

**ARCHBOLD MEDICAL CENTER
ADMINISTRATIVE POLICY MANUAL**

POLICY NUMBER: 102.47

SUBJECT: Billing and Collections for Self-Pay Accounts

EFFECTIVE: September 2015

EXPIRES: When Superseded

APPROVED: _____
President

REVIEWED: August 2019

REVISED:

I. POLICY

This policy is intended to comply with § 501(r) of the Internal Revenue Code and United States Treasury regulations promulgated thereunder. Subject to compliance with this policy and those federal laws and regulations, John D. Archbold Memorial Hospital ("Archbold") or AMS may take all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided. This policy sets forth the processes and procedures to ensure that reasonable efforts are made to determine whether a Responsible Individual is FAP-Eligible and the steps Archbold or AMS will take before instituting any collection actions, including Extraordinary Collection Actions. In no event will Archbold, either directly or through any debt collection agency or other party to which the hospital has referred a patient account, engage in Extraordinary Collection Actions before making reasonable efforts to determine whether a Responsible Individual is eligible for assistance under any Archbold Medical Center Financial Assistance Program.

II. PURPOSE

The purpose of this policy is to set forth the actions that John D. Archbold Memorial Hospital ("Archbold") will take in the event of non-payment of the portion of patient accounts that are the responsibility of individual patients and that are not covered by insurance or other third-party payment sources. This policy is also intended to ensure that reasonable efforts are made to determine whether an individual patient (or the person responsible for payment of the account) is eligible for assistance under the John D. Archbold Memorial Hospital Financial Assistance Policy for Uninsured Patients before extraordinary collection actions are taken to collect a patient account.

III. DEFINITIONS

- A. Plain Language Summary: means a written statement that describes the financial assistance offered by Archbold Medical Center under the Financial Assistance Programs for inpatient and outpatient hospital services and that contains the information required by § 501(r) of the Internal Revenue Code.
- B. Amounts Generally Billed ("AGB"): means the Usual and Customary Charges for Covered Services by each hospital facility provided to individuals under the Financial Assistance Programs, multiplied by the AGB Percentage applicable to such services.
- C. AGB Percentage: means a percentage derived by dividing (1) the sum of all allowed amounts on claims for Medically Necessary services provided paid during the Relevant

Period by Medicare fee-for-service and all private health insurers as primary payors, together with any associated portions of these claims paid by Medicare beneficiaries or insured individuals in the forms of co-payments, co-insurance or deductibles to each separate hospital facility and dialysis center operated by Archbold (John D. Archbold Memorial Hospital, Grady General Hospital, Mitchell County Hospital, and Brooks County Hospital), by (2) the total payments from all third parties and all copayments, deductibles and coinsurance paid for such Medically Necessary Services. The AGB Percentage shall be calculated separately for each hospital facility operated by Archbold, and shall be calculated no later than 120 days following the end of the most recent fiscal year or Relevant Period. The calculation of the AGB Percentage shall comply with the "look-back method" detailed in Treasury Regulation § 1-501(r)-5(b)(1)(B).

- D. Application Period: means the period during which Archbold or AMS must accept and process an application for financial assistance under the Financial Assistance Programs. The Application Period begins on the date the care is provided and runs through the 240th day after Archbold or AMS provides the patient the first billing statement for the care provided.
- E. Billing Deadline: means the date after which Archbold or AMS may initiate Extraordinary Collection Actions against a Responsible Individual who has failed to submit an application for financial assistance under the Financial Assistance Programs. The Billing Deadline shall be specified in a written notice to the Responsible Individual at least 30 days before the deadline but no earlier than the last day of the Notification Period.
- F. Extraordinary Collection Actions: means any action taken against an individual related to obtaining payment on a Self-Pay Account that (1) requires a legal or judicial process, (2) involves selling of a Self-Pay Account to a third party, or (3) involves reporting adverse information concerning the Responsible Party to credit reporting agencies or credit bureaus. Extraordinary Collection Actions do not include efforts to perfect statutory liens or collect from third-party liability sources.
- G. FAP-Eligible Individual: means a Responsible Individual who is eligible for financial assistance under the Archbold Medical Center Financial Assistance Programs regardless of whether the Responsible Individual has submitted an application for financial assistance under either of the medical financial assistance programs.
- H. Financial Assistance Policy: means the Archbold Medical Center Financial Assistance Policy and the two Financial Assistance Programs established thereunder.
- I. Notification Period: means the period during which Archbold or AMS must notify a Responsible Individual about its Financial Assistance Policy in order to have made reasonable efforts to determine if the person is an FAP-Eligible Individual. The Notification Period begins on the date medical services are first provided and runs through the 120th day after Archbold or AMS provides the first billing statement to the Responsible Individual.
- J. AMS: means Account Management Services, which is responsible for billing and

