



Policy/Procedure

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POLICY

It is the policy of Bon Secours Health System, Inc. (“BSHSI”) to provide information regarding the billing and collection practices for BSHSI acute hospital facilities. This policy, in conjunction with the Patient Financial Assistance Policy, is drafted with the intention of satisfying the requirements in Section 501(r) of the Internal Revenue Code of 1986, as amended, regarding financial assistance and emergency medical care policies, limitations on charges to persons eligible for financial assistance, and reasonable billing and collection efforts and should be interpreted accordingly.

SCOPE

This policy applies to all BSHSI acute care and free standing emergency room facilities. Any collection agency working on behalf of BSHSI will honor and support BSHSI’s collection practices as outlined below. Unless otherwise specified, this policy does not apply to physicians or other medical providers, including but not limited to emergency room physicians, anesthesiologists, radiologists, hospitalists, and pathologists.

RATIONALE

The rationale for this procedure is for BSHSI to bill guarantors and applicable third party payers accurately, timely, and consistently with applicable laws and regulations.

BSHSI and any contracted Collection Agency will ensure that services provided are in accordance with all applicable federal, state and local laws, regulations, and rules governing the Services, including the Fair Debt Collection Practices Act (FDCPA). In its agreements with BSHSI, each Collection Agency shall agree to treat all patients, employees and business partners in accordance with the Mission and values of Bon Secours Health System. Further, each Collection Agency shall warrant that it will use best industry practices in performing the Services.

DEFINITIONS

Amounts Generally Billed (AGB) – Amounts Generally Billed means the amounts generally charged to patients for emergency and medically necessary services who have insurance for such services. Charges for patients who are eligible for financial assistance shall be limited to no more than amounts generally billed (“AGB”) for such services. These charges are based on the average allowed amounts from Medicare and commercial payers for emergency and other medically necessary care. The allowed amounts include both the amount the insurer will pay and the amount, if any, the individual is personally responsible for paying. The AGB is calculated using the look back method per 26 CFR §1.501(r), which may be amended periodically. See APPENDIX A for further information regarding the AGB discount.

Bad Debt – An account balance owed by a guarantor which is written off as non-collectable.

Collection Agency - A “Collection Agency” is any entity engaged by a hospital to pursue or collect payment from guarantors.

Eligibility Period – The period of time a guarantor is awarded financial assistance.

Extraordinary Collection Action (ECA) - An ECA, according to IRS regulations, is any of the following:

- Selling an individual’s debt to another party
- Adverse reporting to credit reporting agencies or credit bureaus
- Deferring, denying or requiring payment before providing medically necessary care due to nonpayment for previously provided care
- Actions that require a legal process, including but not limited to:
 - Placing a lien on property
 - Foreclosing on real property
 - Attaching or seizing a bank account or other personal property
 - Commencing civil action against an individual
 - Causing an individual’s arrest
 - Causing an individual to be subject to a writ of body attachment
 - Garnishing an individual’s wages

Filing a claim in a bankruptcy proceeding is not an Extraordinary Collection Action.

Guarantor – The patient, caregiver, or entity responsible for payment of a health care bill.

Patient Financial Assistance Program - A program designed to reduce the guarantor balance owed. This program is provided to guarantors who are uninsured and underinsured and for whom payment in full or in part of the financial obligation would cause undue financial hardship.

Patient Responsibility for insured patients - “Patient Responsibility” is the amount that an insured patient is responsible to pay out-of-pocket after the patient’s third-party coverage has determined the amount of the patient’s benefits.

Patient Responsibility for uninsured patients - The amount a patient is responsible to pay after the local AGB has been applied.

Permitted ECA - Notwithstanding the broad set of activities categorized as ECAs, the only ECA BSHSI shall undertake is adverse reporting to credit reporting agencies or credit bureaus, as necessary.

