METHODIST HEALTH SYSTEM

POLICIES AND PROCEDURES

TITLE:	BILLING and COLLECTION
ORIGINATION DATE:	04/04
REVIEWED DATE:	06/05, 05/10, 12/10, 03/11, 11/11, 03/12, 10/13, 02/14, 08/15, 09/17, 06/18, 09/18, 11/18, 07/23, 03/24
REVISED DATE:	11/19, 03/24
PURPOSE:	TO DEFINE THE BILLING AND COLLECTION PROCESS FOR SELFPAY ACCOUNTS

I. POLICY:

This Patient Billing and Collection Policy is consistent with MHS's mission and in compliance with the federal Patient Protection and Affordable Care Act (PPACA) and implementing regulations. No extraordinary collection actions (ECA's) will be taken against an individual before reasonable efforts have been made to determine whether the individual is eligible for assistance under the MHS financial assistance policy (FAP). Patients who have received emergency or medically necessary care will be provided the opportunity to apply for financial assistance in conformance with PPACA and its implementing regulations. The policy of MHS is that it will not discriminate on the basis of race, gender, class, native language, ethnic origin, physical ability, age, religion, sexual orientation, professional experience, personal preferences and work style in providing its services.

This policy and the related Financial Assistance Policy will be the basis for MHS's procedures regarding collection of patient accounts. The purpose of the policy is to describe MHS's process for resolving patients' payment obligations and assisting individual patients in paying their accounts.

In order for MHS to responsibly manage its financial resources and provide an appropriate level of assistance to applicants with financial need, patients are expected to contribute to the cost of their care based on the requirements of their insurance, or in the case of the uninsured and underinsured, based on their individual ability to pay after reasonable efforts have been made to determine whether the individual is eligible for financial assistance under the FAP.

II. DEFINITIONS:

Application Period: The application period is the later of 240 days after the date of the first post-discharge statement or not less than 30 days after the date MHS provides the patient the requisite final notice to commence extraordinary collection actions as described herein.

Bad Debt: Any patient self-pay account that is not in conformance with an agreed upon payment plan or goes unpaid once MHS has made reasonable efforts to determine whether the individual is eligible for financial assistance under the FAP.

Discounted Care: Financial assistance that provides a percentage discount, based on a sliding scale, for eligible patients, or patient guarantors, determined as set forth in the FAP.

Extraordinary Collection Action or ECA: An action taken by MHS to collect a Bad Debt that involves a legal or judicial process, including legal suits, liens, foreclosures, attaching or seizing bank accounts or personal property, garnishment of wages, arrests or bodily attachments, and debt sales to third parties.

Financial Assistance: Assistance provided to eligible patients, who would otherwise experience financial hardship, to relieve them of all or part of their financial obligation for medically necessary care provided by MHS. Financial assistance may be in the form of Discounted Care, Free Care, Medical Hardship or an Uninsured Discount.

Free Care: A 100% waiver of patient financial obligation resulting from medical services provided by MHS for eligible patients, or their guarantors, determined as set forth in the FAP.

Guarantor: An individual other than the patient who is responsible for payment of the patient's bill.

Medical Hardship: Financial assistance for eligible patients or guarantors with annualized family incomes in excess of 400% of the federal poverty level when circumstances indicate severe financial hardship determined as set forth in the FAP.

Payment Plan: An extended payment plan that is agreed to by both MHS and a patient, or patient's guarantor, for any out-of-pocket fees. The payment plan shall take into account the patient's financial circumstances, the amount owed, and any prior payments.

Uninsured Discount: The discount given to uninsured patients who do not meet the eligibility criteria to receive Free Care or Discounted Care or who do not qualify for Medical Hardship.

Self-Pay Accounts: Accounts receivable that patients, or the patients' guarantors, are obligated to pay directly to MHS. These may include balances due after insurance claims have been paid, amounts due from uninsured patients, or balances due after adjustments have been made in accordance to the FAP.

III. ACCOUNT RESOLUTION:

Methodist Health System is committed to provide financial assistance for medically necessary services to eligible individuals as provided in the FAP. Payment will be pursued from patients identified as having the ability to pay for services provided by MHS. Collection procedures outlined in this policy will be applied consistently to all patients regardless of insurance status and will comply with applicable laws and with the mission of MHS.

Methodist Health System will communicate clearly with patients, or their guarantors, regarding financial assistance programs and payment expectations. This will be done as early in the scheduling, appointment, or billing process, as is feasible.

It is the policy of MHS to prohibit requiring payment for emergency medical conditions prior to the patient having received services or permitting collection activities that could interfere with provision of emergency medical care.

All financial information obtained from patients, or their guarantors, will be confidential.

Patient Financial Responsibility: Reasonable efforts will be made by MHS to validate patient payment obligations and to identify third-party payers to assist patients in resolving their bills. Reasonable efforts to collect

from all known third-party payers for services provided by MHS will be taken in order to assist patients in resolving their bills. Timely and proper filing of third-party payer claim adjudication procedures will be followed to ensure that claims are paid appropriately. When necessary, MHS will work with patients to assist them in resolving insurance claim payment issues. Patients, or their guarantors, will also be informed of the FAP as further described in this policy and the FAP.

Resolving Patient Balances: After determining the patient's self-pay financial responsibility, MHS will inform the patient, or the patient's guarantor, of the various options for resolving the balance due. This will be done by including a written notice notifying the patient of the FAP, providing a phone number to call for more information on the FAP or for assistance filling out the FAP, and the website at which copies of all FAP-related documents may be found on a patient's monthly statement. Information on options that best meet patient needs in terms of resolving the self pay balances is also made available on the MHS website, at admitting and registration locations, and in the admission packet.

