



**Title: Billing and Collections Policy**

Responsible Department: Patient Financial Services	Date Created: 10/01/2004
Approver(s): Keith A. Page (President/CEO), Board of Trustees Designee (Administrative Director of Risk Management), Keith Page (President & CEO)	Date Approved: 12/15/2015

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**Policy Statement:**

To provide for the financial health of Anderson Hospital and the continued patient care service to the community; Anderson Hospital has a responsibility to bill and collect from patients according to their ability to pay copays, deductibles, coinsurance, and services not covered by any health insurance or public assistance program.

**Guidelines/Procedures:**

**A. Definitions:**

The **patient** liability related to a test/procedure that is the responsibility of the patient to pay. Uninsured patients are liable for all charges for a service after applicable discounts and financial assistance has been granted. For an insured patient, the liability may include deductible, co-pay or co-insurance, as well as any services deemed non-covered and due from the patient by the patient’s insurance company for any reason.

**B. Principles:**

All billing and collection policies and practices will reflect the mission and values of Anderson Hospital, including our special concern for patients who have no or limited financial resources. Anderson Hospital embraces its responsibility to serve the communities in which we participate by establishing sound business practices, as well as fair and consistent billing practices.

Anderson Hospital will:

1. Educate its employees and agents to perform their duties according to the processes and values of Anderson Hospital, including treating patients and their families with dignity, respect, cultural sensitivity and compassion.
2. Maintain comprehensive written billing and collection policies and procedures that are consistent with this policy.
3. Appoint contact persons with adequate knowledge and communication skills to answer questions from patients and staff about its policies and procedures.
4. Advise patients and their representatives regarding billing and collection policies in easily understood terms.
5. Provide patient care employees with education to appropriately direct patients with questions and requests to the appropriate person(s).
6. Make financial counseling available to all patients.

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7. Waive any prepayment requirement when the patient expresses a need for financial assistance until a determination can be made regarding a patient's qualification for financial assistance.
8. Provide timely notification of the availability of financial assistance.
9. Respond promptly to patients' questions and concerns about their bills.
10. Bill and collect patient liabilities fairly and consistently, and in accordance with State and Federal billing requirements.

### C. Discounts to the Uninsured

**Uninsured** patients are those patients who have no form of insurance (including Medicare, Medicaid or other public aid) or are not insured for any of the services provided.

All uninsured patients will be provided a standard 50% discount for medically necessary inpatient and outpatient services, including off-campus outpatient sites. The rate is no less and no greater than the discount rate Anderson Hospital has contracted with current managed care insurance companies.

This discount also does not apply to:

1. Package prices for cosmetic, dental, maternity, or other services with package prices.
2. Physician services billed by the hospital.
3. Patient deductibles, coinsurance, or copays.

**Uninsured and under insured** patients may also qualify for financial assistance under Anderson Hospital's Financial Assistance Policy.

### D. Non-covered Discounts

Procedures determined to be non-covered by a patient's insurance plan either prior to service or after service will be discounted at 50% off billed charges. This discount only applies to the patient's procedure and is not applicable to incidental non-covered charges such as lab or supplies.

### E. Prompt Pay Discounts

1. Prompt pay discounts are offered to all patients who are considered 100% self pay and fail to qualify for any federal, state or local assistance program.

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2. 10% prompt pay discounts will also be granted to self pay patients or patients with non-covered services in addition to any self pay or non-covered 50% discount if total patient liability is paid in full prior to or at the time of service.
3. Patients with package price services, such as cosmetic surgery, are not eligible for a prompt pay discount.
4. If a patient is granted prompt pay discount, and later insurance is discovered; Anderson Hospital will reverse the discount and file the insurance claim.
5. Patients enrolling in the medical bank loan program are not eligible for prompt pay discounts.

### F. Collection Practices

1. Payment Arrangements – Anderson Hospital expects all patient liabilities after insurance and discounts and financial assistance to be paid in full. In the event, the patient’s liability cannot be paid in full, the patient can set up a monthly payment arrangement not to exceed 12 months without leadership approval.
2. Medical Bank Loan Program – This program is designed to assist the patient to pay their account in full, by allowing payment arrangements beyond 12 months. Loans will be written an interest rate of prime + 5 with interest rates guaranteed for 4 years. The maximum length of loans is 10 years with a minimum loan of \$500.00. The minimum payment is \$25.00. Future account balances of \$250.00 or greater can be added to the loan. The only international loans made are with Canadian residents. If the patient defaults on the bank loan, the balance may be automatically placed with an outside collection agency.
3. Referral to Outside Collection Agencies – Anderson Hospital may refer patients with delinquent balances to reputable collection agencies consistent with all state and federal laws regarding consumer credit. The collection agencies are required to comply with all applicable state and federal laws, as well as Anderson Hospital mission, values, and policies.
4. Extraordinary Collection Activities (ECA) – Anderson Hospital may authorize its contracted collection agencies to engage ECAs as referenced in the Anderson Hospital Financial Assistance policy regarding 501r regulations such as:
  - a. Reporting outstanding balances to credit reporting agencies.
  - b. Garnishment of wages.

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- c. Liens on the proceeds of sale of real property, including patient’s primary resident.

The following collection practices are prohibited:

- a. Legal action for non-payment by patients who have clearly demonstrated they have neither sufficient income nor assets to meet their financial obligation.
- b. Actions or threats of action not permitted by law or Anderson Hospital policy.
- c. Body attachment or other forms of arrest.
- d. Harassment, such as excessive phone calls and/or excessive written demands for payment.
- e. Foreclosure on the principle residence of a patient or patient’s responsible party while it is owned or occupied by that person or the person’s spouse.
- f. Suit or other legal action against a patient while there is still a pending claim for insurance payment on that account (but can be taken if a claim is denied by the insurance company, if not prohibited by law or contract).

### **G. Insurance Timely Filing Denials and Billing Patients**

At times, third party claims are denied for timely filing due to incorrect information provided by the patient. If Anderson Hospital has made “reasonable efforts” and followed “standard industry practices” to obtain insurance information from the patient, Anderson Hospital will bill the patient as a self-pay patient, unless prohibited by contractual or governmental requirements.

“Reasonable efforts” include:

- a. Requesting a copy of the member insurance card at registration.
- b. Having patient or responsible part sign registration paperwork indicating that he/she acknowledges the patient has no insurance and the patient will be fully responsible for payment of his/her care.
- c. Billing the patient and providing opportunity to provide insurance.

### **H. Self-Assessment**

Anderson Hospital will review its billing and collection processes at least annually to ensure that processes are fairly and consistently applied in accordance with Anderson Hospital



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policies. Policies and procedures are reviewed and modified for legal and contractual compliance upon receipt of legal notifications and contract modifications, as well as a general review every three years at a minimum.