



Patient Collection Policy

PURPOSE:

To establish procedures regarding collection of patient accounts including external collection agencies and potential legal actions balancing the need for financial stewardship with needs of individual patients who are unable to pay.

DEFINITIONS:

Application Process: A process by which a patient or their appropriate representative completes a paper or electronic form that provides Regional One Health with information on the patient's income, family size and assets. All applications will be evaluated on a case-by-case basis by appropriate Regional One Health representatives taking into consideration medical condition, employment status, and potential future earnings.

Bad Debt: Uncollected patient financial liabilities that have not been resolved at the end of the patient billing cycle and for which there is no documented inability to pay.

Balance: The outstanding patient financial responsibility that is due to Regional One Health as a result of receiving health services; amount includes deductibles, co-payments, co-insurance and non-covered services.

Financial Assistance or Financial Assistance Discounts: Discounts or elimination of amounts due for Eligible Health Care Services provided to eligible patients with documented and verified financial need.

Co-Payments: A fixed amount the health insurance plan requires an insured patient to pay when a medical service is received; separate copayment may be required for different services.

Co-insurance: An amount the insured patient is required to pay; payment is usually in the form of a stated percentage of medical expenses after a deductible amount is paid.

- Once any deductible amount and co-insurance is paid, the insurer is responsible for the rest of the reimbursement for covered benefits up to allowed charges; however, individuals could also be responsible for charges in excess of what the insurer determines to be its "usual, customary, and reasonable" reimbursement.

Deposits: A fixed amount (deposit) patients who are uninsured or their insurance is not verifiable at the time of services are required to pay for current and future services.

Deductible: Fixed dollar amount (usually within a calendar year) the insured patient is required to pay before the insurer will cover medical expenses/services; plans may have both individual and family deductibles.

Emergency Medical Treatment and Active Labor Act (EMTALA): U.S. Act of Congress that requires hospitals to provide care to anyone needing emergency healthcare treatment regardless of citizenship,

legal status or ability to pay; participating hospitals may only transfer or discharge patients needing emergency treatment under their own informed consent, after stabilization or when their condition requires transfer to a hospital better equipped to administer the treatment.

Extraordinary Collection Actions (ECA): Actions which require a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. Regional One Health will determine charity eligibility prior to taking any extraordinary collection action. Written notice must be provided at least 30 days in advance of initiating specific ECAs and meet informational requirements. As defined under IRS Codes Section 501 (r), such actions that require legal or judicial process include:

- Attachment or seizure of a bank account or other personal property
- Commencement of a civil action against an individual
- Wage garnishment

Financial Counselor: Regional One Health representatives responsible for assessing a patient's liability, identifying and assisting with public funding options (Medicare, Medicaid, etc.), determining if patient is eligible for financial assistance and establishing payment plans.

Payment Plan: A system by which payment for health services is made in installments over a fixed period of time.

Screening Process: A process to determine if a patient qualifies for financial assistance that does not involve completing a financial assistance application. The screening process may be in person or on the telephone and utilizes a third party vendor.

Uninsured Discount: A discount on charges for medical services for patients identified by Regional One Health as having no insurance coverage. The uninsured discount amount, is the lesser of the amount as determined by the Look-Back Method or the method defined by the Uninsured Patients law set forth in the Tennessee Code Section 68-11-262. The uninsured discount amount is available by visiting the Patient Financial Services department or by calling Patient Financial Services at 901-545-6644.

POLICY:

Regional One Health pursues collection from patients who have the ability to pay. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status or their ability to pay. All collection procedures will comply with applicable state and federal laws and regulations and Regional One Health policies. For those patients who are uninsured or unable to pay all or a portion of their bill, Regional One Health's Financial Assistance Policy will be followed.

Collection agencies and external legal counsel may be engaged after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payment arrangements, or have been unwilling to provide reasonable financial and other data to support any request for financial assistance. All collection agency staff will uphold the confidentiality of each patient. All agencies will meet all HIPAA requirements for handling personal health information and will follow Regional One Health policies regarding patient collection efforts.

Consistent with this Policy and Regional One Health's Financial Assistance Policy, Regional One Health should clearly communicate with patients regarding financial expectations as early in the appointment

and billing process as possible. All inpatients will be notified by Regional One Health of the Financial Assistance Policy prior to discharge.

