

Policy Number CS109	
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Authorized By: <i>Harry Park</i>	

## PATIENT FINANCIAL SERVICES POLICY

### **SUBJECT: BILLING AND COLLECTIONS**

#### **PURPOSE:**

It shall be the policy of WellSpan Health, together with its Financial Assistance Policy (FAP), its Plain Language Summary (PLS) and Billing and Collection policy, to meet the requirements of applicable federal, state, and local laws including, without limitations, 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 WellSpan Health, including collection actions and reporting to credit agencies. 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 ensure that reasonable efforts are made to determine whether the patient or Individual Responsible for payment of all or a portion of a patient account is eligible for assistance under the WellSpan Financial Assistance policy.

#### **POLICY:**

##### **1) Notification During Registration and Discharge**

- a) As part of the patient registration or patient discharge process all patients will offered a Financial Assistance Policy Plain Language Summary (PLS). Application forms will be available in both paper and electronic format for financial assistance under the FAP.

##### **2) Billing Third-Party Payers**

- a) It is the patient's responsibility to present at the time of admission, registration, pre-authorization or discharged any third-party-payer available to pay for services. WellSpan Health will attempt to bill all third-party payers for services provided. The patient is responsible for ensuring that WellSpan Health and all doctors performing services are within network. If WellSpan Health is out-of-network with the third-party payer, the patient will be responsible for out-of-network charges including coinsurance, co-payments, deductibles, and additional balances for being out-of-

network that will be balanced billed to the patient. WellSpan Health does not participate with the out-of-network reference based billing plans.

### **3) Statements**

- a. A minimum of three account statements will be mailed to the last known address of each Responsible Individual. Individual 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. The statement period will span 120 days beginning with the first post-discharge 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.

All self-pay statements will include:

- i. An accurate summary of the hospital services covered by the statement
  - ii. The charges for such services; detail itemizations for hospital charges will be provided upon request
  - iii. 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. The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement)
  - iv. The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement)
- b. At least one of the statements, normally the final statement, will include written notice that informs the Responsible Parties about the specific Extraordinary Collection Actions that may be taken if the Responsible Individual 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 at least 30 days before the deadline specified in the statement. A Plain Language Summary (PLS) will accompany this statement.

### **4) Oral Notification**

Prior to initiation of any ECAs, an oral attempt will be made to contact responsible individual(s) by telephone at the last known telephone number, if any, at least once during the series of mailed or emailed 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.

## **5) Processing Incomplete Financial Assistance Applications**

- a. If any Responsible Individual submits an incomplete application for financial assistance under the FAP prior to the Application Deadline (240 days beginning with first post-discharge statement), the following steps will be completed:
  - i. If applicable, Extraordinary Collection Actions (ECA) will be suspended. (see section 8. for additional details)
  - ii. Well Span PFS provides the Responsible Individual with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance. The notice will provide a deadline of 30 days when the information must be received by PFS. In addition, the written notice will contain information about the specific ECA that will be initiated or resumed if the application is not completed and the balance is not paid.
  - iii. Notice will include copy of the FAP Plain Language Summary.
  - iv. If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP:
    1. The Responsible Individual will be notified of the determination.
    2. WellSpan Health may resume ECAs or initiate ECAs as long as the 30-day prior written notice has been completed and the period of 120 days after the first post discharge statement has been met.
  - v. If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and PFS determines the Responsible Individual is eligible for financial assistance under the FAP:
    1. The appropriate financial assistance discount will be applied to the account balance.
    2. The Responsible Individual will be notified of the determination along with any amount that remains payable by the Responsible Party.
    3. All reasonably available measures will be taken to reverse ECAs on the approved account(s).
    4. A refund will be processed for any Patient/Responsible Party payments of \$5.00 or more when they exceed the Patient/Responsible party amount due.

## **6) Processing Complete Financial Assistance Applications**

- a. If any Responsible Individual submits a complete application for financial assistance under the FAP prior to the Application Deadline (240 days beginning with first post-discharge statement), the following steps will be completed:
  - i. If applicable, Extraordinary Collection Actions (ECAs) will be suspended. (see section 8. for additional details)
  - ii. If PFS determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP:
    1. The Responsible Individual will be notified of the determination.
    2. WellSpan Health may resume ECAs or initiate ECAs as long as the 30-day prior written notice has been completed and a period of 120 days after the first post discharge statement has been met.
  - iii. If PFS determines the Responsible Individual is eligible for financial assistance under the FAP:
    1. The appropriate financial assistance discount will be applied to the account balance.
    2. The Responsible Individual will be notified of the determination along with any amount that remains payable by the Responsible Party.
    3. All reasonably available measures will be taken to reverse ECAs on the approved account(s)
    4. A refund will be processed for any Patient/Responsible Party payments of \$5.00 or more when they exceed the Patient/Responsible party amount due.

## **7) Presumptive Charity**

- a. Patients who are unable to complete an application form may be eligible for Financial Assistance if other evidence is available which may indicate financial hardship. This information may be obtained from a patient interview, credit bureau, or other available records. Consideration may be given on an individual basis
- b. Other provisions under presumptive eligibility:
  - i. Deceased with no estate – based on the conclusion that the decedent has no assets, and therefore no ability to pay.
  - ii. Accounts uncollectible due to discharge of account by bankruptcy.
  - iii. Patients who are homeless at the time of registration or admission.
  - iv. If it has been determined that a patient has been approved for Medical Assistance, all accounts currently delinquent (30 days) with Hospital balances will be written off for Financial Assistance.