collecting accounts for hospital services.

- K. **Responsible Individual**: means the patient and any other individual having financial responsibility for a Self-Pay Account.
- L. **Self-Pay Account**: means that portion of a patient account for which the patient or other Responsible Individual is individually responsible for payment net of any reductions or write-offs made pursuant to an approved application for assistance under the Financial Assistance Programs.
- M. **Uninsured Patient**: means a patient without the benefit of health insurance or government programs that may be billed for Covered Services provided to them or for physician services and who is not otherwise excluded from this policy under Section II below. If a patient with the benefit of health insurance or government programs that may be billed for Covered Services has a claim denied for pre-existing conditions, benefit maximums reached or non-covered services, the patient will be deemed to be an Uninsured Patient.
- N. **Covered Services**: means Medically Necessary inpatient and outpatient services.
- O. **Medically Necessary**: means those services required to identify or treat an illness or injury that is either diagnosed or reasonably expected to be Medically Necessary taking into account the most appropriate level of care. Depending on a patient's medical condition, the most appropriate setting for the provision of care may be a home, physician's office, an outpatient facility, or a long-term care, rehabilitation or hospital bed. In order to be Medically Necessary, a service must:
1. Be required to treat an illness or injury;
 2. Be consistent with the diagnosis and treatment of the patient's condition;
 3. Be in accordance with the standards of good medical practice;
 4. Not be for the convenience of the patient or the patient's physician; and
 5. Be that level of care most appropriate for the patient as determined by the patient's medical condition and not the patient's financial or family situation. Emergency Medical Services are deemed to be Medically Necessary.
- P. **Medically Indigent Patient**: means a patient whose household income falls below 200% of the Federal Poverty Line.
- Q. **Emergency Medical Services**: means the services necessary and appropriate to treat a medical condition of an FAP-Eligible Patient that has resulted from the sudden onset of a health condition with acute symptoms which, in the absence of immediate medical attention, are reasonably likely to place the FAP-Eligible Patient's life in serious jeopardy, result in serious impairment to bodily functions or result in serious dysfunction of any bodily organ or part.

IV. SPECIAL INSTRUCTIONS

A. Reasonable Efforts to Determine FAP Eligibility

1. All Uninsured and Medically Indigent Patients will be offered the Financial Assistance Policy, Plain Language Summary, and application forms for assistance under the Financial Assistance Policy during registration at the hospital facility. In addition, Archbold performs automated account reviews to identify and screen patient encounters within the patient accounting system that have no third party insurance allocated.
2. At least four (4) separate account statements, thirty (30) days apart, shall be mailed to the last known address of each Responsible Individual before the end of the Notification Period. At least 60 days must elapse between sending the first and last of the four separate account statements. Each of the four separate account statements shall include the following:
 - a. A summary of the hospital services and a detail listing the services covered by the statement;
 - b. The charges for the services; and
 - c. The amount required to be paid by the Responsible Individual; and
 - d. Notification of the existence of the Financial Assistance Policy and how to apply for assistance under it.
3. At least one of the account statements sent during the Notification Period shall include a written statement informing the Responsible Individual about the Extraordinary Collection Actions that may be taken if the Responsible Individual does not apply for assistance under the Financial Assistance Policy or pay the amount due by the Billing Deadline (i.e., the last day of the Notification Period). This statement must be provided to the Responsible Party at least 30 days before the Billing Deadline.
3. All telephone calls to the Responsible Individual concerning the Self-Pay Account shall include notification concerning the Financial Assistance Policy and information regarding the application process.

