

MEMORIAL COMMUNITY HEALTH, INC BILLING AND COLLECTION POLICY

PURPOSE:

To ensure appropriate billing and collection procedures are uniformly followed under our financial assistance policy and IRS section 501(r).

SCOPE:

This policy applies to all patient accounts of Memorial Community Health, Inc.

POLICY:

This policy applies to Memorial Community Health (MCHI) and its employed partners together with the MCHI Financial Assistance Policy (FAP), 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 there under. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by MCHI, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to treat all patients and Responsible Individual(s) equally with dignity and respect; to ensure appropriate billing and collection procedures are uniformly followed; and to ensure that reasonable efforts are made to determine whether the Responsible Individual(s) for payment of all or portion of a patient account is eligible for assistance under the FAP.

II. Definition:

Plain Language Summary means a written statement that notifies a Responsible Individual(s) that MCHI 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.

Application Period means the period which MCHI 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 MCHI provides the first post discharge billing statement.

Billing Deadline means the date after which MCHI or collection agency may initiate the Extraordinary Collection Action (ECA) against the Responsible Individual(s) 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(s) provided at least 30 days prior to such deadline, but no earlier than 120 days after first post discharge statement.

Completion Deadline means the date after which MCHI or collection agency may initiate or resume and ECA against a Responsible Individual(s) who has submitted an incomplete application if that individual(s) has not provided missing information and/or documentation necessary to complete the application or denied application. The Completion Deadline must be

specified in a written notice and must be no earlier than later of (1) Thirty (30) days after MCHI provides the Individual(s) with this notice; or (2) the last day of the application period.

Extraordinary Collection Action (ECA) means any action against the Responsible Individual(s) responsible for a bill related to obtaining payment of a Self-Pay Account that requires legal or judicial process or reporting adverse information about the Responsible Individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring a Self-Pay Account to another party for purposes of collection without use of any ECAs.

Financial Assistance Policy–Eligible Individual(s) means a Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the Responsible Individual(s) has applied for assistance.

Financial Assistance Policy (FAP) means MCHI Financial Assistance Program for Uninsured and Underinsured patient(s) Policy, which includes eligibility criteria, the basis for calculating charges, the method of apply for policy and the measure to publicize the policy, and sets forth the financial assistance program.

Patient Accounts means the operating unit of MCHI for billing and collection of Self-Pay Accounts.

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

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

III. Procedure:

- A. Subject to compliance with the provisions of this policy, MCHI may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. MCHI 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(s) is eligible for assistance under the FAP.
- C. All patients will be made aware of the FAP assistance program at the time of admission or registration at the facility, which is noted on our consent for treatment form.
- D. At least three separate statements for collections of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual(s); provided, however, that no additional statements need to be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP or has paid in-full. At least 120 days

shall have elapsed between the first and last of the required three mailings. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for reasonable effort will have been made. All Patient Account statements of Self-Pay Accounts will include but are not limited to:

1. An accurate summary of the services covered by the statement (including patient name, service date, type of service provided and physician)
2. The charges for such services
3. Any adjustments or payments received prior to statement generation
4. The amount required to be paid by the Responsible Individual(s) (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement); and
5. A conspicuous written notice on the statement that notifies and informs the Responsible Individual(s) about the availability of Financial Assistance under the FAP including the telephone number of the department and direct website address where copies of the documents may be obtained.

E. At least one of the statements mailed will include written notice that informs the Responsible Individuals(s) about the ECAs that are intended to be taken if the Responsible Individual(s) does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline. Such statement must be provided to the Responsible Individual(s) at least 30 days before the deadline specified in the statement. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for reasonable effort will have been made.

1. An ECA Notification will be mailed by Magnet Solutions individually after three separate statements have been issued (barring a bad address) 90 days after the first post discharge statement and 30 days prior to intended placement of bad debt. The ECA will not be included with a statement.
 - a. The ECA Notification is not an attempt to collect the balance, rather to list all “at risk” accounts, notify the patient of the availability of Financial Assistance as well as what ECA’s Memorial Community Health intends to initiate. For this reason, the offering to pay online or mail payment is not included, no a remit coupon.

F. Prior to initiation of ECAs, an oral attempt will be made to contact the Responsible Individual(s) by telephone at the last known telephone number, if any, at least once during the series of mailed statements if the account remains unpaid. During all conversation, the patient or Responsible Individual(s) will be informed about the financial assistance that may be available under the FAP.

G. ECAs may be commenced as follows:

1. Patient Accounts provides the Responsible Individual(s) a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary.
2. Patient Accounts will provide the Responsible Individual(s) with at least 30 days prior written notice of the ECAs that MCHI or collection agency may initiate against the Responsible Individual(s) if the FAP application is not completed or payment is not made; provided, however, that the Completion Deadline for payment not be set prior to 120 days after the first post discharge statement.
3. If the Responsible Individual(s) who has submitted the incomplete application completes the application for financial assistance, and Patient Accounts determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, MCHI will inform the Responsible Individual(s) in writing the denial and include a 30 days prior written notice of the ECA's that MCHI or collection agency may initiate against the Responsible Individual(s); provided, however, that the Billing Deadline may not be set prior to 120 days after the first post discharge statement.
4. If the Responsible Individual(s) who has submitted the incomplete application fails to complete the application by the Completion Deadline set in the notice provided pursuant to Section III above, the ECAs may be initiated.
5. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, MCHI will suspend ECA's while such financial assistance application is pending. This will include any current accounts and bad debt accounts going back 240 days from the date of the first statement on the account.

H. After the commencement of ECAs is permitted under Section III.G above, collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file judicial or legal action, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of Patient Accounts shall be required before initial lawsuits may be initiated. MCHI and external collection agencies may also take any and all legal actions including but not limited to telephone calls, emails, texts, mailing notices and skip tracing to obtain payment for medical services provided.

IV. Policy Availability

Contact the MCHI Patient Accounts office at (402) 694-8208 for information regarding eligibility of programs that may be available to you, to request a copy of the FAP, FAP application form, or Billing and Collection Policy to be mailed to you. Full disclosure of the FAP, FAP application form, or Billing and Collection Policy may be found at www.memorialcommunityhealth.org. A paper copy of our FAP, FAP application form or Billing and Collection Policy can be obtained at our facility located at 1423 7th Street, Aurora, NE within the Patient Accounts office.