- v. Any account returned by the collection agency that has been determined to be uncollectible may be considered for Financial Assistance.
- vi. Qualified individuals under another organization's similar Financial Assistance application process.
- vii. Patients listed for collections will be scored through a credit bureau. This score will cause a "soft hit" on your credit file and will not affect your credit score. All accounts that score below 499 and have no payments applied to the account will be qualified for Financial Assistance. (pending at this time).
- viii. Responsible Individual's propensity to pay will be scored and based on that assessment of the Responsible Individual's likelihood to pay and dollar amount of the Self Pay account. (currently being done for self-pay balances under \$500 at time of first statement for York and Gettysburg Hospital services. Evaluating Presumptive Charity prior to the accounts being placed with collections for all entities.)

When it is determined that the Patient/Responsible Individual is not eligible for the highest level of assistance:

- i. Will notify patient about the basis for presumptive eligibility determination
- ii. Provide information on how can apply for more generous assistance under the FAP
- iii. Outline the period of time the Patient/Responsible Individual has to provide requested information before initiating ECA's

## **8) Initiating Extraordinary Collection Actions**

WellSpan Health 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 is eligible for assistance under the FAP as outlined in sections 1 through 7 of this policy.

- a. Reasonable efforts also include:
  - i. If a Responsible Person has applied for financial assistance under the FAP in the last six (6) months, and PFS determines definitively that the Responsible Individuals are ineligible for any financial assistance under the FAP (including because the patient was not insured), WellSpan Health may initiate ECAs.
- c. Subject to compliance with the provisions of this policy, WellSpan Health may take any and all legal actions, including Extraordinary Collection Actions (ECA), to obtain payment for medical services provided.
  - i. ECA's include the following:
    - 1. Authorization for external collection agencies to report unpaid accounts to credit agencies, and

2. To file litigation, garnishment, obtain judgement liens and execute upon such judgement liens using lawful means of collection; provided, however, that prior approval of PFS shall be required before initial lawsuits may be initiated.
- d. WellSpan and external collection agencies may also take any and all other legal actions including, but not limited to telephone calls, emails, texts, mailing notices and skip tracing to obtain payment for medical services provided.

## **9) POLICY AVAILABILITY:**

Contact the applicable Business Office listed below for information regarding eligibility or the programs that may be available to you, to request a copy of the Plain Language Summary, FAP, FAP application form, or Collection Policy to be mailed to you, or if you need a copy of the Plain Language Summary, FAP, FAP application form, or Collection Policy translated to Spanish. Full disclosure of the Plain Language Summary, FAP, FAP application form, or Collection Policy may be found at [www.wellspan.org](http://www.wellspan.org). A Paper Copy of our Plain Language Summary, FAP, FAP application form, or Collection Policy can be obtained at our facilities located.

1. York
2. Adams
3. Lebanon
4. Lancaster

## **DEFINITIONS:**

**Plain Language Summary (PLS)** means a written statement that notifies an individual that WellSpan offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the required information needed for an individual to apply for financial assistance.

**Application Period** means the period during which WellSpan Health must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the 240<sup>th</sup> day after WellSpan Health provides the first billing statement.

**Billing Deadline** means the date after which WellSpan Health may initiate an extraordinary collection action (ECA) against a Responsible Individual who failed to submit an application for financial assistance under the FAP. The Billing Deadline is specified in a written notice to the Responsible Individual and is provided at least 30 days prior to such a deadline, but no earlier than the last day of the 120 day post-discharge date.

**Completion Deadline** means the date after which WellSpan Health may initiate or resume an ECA against an individual who has submitted an incomplete FAP if that individual has not provided the missing information and/or documentation necessary to complete the application.

The Completion Deadline will be specified in a written notice and will be no earlier than the later of : 1) 30 days after WellSpan Health provides the individual with the notice; or 2) last day of the Application Period.

**Extraordinary Collection Action (ECA)** means any action against an individual responsible for a bill and requires legal or judicial process or reporting for adverse information about the Responsible Individual to consumer reporting agencies/credit bureaus.

**FAP-Eligible Individual** means a Responsible Individual eligible for financial assistance under the FAP without regard to whether the individual has applied for assistance.

**Financial Assistance Policy (FAP)** means WellSpan Health Financial Assistance Program which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth the financial assistance program and income guidelines.

**Notification Period** means the period during which WellSpan Health must notify an individual about its FAP in order to have made reasonable efforts to determine whether the individual is FAP-eligible. The Notification Period begins on the first date care is provided to the individual and ends on the 120<sup>th</sup> day after WellSpan Health provided the individual with the first billing statement for the care.

**Patient Financial Services (PFS)** means the operating unit of WellSpan Health responsible for billing and collecting self-pay accounts.

**Responsible Individual** means the patient and any other individual having financial responsibility for a self-pay account. There may be more than one Responsible Individual.

**Self-Pay Account** means that portion of a patient account that is the individual responsibility of the patient or other Responsible Individual, net of the application of payments made by any available healthcare insurance or other third party payor (including co-payments, co-insurances and deductibles, and net of any reduction or write off made with respect to such a patient account after application of the FAP Assistance Program, as applicable).