B. Initiation of Extraordinary Collection Actions

Extraordinary Collection Actions may be commenced to obtain payment of Self-Pay Accounts only if the following conditions are met:

1. The Responsible Individual has failed to apply for assistance under the Financial Assistance Policy by the end of the Notification Period; and

-
2. AMS has confirmed that the Responsible Individual has received the 30-day written notice described in Section II.A.3 above.

OR

3. The Responsible Individual has submitted a complete application for assistance under the Financial Assistance Policy and AMS has determined definitively that the Responsible Individual is ineligible for financial assistance and the account remains unpaid.

C. Effect of Incomplete Applications for Assistance under the Financial Assistance Policy or Application Submitted During the Application Period

If any Responsible Individual submits an incomplete application for financial assistance during either the Notification Period or the Application Period, or submits a complete application during the Application Period, then Extraordinary Collection Actions may not be initiated (if submitted during the Notification Period) or must be suspended (if submitted during the Application Period but after the initiation of Extraordinary Collection Actions) until each of the following conditions has been met:

1. AMS provides the Responsible Individual with written notice that the submitted application is incomplete and identifies the additional information or documentation required under the Financial Assistance Policy to complete the application for financial assistance. This written notice must include a copy of the Plain Language Summary; and
2. AMS provides the Responsible Individual with at least 30 days prior written notice of the Extraordinary Collection Actions that may be initiated if the application for financial assistance under the Financial Assistance Policy is not completed or payment is not made. The deadline for completion of the application, however, may not be set before the end of the Application Period; and
3. The Responsible Individual who submitted the incomplete application fails to complete the application by the end of the Application Period or the deadline set forth in the notice required by Section II.C.2 above; or
4. In the event a completed application for assistance under the Financial Assistance Policy is received after the Notification Period but during the Application Period, AMS determines definitively that the Responsible Individual is ineligible for financial assistance.

D. Requirements for Contracts with Collection Agencies

Archbold will not sell or assign a Self-Pay Account to a collection agency or another third party for collection before the end of the Notification Period. If, however, Archbold sells or assigns a Self-Pay Account to a collection agency or another third party after the Notification Period but before the expiration of the Application Period, the written

agreement between Archbold and the third party must obligate the third party assignor to:

1. Refrain from engaging in Extraordinary Collection Actions until the Billing Deadline;
2. Suspend any Extraordinary Collection Action if the Responsible Individual submits an application for financial assistance under the Financial Assistance Policy during the Application Period;
3. If the Responsible Individual is determined to be FAP-Eligible, then to ensure that the Responsible Individual does not pay and is not billed more than AGB and to reverse any Extraordinary Collection Actions previously taken; and
4. Obtain similar provisions in a written agreement if the third party sells or assigns the debt to yet another party.

E. Miscellaneous Provisions

1. In the event Extraordinary Collection Actions are authorized under this policy, AMS or any third party collection agency shall be authorized to report unpaid Self-Pay Accounts to credit reporting agencies and credit bureaus, to file litigation, to obtain judgment liens and execute upon such liens in a manner consistent with applicable state laws.
2. Self-Pay Accounts of Responsible Individuals who are able but unwilling to pay will be referred to outside agencies for collection. Responsible Individuals who qualify for assistance under one of the Financial Assistance Programs and who fail to pay the balance of the accounts (after adjustment for the discounts provided by those financial assistance programs) when due will be referred to outside agencies for collection of uncollectible bad debts.
3. Free copies of this policy shall be made available to the public. Such free copies are available in each hospital facility's admissions or registration areas, on the Archbold Medical Center website (www.archbold.org), and may be requested by mail.

V. JOHN D. ARCHBOLD MEMORIAL HOSPITAL, INC. (INCLUDING OPERATIONS D/B/A BROOKS COUNTY HOSPITAL, GRADY GENERAL HOSPITAL, MITCHELL COUNTY HOSPITAL, GLENN MOR NURSING HOME, MITCHELL CONVALESCENT CENTER, PELHAM PARKWAY NURSING HOME)/ ARCHBOLD FOUNDATION, INC./ ARCHBOLD HEALTH SERVICES, INC./ ARCHBOLD MEDICAL ENTERPRISES, INC./ARCHBOLD MEDICAL GROUP, INC.

A. As applicable