Third-Party Payer - An organization other than the patient (first party) or health care provider (second party) involved in the financing of personal health services

Underinsured - An individual who has insurance but is billed total charges for non-covered services according to their benefit plan. Examples include but are not limited to: Medicare self-administered drugs, maximum benefits reached, maternity riders, etc.

Uninsured - Patients who do not have insurance.

PROCEDURE

Itemized Statement

Guarantors may request an itemized statement for their account at any time free of charge.

Disputes

Any guarantor may dispute an item or charge on their bill. Guarantors may initiate a dispute in writing or over the phone with a customer service representative. If a guarantor requests documentation regarding their bill, staff members will use reasonable efforts to provide the requested documentation to the guarantor within three business days.

Billing Cycle

BSHSI's billing cycle begins from the date of the first statement and ends 120 days after that date. During the billing cycle guarantors may receive calls, statements and letters. Calls may be placed to the guarantor throughout the billing cycle. Below is the schedule of statements and letters:

- A statement is sent to the guarantor when a balance is determined to be owed by the guarantor
- A follow-up letter is sent 30 days after the date on the statement informing the guarantor that their account is past due
- A second letter is sent 30 days after the first letter informing the guarantor their account is delinquent
- A third and final letter is sent 30 days after the second letter informing the guarantor that their account is seriously delinquent and the account may be turned over to a collection agency
- At day 120 of the billing cycle a guarantor's account is placed with a primary collection agency. The primary collection agency will notify the patient via a billing statement 30 days in advance of the specific ECA(s) they intend to initiate. The statement will also include the deadline after which such ECA(s) will be initiated and will include a plain-language summary of the financial assistance policy.

Each statement and letter used in our billing cycle contains information regarding payment methods, payment options, financial assistance website, and a contact number for customer service.

PROCEDURAL GUIDELINES

See Appendix B for the procedural guidelines.

APPENDIX A

AGB

Further information regarding the AGB discount is available at www.fa.bonsecours.com or by calling customer service at (Local) 804-342-1500 or (Toll Free) 1-877-342-1500. For customer service at Rappahannock General Hospital please call 804-435-8529.

APPENDIX B

PROCEDURAL GUIDELINES

These guidelines are provided to assist personnel in accomplishing the goals of this policy. While following these procedural guidelines, personnel are expected to exercise judgement within their scope of practice and/or job responsibilities.

Non-Guarantor Billing

1. Obtaining Coverage Information: BSHSI shall make reasonable efforts to obtain information from patients about whether private or public health insurance may fully or partially cover the services rendered by the hospital to the patient.
2. Billing Third Party Payers: Hospitals shall diligently pursue all amounts due from third-party payers, including but not limited to contracted and non-contracted payers, indemnity payers, liability and auto insurers, and government program payers that may be financially responsible for a patient's care. BSHSI will bill all applicable third-party payers based on information provided by or verified by the patient or their representative in a timely manner.

Guarantor Billing

A statement and letter series is used to inform the guarantor of an account balance. Each statement and letter contains information regarding payment methods, financial assistance, and a contact number for questions.

1. Billing Insured Patients: Hospitals shall promptly bill the guarantor the amount computed by the Explanation of Benefits (EOB) or as directed by the third-party payer.
2. Billing Uninsured Patients: Hospitals shall promptly bill the guarantor the amount owed. The amount owed by the guarantor is determined by using the hospital's calculation of Amounts Generally Billed (AGB). BSHSI's calculation below reflects the percentage of discount off total charges per geographical area.

AGB:

- Bon Secours Richmond: 75% reduction of Billed Charges for Inpatient and Outpatient Services.
- Bon Secours Hampton: 75% reduction of Billed Charges for Inpatient and Outpatient Services
- Bon Secours Rappahannock: 65% reduction of Billed Charges for Inpatient and Outpatient Services
- Bon Secours Kentucky: 75% reduction of Billed Charges for Inpatient and Outpatient Services
- Bon Secours South Carolina: 80% reduction of Billed Charges for Inpatient and Outpatient Services

Collection Practices

1. General Collection Practices: Subject to this policy, BSHSI may employ reasonable collection efforts to obtain payment from guarantors. General collection activities may include issuing guarantor statements/letters, phone calls, and referral of accounts to

extended business partners such as but not limited to, pre-collect, early out and bad debt vendors. BSHSI will not sell ownership of any patient's debt to third parties.

