

CAPROCK HEALTH SYSTEM	POLICY NAME:	PATIENT BILLING AND COLLECTIONS
	POLICY #:	17.2
	DEPARTMENT/SERVICE:	GOVERNING BODY
	LOCATION:	CAPROCK HOSPITAL
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	APPROVED BY:	GOVERNING BOARD

PURPOSE

This Policy establishes reasonable procedures regarding collection of patient accounts, including actions that may be taken by CapRock Hospital or contracted external collection agencies and law firms.

SCOPE & APPLICABILITY

This is an organization-wide policy.

DEFINITIONS

Bad debt: The cost of providing care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.

Financial assistance: The cost of providing free or discounted care to individuals who cannot afford to pay all, or a portion of their hospital medical bills based on the eligibility rules identified in this policy. CapRock Hospital may determine inability to pay before or after medically necessary services are provided.

Gross charges: The full established price for medical care provided to patients.

Medically necessary care: Health care services or products that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness, injury, disease or its symptoms in a manner that is:

- a. In accordance with generally accepted standards of medical practice;
- b. Clinically appropriate in terms of type, frequency, extent, site and duration; and
- c. Not primarily for the economic benefit of the health plans and purchasers or for the convenience of the patient, treating physician, or other healthcare provider.

Self-pay balance: The amount due to a provider or hospital after services are rendered and all other payment options or reimbursement methods are exhausted.

Extraordinary Collection Actions: Extraordinary Collection Actions (ECAs) – Include:

- a. selling an individual's debt to another party
- b. reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus
- c. deferring or denying, or requiring payment before providing, medically necessary care

because of nonpayment of previous bills

- d. actions that require a legal or judicial process, including but not limited to placing a lien on individuals' property or foreclosing on patient's real property. This does not include liens placed on proceeds of a judgment, settlement or compromise owed to an individual receiving health care services as a result of personal injury (e.g. car accident, etc.)

Note: Placing a patient's account with a collection agency is not an extraordinary collection action.

Debt Collection: means an action, conduct, or practice in collecting, or in soliciting for collection, consumer debts that are due or alleged to be due a creditor.

Health Care Provider: means an individual or facility licensed, certified, or otherwise Authorized to provide health care services or supplies in this state in the ordinary course of business or professional practice, including a physician or a hospital.

Health Care Service: means a service a health care provider provides to an individual to diagnose, prevent, treat, alleviate, cure, or heal a human health condition, illness, injury, or disease.

Itemized Bill: a written bill of charges for all healthcare services and supplies provided to the patient during the patient's visit to the provider.

POLICY

As part of its mission and commitment to the community, CapRock Health is committed to applying consistent and compliant patient billing and collection practices to all patients. CapRock Hospital strives for complete accuracy and transparency when billing for services provided to every patient.

Accuracy of Claims and Bills

CapRock Hospital will submit with the request for payment a written, itemized bill of charges for all health care services and supplies provided to the patient during the patient's visit to the provider.

CapRock Hospital will not submit to a patient or a payor a bill for a treatment that the hospital, facility, or professional knows was not provided or knows was improper, unreasonable, or medically or clinically unnecessary.

CapRock Hospital will cooperate with any licensing agency audits related to allegations of violations of this policy.

CapRock Hospital will not bill a patient who is an insured, participant, or enrollee in a managed care plan an amount greater than an applicable copayment, coinsurance, and deductible under the insured's, participant's, or enrollee's managed care plan.

Itemized Statement of Billed Services

CapRock Hospital will submit with the request for payment a written, itemized bill of charges for all healthcare service and supplies provided to the patient during the patient's visit.

CapRock Hospital provides itemized statements on the first billing cycle statement. Additional itemized statements will be provided at the patient/patient's responsible party at request.

The itemized statement will include the amount the CapRock Hospital will accept as full payment for each service or supply, a plain language description of the charge, and the billing codes and costs provided to third parties involved in reimbursement.

