

<i>Policy Title</i>	Patient Billing and Collections Policy	<i>Policy No.</i>	BUS-0427
<i>Department</i>	Revenue Cycle/Patient Financial Services	<i>Effective Date</i>	11/14/2019
<i>To Review</i>	Sys VP Revenue Cycle	<i>Page Number</i>	1 of 6
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|--|--|---|
| <input checked="" type="checkbox"/> Cottage Grove Medical Center | <input checked="" type="checkbox"/> Peace Island Medical Center | <input checked="" type="checkbox"/> St. John Medical Center |
| <input checked="" type="checkbox"/> Ketchikan Medical Center | <input checked="" type="checkbox"/> Sacred Heart River Bend | <input checked="" type="checkbox"/> St. Joseph Medical Center |
| <input checked="" type="checkbox"/> Peace Harbor Medical Center | <input checked="" type="checkbox"/> Sacred Heart University District | <input checked="" type="checkbox"/> United General Medical Center |
| <input checked="" type="checkbox"/> PeaceHealth Medical Group | <input checked="" type="checkbox"/> Southwest Medical Center | |

SCOPE

This Policy applies to all PeaceHealth Divisions, including those checked above.

PURPOSE

The purpose of this Policy is to ensure compliance with federal and state mandated requirements regarding patient billing and collection practices.

POLICY

It is the Policy of PeaceHealth that debt will be collected in a timely manner to promote System financial health, enabling PeaceHealth to continue the healing mission of Jesus Christ. PeaceHealth is also committed to protecting patient rights, thus billing and collections activities are conducted in accordance with all requirements relating to protected health information (PHI) and HIPAA. This Policy adheres to PeaceHealth's Financial Assistance Policy to ensure compliance with all federal and state requirements.

1. Initial Billing Period

- 1.1. PeaceHealth does not engage in extraordinary collections activities (ECAs) or transfer accounts to outside collections agencies until reasonable efforts have been made to determine if Guarantors are eligible for financial assistance in accordance with applicable requirements under Internal Revenue Code 501(r).
- 1.2. PeaceHealth's "reasonable efforts" include but are not limited to the following:
 - 1.2.1. PeaceHealth informs patients of its Financial Assistance Policy upon registration and makes available a Plain Language Summary.
 - 1.2.1.1. The Plain Language Summary includes a brief explanation of financial assistance offered by PeaceHealth including eligibility requirements, where and how to get information, where to apply, contact information for additional assistance, available translations and other important notices regarding limitations on billing.
 - 1.2.2. Billing statements provide Guarantors with online and telephone contacts to assist with accessing financial assistance information and applications.
 - 1.2.3. If an incomplete application is received by PeaceHealth, a letter is sent to the person applying explaining what is required to complete the application.

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1.2.3.1. If the person applying does not return the application or requested information to PeaceHealth within 30 days from the date of the letter requesting additional information, PeaceHealth may initiate collection efforts. Additional time to respond may be provided if the patient's medical condition warrants a delay.

1.2.4. If a complete application is received, all collection actions are suspended until an eligibility determination has been made.

1.2.5. PeaceHealth makes multiple attempts to obtain payment prior to sending an account to an outside collection agency.

2. Collections Assignment

2.1. 121 days after the first post discharge billing statement date, PeaceHealth may transfer uncollected accounts to a third party collections vendor.

2.1.1. Data transferred to outside entities is encrypted in accordance with requirements related to protected health information (PHI) and HIPAA.

2.2. Guarantors are provided with a 30 day notice of intent to engage in Extraordinary Collection Activities including:

2.2.1. Reporting adverse information to consumer credit reporting agencies

2.2.2. Actions that require legal or judicial process (liens, attachment, garnishment, etc.)

2.3. Additional collection actions that may be taken due to non-payment include:

2.3.1. Telephone calls

2.3.2. Skip tracing

2.3.3. Collection letters

2.4. PeaceHealth does not sell debt, vendors are contracted to assist with the collection of PeaceHealth accounts.

2.5. PeaceHealth hospitals and all providers who have agreed to comply with the Financial Assistance Policy do not defer, deny, or require payment before providing medically necessary care because of nonpayment of previously provided care under the Financial Assistance Policy.

2.5.1. A list of physicians or other healthcare providers who have agreed to comply with this Financial Assistance policy can be found by visiting peacehealth.org or by calling Customer Service and requesting a copy.

