



# Catholic Medical Center

## Billing and Collections - Policy and Procedure

Date Revised: August 2019

### POLICY

After our patients have received services, it is the policy of Catholic Medical Center and its employed providers, collectively “CMC”, to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act.

### PURPOSE

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, CMC will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires CMC to make reasonable efforts to determine a patient's eligibility for financial assistance under CMC's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

### DEFINITIONS

**Extraordinary Collection Actions (ECAs):** A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care *after 125 days* after the first post-discharge billing statement and all reasonable efforts have been made to determine whether the individual is eligible for financial assistance. ECA actions are further defined in Section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.

**Financial Assistance Policy (FAP):** A separate policy that describes CMC's financial assistance program including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.

**Reasonable Efforts:** A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under CMC's financial assistance policy. In general, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application process.

### PROCEDURES

#### I. Billing Procedures

## A. Insurance Billing

- For all insured patients, CMC will bill applicable third-party payers as based on information provided by or verified by the patient in a timely manner.
- If a claim is denied (or is not processed) by a payer due to factors outside of our organization's control, staff will follow up with the payer and patient as appropriate, to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, CMC may bill the patient or take other actions consistent with current regulations and industry standards.

## B. Patient Billing

All uninsured patients will be billed directly and timely and they will receive a statement as part of the normal billing process.

- For insured patients, after claims have been processed by third-party payers, CMC will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.
- All patients may request an itemized statement for their accounts at any time.
- If a patient disputes his or her account and requests documentation regarding the bill, staff members will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.
- CMC may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment. The Financial Assistance is available to all patients who qualify. Financial Assistance Policy application, instructions and information are available on the Catholic Medical Center website at [www.catholicmedicalcenter.org](http://www.catholicmedicalcenter.org) or by calling 603-663-8772 for additional information.
- Patient Financial Services supervisors and directors have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.
- CMC is not required to accept patient-initiated payment arrangements and may refer accounts to a collection agency as outlined below if the patient is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.
- All patients who resolve their balance(s) in full for services provided by CMC and/or a physician employed by CMC within 30 days of the date on the bill are eligible to receive a prompt pay discount by contacting Patient Financial Services. Patients must request the discount. A prompt pay discount cannot be combined with CMC's Financial Assistance program. Prompt pay discount programs are designed to reduce an organization's account receivables, reduce the costs of debt collection, to boost cash flow.

## II. Collections Practices

In compliance with relevant state and federal laws and, in accordance with the provisions outlined in this Billing and Collections Policy, and after reasonable efforts have been made to determine whether an individual is eligible for financial assistance, CMC may engage in the following collection activities to collect outstanding patient balances such as:

- General collection activities including follow-up telephone calls on statements/notices sent.
- Additional billing notices sent for outstanding balances (minimum of 3 notices and 3 telephone calls).
- Certified Mail notices to all patients with balances in excess of \$10K
- Patient balances may be referred to outside collection agencies and/or attorneys at the

discretion of CMC.

CMC will maintain ownership of any debt referred to debt collection agencies and patients accounts will be referred for collection only with the following caveats:

- There is a reasonable basis to believe the patient owes the debt.
- All third-party payers have been properly billed and the remaining debt is the financial responsibility of the patient. CMC shall not bill a patient for any amount that an insurance company is obligated to pay.

CMC will not refer accounts for collection:

- While a claim on the account is still pending payer payment.
- If the patient did have New Hampshire Medicaid coverage within 90 days of date of service, in which case the balance will be internally adjusted to financial assistance.
- If there is an unpaid balance after New Hampshire Medicaid payments in which case the patient balance will be internally adjusted to financial assistance.
- All deceased patient balances will not be pursued in any probate action and will be adjusted to financial assistance.
- CMC will not refer accounts for collection where the claim was denied due to an error made by CMC.
- CMC will not refer accounts for collection where the patient has submitted a completed financial assistance application this is being reviewed. If it is determined the patient does not meet the criteria for financial assistance approval, the account is routed back into the collection process.

### **Reasonable Efforts and Extraordinary Collection Actions (ECAs)**

The final regulations state that four (4) types of collection activities are ECAs and thus are subject to the requirements concerning reasonable efforts:

- Taking actions that require legal or judicial process (e.g., liens, foreclosures, garnishments, seizure of bank accounts or property, civil action, arrest or body attachment).
- Selling debt to third parties.
- Reporting adverse information to credit agencies or bureaus.
- Deferring or denying (or requiring a payment before providing) emergent or medically necessary care because of nonpayment for previously provided care that is covered by the FAP.

CMC does not generally engage in ECA actions as described in 501(r)(6).

However, before engaging in ECAs to obtain payment for care, CMC must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy:

1. ECAs may begin at 240 days since the first post-discharge statement was provided. The exception to this is returned mail with no forwarding address.
2. However, at least 30 days before initiating ECAs to obtain payment, CMC shall do the following:
  - a. Provide the individual with a written notice that indicates the availability of financial assistance, list potential ECAs that may be taken to obtain payment for care and gives a deadline after which ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice).
  - b. Patient has 240 days from date of discharge to request financial assistance. All ECA collection efforts will be held until a determination is made on the completed financial

- assistance application.
- c. Provide a plain-language summary of the Financial Assistance Policy along with the notice described if requested.
  - d. Attempt to notify the individual orally about the Financial Assistance Policy and how he or she may get assistance with the application process.

Only after making reasonable efforts to determine financial assistance eligibility as outlined above, CMC or its authorized business partners may proceed with ECAs to obtain payment for care.

CMC Patient Financial Services Department is responsible for determining whether all business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance.

### **III. Financial Assistance**

All billed patients will have the opportunity to contact CMC regarding financial assistance for their accounts, payment plan options and other applicable programs.

CMC's financial assistance policy is available free of charge and the patient may request a copy by:

1. Visiting in person at 195 McGregor St., Manchester, NH 03102.
2. Calling the financial counseling department at (603) 663 8772 or (603) 663 6780 or mailing a request to 195 McGregor St., Manchester NH 03102.
3. Online at [www.catholicmedicalcenter.org](http://www.catholicmedicalcenter.org)

Individuals with questions regarding CMC's financial assistance policy may contact the financial counseling office by phone at (603)663- 8772 or (603) 663-6780 or in person at 195 McGregor St. Manchester, NH 03102.

### **IV. Customer Service**

During the billing and collection process, CMC will provide quality customer service by implementing the following guidelines:

- CMC will enforce a zero tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees or its agents.
- CMC will maintain a streamlined process for patient questions and/or disputes. This information will remain listed on all patient bills and collection statements sent.
- After receiving a communication from a patient by phone or in writing, CMC staff will return phone calls to patients as promptly as possible but no more than 48 hours after the call was received.