CapRock Hospital will not pursue debt collection against a patient for a provided health care service or supply until this itemized bill has been provided to the patient.

Collection Process

It is the policy of CapRock Hospital to pursue collection of patient balances from patients who have the ability to pay for services. CapRock Hospital will make reasonable efforts to identify patients who may be eligible for financial assistance. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and with CapRock Hospital's mission. For those patients unable to pay all or a portion of their bill, the Charity Care – Administration of Financial Assistance Policy will be followed.

Collection agencies and law firms may be enlisted after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts where patients are uncooperative in making payments, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for charity care. Collection agency and law firm staff will uphold the confidentiality and individual dignity of each patient. All agencies and law firms will comply with all applicable laws including HIPAA requirements for handling protected health information.

CapRock Hospital's Reasonable Efforts to Identify Patients Eligible for Financial Assistance

CapRock Hospital will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing ECAs to obtain payment for the care provided by the hospital by doing the following:

1. Provide written notice to the individual indicating that financial assistance is available to eligible individuals, indicating that CapRock Hospital intends to initiate or have a third party

initiate to obtain payment for the care, and provides a deadline after which ECAs may be pursued, and which is no later than 30 days after the date of this written notice.

2. Provide the individual a Plain Language Summary of the Charity Care – Administration of Financial Assistance Policy with this written notice; and

3. Make reasonable efforts to orally notify individuals about the CapRock Hospital’s financial assistance policy.

Notification Period

ECAs for hospital services will not commence for a period of 120 days after the date of the first post-discharge billing statement for the applicable medically necessary or emergency medical care.

Financial Assistance Application Period

The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement or 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate, whichever is later. CapRock Hospital publicizes the availability of financial assistance and makes reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process is set forth in the Charity Care – Administration of Financial Assistance Policy.

If a patient submits a complete hospital financial assistance application during the application period, CapRock Hospital will suspend ECAs and make an eligibility determination before resuming applicable ECA activity. A designated business office representative with authority to offer financial assistance will review individual cases and determine the financial assistance that may be offered.

Identification of Reasonable Efforts Taken

Prior to engaging in ECAs, CapRock Hospital’s Director of Business Services will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance.

Financial Expectations

Consistent with this Policy and the Financial Assistance/Charity Care Policy, CapRock Hospital will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible. CapRock Hospital staff will maintain the confidentiality and individual dignity of each patient.

- a. Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.

- b. Patients may be required to pay a pre-service deposit or estimated co-pays and deductibles prior to services (except in the Emergency Department and other emergent situations) or amounts may be collected after services are provided.
- c. Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable payers.
- d. If the patient has a previous bad debt or outstanding balance, CapRock Hospital may request amounts owed before future non-emergent services are granted. If arrangements cannot be made for resolving the patient's outstanding balance, future non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services.

Insurance Collections

CapRock Hospital will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known primary health plans or insurance payers ("Payer") clearly identified by the patient. If CapRock Hospital timely receives from the patient complete and accurate information about the Payer but does not timely submit a claim to the Payer and the Payer denies the claim based on that untimely filing, the patient will be responsible for only the amount that the patient would be liable to pay had the Payer paid the claim. However, if CapRock Hospital determines that either the hospital timely filed the claims or was provided inaccurate or incomplete information, then the patient will be held responsible.

CapRock Hospital shall not refer any bill to a third-party collection agency or attorney for collection activity while a claim for payment of the services is pending with a contracted payer. CapRock Hospital may refer a bill to a collection agency or attorney following an initial denial or untimely denial of the claim by a Payer.

CapRock Hospital will not refer any bill to a third-party collection agency or attorney for collection activity when a claim is denied by a third-party payer due to CapRock Hospital's error and such error results in the patient becoming liable for the debt when they would not otherwise be liable. CapRock Hospital reserves the right to substantiate that an error has been made and if CapRock Hospital determines that it has not made an error, then the patient may be held liable.