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3. Collections Agency Process

- 3.1. Collection agencies contracted with PeaceHealth are required to provide Guarantors with a plain language summary of their rights in accordance with:
 - 3.1.1. Rosenthal Fair Debt Collection Practices Act
 - 3.1.2. Federal Fair Debt Collection Practices Act
- 3.2. Financial Assistance applications are accepted and reviewed in accordance with federal and state regulations after an account has been sent to collections.
- 3.3. Collection agencies contracted with PeaceHealth are required to sign an agreement indicating adherence to this policy and the Financial Assistance Policy.
- 3.4. External collections activities are conducted in accordance with all requirements relating to protected health information (PHI) and HIPAA.
- 3.5. Collection Agencies are required to comply with applicable federal and state regulations including but not limited to:
 - 3.5.1. Fair Debt Collection Act
 - 3.5.2. Fair Credit Reporting Act
 - 3.5.3. Medicare Rules and Regulations
 - 3.5.4. IRS Section 501(r) Requirements

4. Collection Recalls

- 4.1. If a Financial Assistance application is submitted after an account is in collections PeaceHealth requires that all extraordinary collections activities (ECAs) cease while the application is being reviewed.
- 4.2. PeaceHealth may also recall accounts under circumstances including but not limited to:
 - 4.2.1. Financial Assistance application approved
 - 4.2.2. Payment received on prior accounts
 - 4.2.3. Risk Management or dispute issues
 - 4.2.4. Registration or contractual requirements not met
 - 4.2.5. Statute of limitations reached
- 4.3. At its discretion, PeaceHealth may continue working with accounts recalled from collection agencies.

5. Collection Returns for Debt Write-Off

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5.1. It is the Policy of PeaceHealth that in compliance with Federal Laws and Regulations, Medicare co-insurance and deductibles are collected from Medicare recipients in a manner consistent with the collection of deductibles and co-insurance from all other payers. Medicare co-insurance and deductibles are not written off for Patient convenience or to encourage Medicare admissions to PeaceHealth Medical Centers. However, co-insurance and deductibles are evaluated for adjustment under the applicable financial assistance policy and process, in compliance with Federal 501r Regulations

6. Uninsured Discount

6.1. General Rules

- 6.1.1. PeaceHealth does not use discounts to induce referrals for items or services reimbursable by any federal health care program.
- 6.1.2. Uninsured Discounts are available to patients without insurance, or where their insurance does not cover their services.
- 6.1.3. Only medically necessary care is eligible to receive an Uninsured Discount.
- 6.1.4. Uninsured Discounts apply to eligible Patients for medically necessary care received on or after 01/01/2017.
- 6.1.5. Uninsured Discounts are not reversed when a patient qualifies for charity for dates of service on or after 07/01/2018.

6.2. Uninsured Discount Amount

6.2.1. Qualified Patients receive a discount according to location they received care:

Service Location/Type	Uninsured Discount Percentage
Hospitals	35%
Clinics- PHMG & Provider-Based/Professional Services	25%

DEFINITIONS

Extraordinary Collection Actions (ECA) include the following: (i) actions requiring a legal or judicial process, including but not limited to placing a lien on property, attaching bank accounts, filing civil action under contract law, or garnishing wages; and (ii) reporting to a credit agency/bureau. PeaceHealth or its contracted collection agencies may take the listed actions for unpaid accounts subject to any court-required approvals.

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Guarantor: A person age 18 or over, regardless of marital status, who has legal financial responsibility for services provided.

Household: The following people living in the same home:

1. Guarantor
2. Guarantor's spouse
3. Other persons related by birth, marriage or adoption residing in the home
4. A household does not include any of the following people:
 - 4.1. Roommates
 - 4.2. Guarantor's unmarried spouse unless they have a child together and the child is the patient.

Medically Necessary Care: Care that, in accordance with clinically accepted parameters, is reasonably calculated to:

- Prevent the onset or worsening of an illness, condition, or disability;
- Establish a diagnosis;
- Provide palliative, curative, or restorative treatment for physical, behavioral, and/or mental health conditions; and/or
- Assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.

Each service is performed in accordance with national standards of medical practice generally accepted at the time the services are rendered, and must be sufficient in amount, duration, and scope to reasonably achieve its purpose. Course of treatment may include observation only, or when appropriate, no treatment at all.

PeaceHealth Division (PHD): A Medical Center, clinic, operating unit, or operating division of PeaceHealth that maintains day-to-day management oversight of a designated portion of PeaceHealth System operations. PHDs may be based on a geographic market or dedication to a service line or business.

HELP

Further guidance concerning this Policy may be obtained from Patient Financial Services.

RELATED MATERIAL

Policy Documents

- Financial Assistance Policy (BUS-1079)
- Emergency Medical Treatment and Labor Act Compliance Policy
- Emergency Medical Treatment and Labor Act Compliance Procedure
- Plain Language Summary
- Financial Assistance Application

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APPROVALS

Initial Approval:

PeaceHealth Board of Directors, 05/26/16

Subsequent Review/Revision(s):

- System Policy Committee approved 06/28/16
- Sys VP Revenue Cycle approved review 06/28/19
- EVP CFO approved edits 11/14/2019