

## Benson Hospital

Policy Name: Billing and Collection Policy

Authority Issuing: Business Office  Policy  Procedure  Clinical Guideline

Policy/Procedure/Clinical Guideline No. F-10-2016 Initial Issuance: 2016

Authorized Signature:  Reviewer Initials: M. Howard East

### 1.0 Purpose

This policy applies to Benson Hospital and, together with the Financial Assistance Policy FAP), is intended to meet the requirements of all applicable federal, state, and local laws, including without limitation, section 501(r) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by Benson Hospital, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to treat all patients and responsible individuals equally, with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed and to ensure that reasonable efforts are made to determine whether the Individual(s) responsible for payment of all or a portion of a patient account is eligible for assistance under the FAP.

### 2.0 Definition

Plain Language Summary means a written statement that notifies an Individual(s) that Benson Hospital offers financial assistance under the FAP for inpatient and outpatient hospital services that are deemed medically necessary and contains the information required to be included in such statement under the FAP.

Application Period means the period during which Benson Hospital must accept and process an application for financial assistance under the FAP. The application period begins on the date of service and ends on the 240th day after Benson Hospital provides the first post discharge billing statement.

Billing Deadline means the date after which Benson Hospital or a collection agency may initiate an Extraordinary Collection Action(ECA) against a responsible individual(s) who has failed to submit an application for financial assistance under the FAP. The billing deadline must be specified in a written notice to the responsible individual(s) provided at least 30 days prior to such deadline, but no earlier than 120 days after the first post discharge statement.

Completion Deadline means the date after which Benson Hospital or a collection agency may initiate or resume an ECA against an Individual(s) who has submitted an incomplete FAP if that Individual(s) has not provided the missing information and/or documentation necessary to complete the application or denied application. The completion deadline must be specified in a written notice and must be no earlier than the latter of (1) 30 days after Benson Hospital provides the individual(s) with this notice; or (2) the last day of the application period.

Extraordinary Collection Action (ECA) means any action against an individual(s) responsible for a bill that requires a legal or judicial process or reporting adverse information about the responsible individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring of an account to another party for purposes of collection without the use of any ECAs.

FAP Eligible Individual(s) means a responsible individual(s) eligible for financial assistance under the FAP without regard to whether the Individual(s) has applied for assistance.

Financial Assistance Policy (FAP) means Benson Hospital's Financial Assistance Policy for uninsured or underinsured patients, which includes eligibility criteria, the basis for calculating charges and the method for applying the policy.

Responsible Individual(s) means the patient and any other individual(s) having financial responsibility for a patient's account. There may be more than one responsible individual.

### 3.0 Policy

- A. Subject to compliance with the provisions of this policy, Benson Hospital may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. Benson Hospital will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a responsible individual(s) is eligible for assistance under the FAP.
- C. All patients will be offered a Plain Language Summary and an application form for financial assistance under the FAP as part of the discharge or intake process from the hospital.
- D. At least three separate statements for collection of an account shall be mailed or E-Mailed to the last known address of each responsible individual(s); provided however, that no additional statements need be sent after a responsible individual(s) submits a complete application for financial assistance under the FAP or has paid in full. At least 60 days shall have elapsed between the first and last of the required three mailings. It is the responsible individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made. All patient account statements will include but are not limited to:
  1. An accurate summary of the hospital services covered by the statement;
  2. The charges for such services;
  3. The amount required to be paid by the responsible individual(s) and
  4. A conspicuous written notice that notifies and informs the responsible individual(s) about the availability of financial assistance under the hospital FAP including the telephone number of the department and direct website address where copies of documents may be obtained.
- E. At least one of the statements mailed or E-Mailed will include written notice that informs the responsible individual(s) about the ECAs that are intended to be taken if the responsible individual(s) does not apply for financial assistance under the FAP or pay the amount due by the billing deadline. Such statement must be provided to the responsible individual(s) at least 30 days before the deadline specified in the statement. A plain language summary will accompany the statement. It is the responsible individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.