Patients must sign an authorization allowing CapRock Hospital to bill the patient's health plan, insurance company or any other third-party payer, and must cooperate with CapRock Hospital in a reasonable manner by providing requested information to facilitate proper billing to a patient's health plan or insurance company.

CapRock Hospital makes every reasonable attempt to collect from all known Payers, with whom CapRock Hospital has a contract and with non-contracted payers for services provided to assist patients in resolving their bills.

Self-Pay Balance Resolution

CapRock Hospital will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. Financial assistance may be offered to those patients whose income and assets will not allow full payment of services within a reasonable time.

Self-pay collection procedures and process flows are followed by CapRock Hospital and must fully comply with this Policy. CapRock Hospital has a process for patients to question or dispute bills, including the phone numbers patients may call and an address to which they may send written correspondence. The phone number and address shall be listed on all patient bills and collection notices sent by CapRock Hospital. CapRock Hospital will make reasonable attempts to return telephone calls made by patients to this number as promptly as possible but should contact the caller within 5 business days from the initial call.

CapRock Hospital will consider reasonable payment plans, such as dividing payments over time.

If a patient has additional services and additional self-pay balances are owed, CapRock Hospital may require increases to the patient's current payment plan, based on the patient's ability to pay.

Collection Agency

Third-party debt collection agencies may be enlisted only 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 payments, or have been unwilling to provide reasonable financial and other data to support their request for charity care.

Collection agency staff are required to meet all HIPAA requirements for handling protected health information.

When reviewing the account for referral to a collection agency, the Director of Business Services will confirm that:

- a. There is a reasonable basis to believe that the patient owes the debt.
- b. All known Payers have been properly billed such that any remaining debt is the financial responsibility of the patient.
- c. Where the patient has indicated an inability to pay the full amount of the debt in one payment, consideration of a reasonable payment plan is required provided that Caprock Hospital may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment.
- d. The patient has been given a reasonable opportunity to submit an application for Financial Assistance. Particular attention should be given when a patient is uninsured or is currently on Medical Assistance, or other relief based on need.

If a patient submits a complete application for Financial Assistance after an account has been referred for collection activity, CapRock Hospital will suspend ECAs until the patient's application has been processed and notified the patient of CapRock Hospital's determination.

CapRock Hospital and its third-party partners do not credit report patient medical debt.

Legal Action

CapRock Hospital may pursue legal action against patients who:

- a. keep insurance payments or settlement proceeds related to the medical services,
- b. who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make that determination.

Authorization to take legal action against a patient for the collection of medical debt will be provided on a case-by-case basis. Legal follow-up and commencing a lawsuit is appropriate and permitted subject to the following:

Legal action will not be filed against any patient to collect medical debt until CapRock Hospital determines that:

- a. There is a reasonable basis to believe that the patient owes the debt;
- b. all known third-party payers have been properly billed;
- c. where the patient has indicated an inability to pay the full amount of the debt in one payment, CapRock Hospital has offered the patient a reasonable payment plan;
- d. the patient has been given a reasonable opportunity to submit an application for Financial Assistance if the facts and circumstances suggest that the patient may be eligible for Financial Assistance including, that the patient is uninsured or is enrolled in Medical Assistance or eligible for other relief based on need.

Enforcement

It is the policy of CapRock Hospital that this Policy will be enforced for all collection staff, collection agencies and attorneys. Any abusive, harassing, or misleading language or conduct by its employees responsible for collecting medical debt from patients and from its debt collection agencies and attorneys and their respective agents and employees will be addressed through corrective action procedures.

Equal Opportunity

When making decisions throughout the collection process, CapRock Hospital is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

Confidentiality

CapRock Hospital staff will uphold the confidentiality and individual dignity of each patient. CapRock Hospital will meet all HIPAA requirements for handling personal health information.