

Policy Subject: Collection and Bad Debt Policy	
Harney District Hospital	Origination Date: 10/30/2017
Department: Revenue cycle	Review date: 05/01/2023

POLICY: Billing and Collections Policy

Purpose

To clarify Harney District Hospital’s (HDH) billing and collection practices for payment after insurance payments, or in lieu of insurance payments for self-pay patients

Policy

If a patient has no insurance, the patient is deemed “self-pay” and the patient is responsible for payment of the account within 30 days of the date of the first billing statement. If a patient has medical health insurance, the patient is responsible for the balance due after the insurance adjudicates the claim and identifies the patient responsibility. As with self-pay only patients, payment is expected, in full, within 30 days after insurance has paid and the first billing statement is sent to the patient.

If the patient does not pay or otherwise respond (for example, by notifying the hospital that he or she cannot pay the full amount due or that he or she wishes to apply for financial assistance) within 30 days after the first billing statement is sent, a second billing statement will be sent. Each billing statement sent to the patient will notify the patient about the potential availability of financial assistance and that she or he may obtain more information about financial assistance by calling HDH’s Patient Financial Services office at 541-573-8638 or by visiting <http://www.harneydh.com/services/patient-financial-services/> (henceforth, the “Notice”).

If the patient cannot pay the full amount due less any discounts allowed by the hospital, or at a minimum 5% of the balance per month, the patient will work with the Patient Financial Counselor to obtain financial assistance for lowering the monthly payment amount, and a potential reduction in the bill per the Financial Assistance Policy (FAP).

In the event that HDH determines the patient can make payments less than 5% of the balance per month a promissory note will be signed by the patient.

If a patient fails to respond to the first 3 billing statements or fails to uphold the agreed-upon payment for 2 consecutive months, the account(s) will be sent to the hospital’s pre-collection agency. The pre-collection agency will send three demand letters and make at least 2 phone calls over a 30-day period. Each demand letter will contain the Notice and the third demand letter will also contain a notice about possible future extraordinary collection actions (ECAs) in materially

the same form as the notice in Exhibit A and include, as an enclosure, a plain language summary of HDH's FAP. On the phone calls, the pre-collection agency will attempt to orally notify the party responsible for paying the amount due (the "responsible party") about HDH's FAP and about how the individual may obtain assistance with the process for applying for financial assistance from HDH's Patient Financial Services office.

If no payment or FAP application is received during the 30-day pre-collection process, the account will be referred to the hospital's collection agency. The collection agency will attempt to collect the debt by phone and mail and will also use skip tracing. No earlier than the 31st day following assignment of the account, the collection agency may also report adverse information to the three nationwide credit bureaus (Equifax, Experian, TransUnion) and/or initiate small claims litigation, placing a small lien on an individual's property, attaching or seizing an individual's bank account or any other personal property, or garnishing wages.

If, within 150 days of an account's being assigned to the collection agency, HDH notifies the collection agency that a responsible party on the account has applied for financial assistance for the account, the agreement between HDH and the collection agency will obligate the collection agency to do the following:

- Suspend any ECAs until such time that HDH reports that the responsible party has been determined to be ineligible for financial assistance or has failed to complete an incomplete FAP application after being given a reasonable period of time to do so;
- If HDH reports that it has determined the responsible party to be eligible for financial assistance, do the following:
 - Cancel the assignment of the account;
 - Cease all collections effort on the account;
 - Remit to HDH the amount that the collection agency had collected on the account to the extent it exceeds the amount the responsible party is personally responsible for paying after the FAP discount is applied; and
 - Reverse any ECAs taken to collect on the account (e.g., by removing any adverse information relating to the account from the responsible party's credit report, terminating all legal actions relating to the account, and/or vacating any judgment on the account).

HDH's Patient Financial Services office (PFS) will be responsible for notifying the collection agency if a responsible party on an account has applied for financial assistance and about the determinations made with respect to such applications and will generally be responsible for ensuring and determining that HDH (together with its pre-collection and collection agency) has made reasonable efforts to determine whether a party is eligible for financial assistance and that extraordinary collection actions may therefore be initiated against the party.

PFS will process all FAP applications as follows:

- If the responsible party's account has been referred to the collection agency, PFS will notify the collection agency that a FAP application for the account has been submitted.
- If a FAP application is incomplete, PFS will—
- Provide the responsible party with a written notice that describes the additional information and/or documentation required to complete the FAP application and informs the party that he or she may visit the PFS office or call PFS at 541-573-8638 for assistance with the FAP application process;
- Give the responsible party a reasonable period of time to supply the missing information or documentation; and
- If the account has been referred to the collection agency and the responsible party's does not provide the missing information and/or documentation within a reasonable period of time, notify the collection agency that an eligibility determination could not be made.
- If and when the FAP application is complete, PFS will make a determination as to whether the responsible party is eligible for financial assistance.
- If the responsible party's account has been referred to the collection agency, PFS will notify the collection agency as to an eligibility determination.
- PFS will also notify the responsible party in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination.
- If the responsible party is determined to be eligible for financial assistance, HDH will—
- Provide the responsible party with an updated billing statement that indicates the amount owed after applying the financial assistance and how that amount was determined and that states, or describes how the individual can get information regarding, the "amount generally billed" for the care.
- Refund to the responsible party any amounts he or she has paid to HDH or its collection agency for emergency or other medically necessary care provided by HDH that exceeds the amounts the responsible party is determined to have been personally responsible for paying after the financial assistance is applied.

Exhibit A

Final Reminder Notice

Dear @D02:

Your account is now significantly past due.

To avoid placement with our collection agency, you must pay your account within 10 days of the date shown above. Please note that we offer financial assistance to eligible patients. Please call our Patient Financial Services office at 541-573-8638 or visit <http://www.harneydh.com/services/patient-financial-services/> for more information about financial assistance. We have also attached a summary of the key terms of our financial assistance policy for your information

Failure to pay your outstanding balance or apply for financial assistance by the date shown above will result in your account being placed with a licensed collection agency. If your account is placed with the collection agency, the collection agency may report adverse information related to your account to the three nationwide credit bureaus after the 30th day following such placement.

Thank you for your desire to cooperate in resolving this matter.