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- All patients may be required to pay a pre-service Deposit or estimated Co-Payments/Co-Insurance and Deductibles prior to services (except in emergent situations) or amounts may be collected after services are provided, based on the current business practices.
- Patients are responsible for paying Balances not paid by their insurance companies.

If the patient has previous Bad Debt or outstanding Balances and does not qualify for Financial Assistance, Regional One Health may attempt to collect amounts owed before future appointments are granted. If arrangements cannot be made for resolving the patient's outstanding Balance, future care may be limited or denied. Pre-service Deposits may be required. This does not include emergency care or continuation of clinical care approved by the patient's physician. EMTALA requires Regional One Health to provide a medical screening examination and treatment for emergency medical conditions without regard to the patient's insurance status, ability to pay or eligibility under Regional One Health's Financial Assistance Policy. No financial information will be requested of patient's with emergency medical conditions until after the patient's emergency medical condition has been stabilized.

Regional One Health will employ reasonable efforts in a fair and consistent manner to collect patient Balances while maintaining confidentiality.

- Regional One Health has a process for patients to question or dispute bills, including a phone number patients may call and an address to which they may write. The phone number and address are listed on all patient bills and collection notices sent by Regional One Health.
- Collection procedures may be delineated based on Balance size, aging, past collection experience, and anticipated collectability. Credit scoring or other tools may be used to predict collectability.
- Standard collection tools may include:
 - o Letter requesting payment
 - o Phone calls requesting payment
 - o Letters indicating the account may be placed with a collection agency
 - o Request for payment of past due Balances at check in
 - o "Early-out" (pre-agency, outsourced efforts) collection programs performing the above tasks

Regional One Health strives to assist all patients in meeting their financial obligation prior to enlisting the assistance of a collection agency. Third-party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted including determining a patient's eligibility under the Financial Assistance Policy.

Regional One Health's Reasonable Efforts to Identify Patients Eligible for Financial Assistance

At least 30 days prior to pursuing Extraordinary Collection Actions, Regional One Health will notify individuals that Financial Assistance is available to eligible individuals by doing the following:

- Provide written notice to the individual indicating that Financial Assistance is available to eligible individuals, indicating that Regional One Health intends to initiate or have a third party initiate to obtain payment for the care, and provides a deadline after which Extraordinary

Collection Actions may be pursued and which is no later than 30 days after the date of this written notice.

- Provide the individual a plain language summary of the Financial Assistance Policy with this written notice; and
- Make reasonable efforts to orally notify individuals about the Regional One Health’s Financial Assistance Policy.

Extraordinary Collection Actions

The patient will be provided with at least one hundred twenty (120) days from the date of the first “post discharge” billing statement, before Extraordinary Collection Actions are taken by Regional One Health or an entity contracted by Regional One Health. Patients will have two hundred forty (240) days from the date of the first “post discharge” billing statement to complete the Application Process or Screening Process.

Identification of Reasonable Efforts Taken

Prior to engaging in Extraordinary Collection Actions, Regional One Health’s Revenue Cycle staff will identify whether reasonable efforts were made to determine whether an individual is eligible for Financial Assistance. The Vice President of Finance, Revenue Cycle will provide oversight for identification of reasonable efforts made.

Regional One Health will allow patients with Balances to request Payment Plan arrangements, which are interest free, in order to resolve patient Balances. Payment Plan guidelines are shown below:

Balances due	Acceptable Terms
<\$50	Not eligible for payment plan
<\$1,000	Payment in full within 12 months
\$1,000 - \$2,999	Payment in full within 24 months
>\$3,000	Payment in full within 36 months

The minimum monthly payment amount is \$50. Patients are required to pay at least this amount in order to qualify for a payment plan. Regional One Health representatives shall clearly document the payment arrangement and any additional details in respective billing system. Elective and/or cosmetic procedures, where pre-payment is required in full prior to services being rendered, are not eligible for payment plans. Patients with outstanding Bad Debt Balances do not qualify for a payment plan.

In the event a patient is unable to accept the standard payment terms, Patient Financial Services management may approve case by case exceptions according to department procedures.

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