for assistance under the FAP.
- B. All patients will be given the Hospital-Specific Plain Language Summary and an application form for financial assistance under the FAP prior to discharge from a hospital.
- C. At least three separate Single Patient Account statements for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual prior to the end of the Notification Period; provided, however, that no additional Single Patient Account statements need be sent after a Responsible Individual submits a complete application for financial assistance under the FAP. At least 60 days shall have elapsed between the first and last of the required three mailings. All Single Patient Account statements of Self-Pay Accounts will include:
  - 1. *An accurate summary of the hospital services and a detail listing of the physicians and home health services covered by the statement;*
  - 2. *The charges for such services;*
  - 3. *The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement); and*
  - 4. *An All-Hospital Plain Language Summary. Detail itemizations for hospital charges will be provided upon request.*
- D. ECAs may be commenced as follows:
  - 1. If all Responsible Individuals fail to apply for financial assistance under the FAP by the last day of the Notification Period, and the Responsible Parties have received the 30-day written then St. Claire Regional Medical Center may initiate ECAs.
  - 2. If all Responsible Persons apply for financial assistance under the FAP, and PFS determines definitively that the Responsible Individuals are ineligible for any financial assistance under the FAP (including because the patient was not uninsured), St. Claire Regional Medical Center may initiate ECAs.

3. If any Responsible Individual 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. PFS provides the Responsible Individual with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for which notice will include a copy of the All-Hospital Plain Language Summary.

b. PFS provides the Responsible Individual with at least 30 days' prior written notice of the ECAs that St. Claire Regional Medical Center may initiate against the Responsible Individual if the FAP application is not completed or payment is not made; provided, however, that the deadline for completion or payment may not be set prior to the Application Deadline.

c. If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, St. Claire Regional Medical Center may initiate ECAs.

d. If the Responsible Individual who has submitted the incomplete application fails to complete the application by the deadline set in the notice provided then ECAs may be initiated.

e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Person, at any time prior to the Application Deadline, St. Claire Regional Medical Center will suspend ECAs while such financial assistance application is pending.

D. A letter indicating intent to transfer the Single Patient Account to a collection agency shall be mailed to the last known address of each Responsible Individual prior to transfer of a Self-Pay Account to a collection agency or the initiation of any ECA.

E. Any Responsible Individual, or representative thereof, who contacts PFS for information concerning any possible financial assistance, shall be provided with information concerning the Financial Assistance Program.

F. After the commencement of ECAs, external collection agencies shall be authorized to report unpaid Self-Pay Accounts to credit agencies.

G. Patients who are able, but unwilling, to pay for St. Claire Regional Medical Center services are considered uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for the Financial Assistance Policy and who fail to pay the balance when due, after application of the appropriate discount, are considered uncollectible bad debts for the amount of such balance and will be referred to outside agencies for collection.

H. Copies of this policy are available free of charge to the public. Copies of the policy are available in the Admitting Office and on the St. Claire Regional Medical Center internet and may be requested by mail.

I. If St. Claire Regional Medical Center refers patient debts to another party during the Application Period, the written agreement with such party must obligate such party to:

1. Refrain from engaging in ECAs until the Billing Deadline;

2. Suspend any ECAs if the individual submits a FAP application during the Application Period;

3. If the Responsible Individual is determined to be FAP-eligible, ensure that the individual does not pay and is not obligated to pay more than required, and to reverse any ECA previously taken; and

**II. Definitions:**

A. All-Hospital Plain Language Summary means a written statement that notifies an individual that St. Claire Regional Medical Center offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP.

B. Amounts Generally Billed (AGB) has the same meaning as in the FAP.

C. Application Period means the period during which St. Claire Regional Medical Center must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the 240th day after the St. Claire Regional Medical Center provides the first billing statement.

D. Billing Deadline means the date after which St. Claire Regional Medical Center may initiate an ECA against a Responsible Individual 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 provided at least 30 days prior to such deadline, but no earlier than the last day of the Notification Period.

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

F. Extraordinary Collection Action (ECA) means any action against an individual related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or involves selling of a Self Pay Account to another party or reporting adverse information about the Responsible Individual to consumer credit reporting agencies or credit bureaus. ECAs do not include an action to perfect the statutory lien on claims of liability or indemnity granted to health care providers under A.R.S. §33- 931 or transfer of a Self-Pay Account to another party for purposes of collection without the use of any ECAs.

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

H. Financial Assistance Policy (FAP) means St. Claire Regional Medical Center's Financial Assistance Program for Uninsured Patients Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy.

I. Notification Period means the period during which St. Claire Regional Medical Center must notify an individual about its FAP in order to have made reasonable efforts to determine whether the individual is FAP-Eligible. The Notification Period begins on the first date care is provided to the individual and ends on the 120th day after St. Claire Regional Medical Center provides the individual with the first billing statement for the care.

J. PFS means Patient Financial Services, the operating unit of St. Claire Regional Medical Center responsible for billing and collecting Self-Pay Accounts.

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

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

M. Single Patient Account means one consolidated statement for Self-Pay Accounts from St. Claire Regional Medical Center hospitals, physicians, clinics and home health services.

**APPROVAL:**

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|-----------------------|-------------------------------------|------|
| Approval Signature    | President/CEO<br>Title              | Date |
| Originator Signature  | Vice President Finance/CFO<br>Title | Date |
| Concurrence Signature | Director, Finance<br>Title          | Date |
| Concurrence Signature | Title                               | Date |

**REVIEW:**

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|-----------------|------|-----------------|------|
| Department Head | Date | Department Head | Date |
| Department Head | Date | Department Head | Date |

DISTRIBUTION: List A