2. Extraordinary Collection Actions: BSHSI and its Collection Agency partners may perform an ECA in the form of credit bureau reporting. The reporting of a guarantor to the credit bureau for non-payment on an amount owed will not be performed until 60 days after the billing cycle has ended. The guarantor will be notified 30 days in advance of reporting to the credit bureau by the Collection Agency partner, will be informed of the ECAs to be taken in the event of nonpayment and will be provided a copy of the plain language summary of the Patient Financial Assistance Policy. Neither BSHSI nor its Collection Agency partner may engage in an ECA against guarantors before having made reasonable efforts to determine if they qualify for financial assistance.
3. No ECA's During the Financial Assistance Application Process: BSHSI and its Collection Agency Partner shall not pursue an ECA from a guarantor who has submitted an application for Financial Assistance. If it is determined the guarantor qualifies for full financial assistance and the guarantor has made a payment, BSHSI shall return any amount received greater than \$5.00 from the guarantor during the guarantor's eligibility period. If the guarantor is approved for partial financial assistance, BSHSI will refund any amount that exceeds the amount the guarantor is deemed to be personally responsible for paying. BSHSI will not refund the guarantor any amount less than \$5.00. If an applicant qualifies for partial financial assistance, ECA's will not resume for 30 days from the date the partial financial assistance was approved.
4. Payment Plans:
 - a. Eligible Patients: BSHSI and any Collection Agency acting on BSHSI's behalf shall offer guarantors an option to enter into a payment plan agreement. The payment plan agreement allows the guarantor to pay an owed amount over a specified duration of time.
 - b. Terms of Payment Plan:
 - All payment plans shall be interest-free
 - All monthly payments will be based on a mutually agreed upon amount between BSHSI and the guarantor
 - The balance on the account must be paid in full within the agreed upon time period
 - The payments are due by the 15th of each month
 - In New York: Monthly payments cannot exceed 10% of the patient's gross monthly income
 - c. Declaring Payment Plan Delinquent: A payment plan may be declared delinquent after the guarantor's failure to make all consecutive payments. If this occurs, the guarantor will receive a delinquent notice. The notice will be mailed to the last known address of the guarantor. After a payment plan is declared delinquent, BSHSI or the Collection Agency may commence collection activities in a manner consistent with this policy.
5. Collection Agencies: BSHSI may refer guarantor accounts to a Collection Agency, subject to the following conditions:

- A. The Collection Agency must have a written agreement with the BSHSI.
- B. BSHSI's written agreement with the Collection Agency must provide that the Collection Agency's performance of its functions shall adhere to BSHSI's mission, vision, core values, the terms of the Financial Assistance Policy, and this Billing and Collections Policy.
- C. The Collection Agency must agree to notify the guarantor 30 days prior to initiating any ECA's. This notice shall include a copy of the plain page summary of the financial assistance policy.
- D. BSHSI will maintain ownership of the debt (i.e. the debt is not "sold" to the Collection Agency)
- E. The Collection Agency must have processes in place to identify guarantors who may qualify for Financial Assistance. The Collection Agency must communicate the availability of the Financial Assistance Program and refer guarantors who are seeking Financial Assistance back to BSHSI's Customer Service Department at (Local) 804-342-1500, (Toll Free) 1-877-342-1500 or to www.fa.bonsecours.org . For Rappahannock General Hospital, guarantors should be directed to call 804-435-8529. The Collection Agency shall not seek any payment from a guarantor who has submitted an application for Financial Assistance.
- F. At least 120 days must have passed from when BSHSI sent the initial bill to the guarantor on the account.
- G. The guarantor is not negotiating a payment plan or on a payment plan.