Credit & Collections Policy

SOUTH COUNTY HEALTH

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Policy

After our patients have received services, it is the policy of South County Health to bill patients and their applicable payers on a timely and accurate basis. During this billing and collection process, staff will be committed to providing quality customer service and timely follow-up on all outstanding accounts.

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, South County Health will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires South County Health to make reasonable efforts to determine a patient's eligibility for financial assistance under South County Health's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

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. These actions are further defined in Section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies.

Financial Assistance Program (Charity Care): A separate policy that describes South County Health's
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.

Reasonable Efforts: A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under South County Health's financial assistance policy. In general, 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.

<u>Procedures</u>

I. Billing Practices

A. Insurance Billing

1. For all insured patients, South County Health will bill applicable third-party payers (based on information provided by or verified by the patient) in a timely manner.
2. If a claim is denied (or is not processed) by a payer due to an error on our behalf, South County Health will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
3. 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, South County Health may bill the patient or take other actions consistent with current regulations and industry standards.

B. Patient Billing

1. All uninsured patients will be billed directly and timely, and they will receive a statement as part of the organization's normal billing process.
2. For insured patients, after claims have been processed by third-party payers, South County Health will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.
3. All patients may request an itemized statement for their accounts at any time.
4. If a patient disputes his or her account and requests documentation regarding the bill, staff members will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.
5. South County Health (or other authorized party) may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
   a. Patient Accounts supervisors and managers have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.
   b. South County Health is not required to accept patient-initiated payment arrangements and may refer accounts to a collection agency as outlined below if the patient is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.

II. Collections Practices

A. In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collections Policy, South County Health may engage in collection activities—including extraordinary collection actions (ECAs)—to collect outstanding patient balances.

1. General collection activities may include statements, collection letters and follow-up calls on statements
2. Patient balances may be referred to a third party for collection at the discretion of South County Health. South County Health will maintain ownership of any debt referred to debt collection agencies, and patient accounts will be referred for collection only with the following caveats:
   a. There is a reasonable basis to believe the patient owes the debt.
   b. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. South County Health shall not bill a patient for any amount that an insurance company is obligated to pay.

c. South County Health will not refer accounts for collection while a claim on the account is still pending payer payment. However, South County Health may classify certain claims as “denied” if such claims are stuck in “pending” mode for an unreasonable length of time despite efforts to facilitate resolution.
d. South County Health will not refer accounts for collection where the claim was denied due to South County Health error. However, South County Health may still refer the patient liability portion of such claims for collection if unpaid.
e. South County Health will not refer accounts for collection where the patient has initially applied for financial assistance or other South County Health sponsored program and South County Health 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).

B. Reasonable Efforts and Extraordinary Collection Actions (ECAs)

1. Before engaging in ECAs to obtain payment for care, South County Health must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy:
   a. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
   b. However, at least 30 days before initiating ECAs to obtain payment, South County Health shall do the following:
      i. 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)
      ii. Provide a plain-language summary of the FAP along with the notice described above
      iii. Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process
2. After making reasonable efforts to determine financial assistance eligibility as outlined above, South County Health (or its authorized business partners) may take any of the following ECAs to obtain payment for care:
   a. Report adverse information to credit reporting agencies and/or credit bureaus

III. Financial Assistance

A. All billed patients will have the opportunity to contact South County Health regarding financial assistance for their accounts, payment plan options, and other applicable programs.

1. South County Health’s financial assistance policy is available free of charge. Request a copy:
   a. In person at South County Health at 100 Kenyon Avenue, Wakefield, RI 02879
   b. By calling the financial counseling department at 401-788-1383
   c. Online at www.myschportal.com

2. Individuals with questions regarding South County Health's financial assistance policy may contact the financial counseling office by phone or in person

IV. Customer Service

A. During the billing and collection process, South County Health will provide quality customer service by implementing the following guidelines:
   1. South County Health will enforce a zero tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees.
   2. South County Health 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.
   3. After receiving a communication from a patient (by phone or in writing), South County Health staff will return phone calls to patients as promptly as possible (but no more than one business day after the call was received) and will respond to written correspondence within 10 business day.

V. Billing Adjustments for Patient Care Complaints or Grievances –
General guidelines:

A. Patient care complaints or grievances are addressed as outlined in the **Administrative Policy, #450 Patient Complaint & Grievance Policy.**

B. The adjustment of any patient billing by the System is **not** an admission of negligence/liability or a legal determination of the standard of care rendered.

C. South County Hospital Healthcare System bills consistently for medically necessary services rendered. Bills are adjusted for patient care incidents or complaints according to the following guidelines.

Billing adjustment guidelines:

1. Payer or patient billings can be placed "on hold" (ie: claim or patient statement not sent) pending a review of a patient care complaint or grievance (patient incident). A request for a hold must be confirmed with the Assistant VP, Quality, Regulatory & Compliance, Chief Medical Officer, or Risk Manager and the Revenue Cycle Director.

2. The amount determined to be related to the patient incident will be processed as an adjustment. It's important that, first, a bill be generated in the routine manner include all appropriate charges. Billing staff may not eliminate a charge related to a patient incident.

(The only exception is the routine process of removing a charge for services not rendered and/or a duplicate charge in error.)

3. Any adjustment of a payer balance or any patient responsibility related to a patient incident must be authorized by the Risk/Claims Committee. This would include any payments made to other providers (ie: ambulance services, physicians, other healthcare facilities).

4. For a patient incident that requires immediate resolution, a triage discussion is required with the Assistant VP, Quality, Regulatory & Compliance or Chief Medical Officer, Risk Manager, Controller and the System's legal counsel. Any agreed upon adjustment will be provided to the Risk/Claims Committee as informational.

5. Risk Management will document adjustments related to patient incidents in the Safe as appropriate.

Employee and visitor incidents

1. These guidelines do not apply to occupational illnesses or injuries sustained by the System employees or volunteers. See the Human Resources policies and procedures.