- F. Prior to initiation of any ECAs, an attempt will be made to contact the responsible individual(s) by telephone at the last known telephone number, if any, at least once during the series of mailed or E-Mailed statements if the account remains unpaid. During all conversations, the patient or responsible individual(s) will be informed about the financial assistance that may be available under the FAP.
- G. ECAs may be commenced as follows:
1. If any responsible individual(s) fails to apply for financial assistance under the FAP by 120 days after the first post discharge statement, and the responsible parties have received a statement with a billing deadline described in Section III.E above, then Benson Hospital or a collection agency may initiate ECAs.
  2. If any responsible individual(s) submits an incomplete application for financial assistance under the FAP prior to the application deadline, then ECAs may not be initiated until after each of the following steps has been completed:
    - a. Benson Hospital provides the responsible individual(s) with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance.
    - b. Benson Hospital provides the responsible individual(s) with at least 30 day prior written notice of the ECAs that Benson Hospital or a collection agency may initiate against the responsible individual(s) if the FAP application is not completed or payment is not made; provided, however, that the completion deadline for payment may not be set prior to 120 days after the first post discharge statement.
    - c. If the responsible individual(s) who has submitted the incomplete application completes the application for financial assistance, and Benson Hospital determines definitively that the responsible individual(s) is ineligible for any financial assistance under the FAP, Benson Hospital will inform the responsible individual(s) in writing the denial and include a 30 days prior written notice of the ECAs that Benson Hospital or a collection agency may initiate against the responsible individual(s); provided, however, that the billing deadline may not be set prior to 120 days after the first post discharge statement.
    - d. If the responsible individual(s) who has submitted the incomplete application fails to complete the application by the completion deadline set in the notice provided pursuant to Section III.G.2.b above, then ECAs may be initiated.
    - e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a responsible individual(s) at any time prior to the application deadline, Benson Hospital will suspend ECAs while such financial assistance application is pending.
- H. After the commencement of ECAs is permitted under Section III.G above, collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file judicial or legal action, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of Benson Hospital shall be required before initial lawsuits may be initiated. Benson Hospital and external collection

agencies may also take any and all legal other actions including but not limited to telephone calls, E-Mails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.

#### 4.0 Payment Plans for Patients

A. Guidelines for payment plan amounts are outlined below:

Amount Owed	Months to Pay
\$75 - \$350	3
\$350.01 - \$1,000	6
\$1,000.01 - \$3,000	12
\$3,000.01 +	24
If a payment plan needs further modification, please contact Benson Hospital's Business Office.	

- B. Responsible individuals meeting an agreed upon monthly payment plan will not be assigned to a collection agency.
- C. Responsible individuals are responsible for communicating to the Business Office any time they default on an agreed-upon payment plan. Lack of communication from the responsible individual may result in further account collection action after appropriate patient notification.
- D. Payment plans extending beyond the recommended timeframe are accepted based on supporting documentation or adequate security with management approval.
- E. Payment plans extending beyond the recommended timeframe with no supporting documentation may be forwarded to the collection agency for extended payments. These may be interest-free with no legal action pursued as long as the payment plan is maintained.
- F. Payments of less than the agreed-upon amounts will be considered to be in default and may lead to further collection action.

#### 5.0 Policy Availability

Contact our Business Office at (520)720-6519 or E-Mail us at [FAP@bensohospital.org](mailto:FAP@bensohospital.org) for information regarding eligibility or the programs that may be available to you, to request a copy of the FAP, FAP application form, or Collection Policy to be mailed to you, or if you need a copy of the FAP, FAP application form, or Collection Policy translated to Spanish. Full disclosure of the FAP, FAP application form, or Collection Policy may be found at <http://www.bensohospital.org>. A paper copy of our FAP, FAP application form, or Collection Policy can be obtained at our facility located at 450 S. Ocotillo Ave., Benson, AZ 85602 at the Business Office, admissions and registration areas or emergency department.

Governance:

Medical Staff:

Executive Staff: *K. GORANSON 5/2016*

Department: *M. NOWELL 5/2016*