Financial Assistance: Information on financial assistance will be available to patients and the community served by MHS. To obtain a copy of this policy, the FAP, a plain language summary of the FAP, and a financial assistance application free of charge, see the appropriate contact information in section VII. Public Access to Policy.

MHS will also offer a copy of the plain language summary to patients upon admission or discharge from an MHS hospital facility. Information on financial assistance will also be included on monthly statements as described above. Information on the FAP and instructions on how to contact MHS for assistance and further information will be posted in hospital and clinic registration and admitting locations, as well as in the hospital emergency department.

Payment Plan: Payment in full is expected, for balances due, within 30 days of the initial invoice. Patients, or their guarantors, will also be provided with information on payment plans. For patients unable to pay the balance due within thirty days, payment plans may be extended for up to 18 months with no interest charged on the outstanding balance. Arrangements for such payment plans must be made with MHS Customer Service.

If an MHS patient with an existing payment plan subsequently receives services at a MHS facility and incurs additional self pay balances, the patient's, or patient guarantor's current payment plan may be revised to account for the additional charges.

Bank Note Program: Methodist Health System will assist patients in identifying bank loan programs that charge a reasonable interest rate for those individuals that are unable to pay their self-pay balances according to payment terms described above. Such programs will not be deemed a referral or sale of the patient's account to the bank. Any MHS patient that pursues a bank loan to assist in resolving self-pay balances will do so voluntarily and directly with the bank.

Disputing Bills: Methodist Health System will inform patients of the process by which they may question or dispute bills. The name of the office and a toll-free phone number to which a dispute should be directed shall be listed on all monthly invoices and collection notices sent by MHS. Customer Service will respond to queries made by patients within three (3) business days after receiving the dispute. Should the dispute require further investigation, all collection actions will cease until a final decision has been rendered on the disputed bill.

A system to record all patient billing disputes will be maintained including a log of complaints received by Customer Service and any MHS third-party collection agencies. Records will be maintained for a minimum of two years.

IV. COLLECTION ACTIONS TAKEN IN EVENT OF NONPAYMENT:

ECAs: ECAs will not be initiated without first making reasonable efforts to determine whether that patient is eligible for financial assistance. No account will be subject to ECAs within the later of (i) 120 days of issuing the first post-discharge bill or (ii) the deadline set forth in a written notice to the patient or guarantor that notifies the patient of the availability of financial assistance; includes a plain language summary of the FAP; identifies the specific ECA(s) MHS intends to initiate against the patient; and states the deadline after which ECAs may be initiated that is no earlier than 30 days after the date the notice is provided to the patient. This timeframe may be shortened if a determination has been made on a completed financial assistance application. MHS will also make reasonable attempts to orally notify the patient or guarantor of the availability of financial assistance at least 30 days prior to taking any ECA against the patient.

The MHS Business Office will be responsible to determine that MHS has in fact made "reasonable efforts" to determine if the patient or guarantor is eligible for financial assistance, which shall be documented in the file. No collection actions will be pursued against a patient if the patient, or guarantor, has provided documentation showing that he or she has applied for coverage under Medicaid, or other publicly sponsored health programs, that may pay the outstanding claim and for which an eligibility determination is still pending.

If a patient, or guarantor, applies for financial assistance within the Application Period, collection actions, including ECAs, will cease while the application is under consideration. MHS will provide the patient with a written notice either (i) setting forth the financial assistance for which the patient is eligible or (ii) denying the application pursuant to the FAP. The notice must include the basis for the determination.

If the applicant is approved for full free care, no further actions will be taken to collect on the account. If the applicant is denied financial assistance or is approved for discounted care, medical hardship or an uninsured discount, appropriate steps must be taken by the patient, or guarantor, to resolve the outstanding self-pay balance or additional collection actions will be pursued; provided, however, that for those patients who do not qualify for full free care, ECAs activities must start over.

Applicants approved for financial assistance will be refunded payments in excess of the amount determined owed by the patient, or patient's guarantor, on accounts for which they have been granted assistance under the FAP, including amounts paid under any payment plan. Refunds apply to payments in excess of $5 or more.

The MHS policy does not allow harassing, abusive, oppressive, false, deceptive or misleading language or collections conduct by its debt collection attorneys and agencies, and their agents and employees, and MHS employees responsible for collecting medical debt from patients. The following collection actions may be pursued by MHS:

Collection Agencies: Collection agencies may be used to aid in pursuing patient for self pay balances. Referring self-pay balances to a collection agency is not an ECA, but accounts will not be placed with a collection agency within the first 120 days after issuing the initial post-discharge invoice, unless patient, or guarantor, is not complying with an agreed upon payment plan.

Prior to being sent to a collection agency, the patient, or guarantor, will typically be mailed a minimum of four (4) written monthly statements which will include conspicuous notice on the availability of financial assistance as described above. Those agreeing to payment plans will be mailed a minimum of two (2) monthly statements. If mail is returned as undeliverable, MHS will attempt to contact the patient, or guarantor, via telephone numbers listed by the patient, or guarantor. If all efforts to communicate with the patient, or guarantor, are unsuccessful, and a correct address for undeliverable mail is not found, accounts will be sent to a collection agency.

All collection agencies working on behalf of MHS will have in place a written contract that will specify that their collection processes must conform to the policies of MHS and comply with applicable state and federal laws, including requirements related to the suspension of ECAs, reversal of ECAs, and matters related to payment limitations and refunds of amounts paid in excess of what is owed after FAP eligibility has been determined. A copy of the approved MHS Billing and Collection and Financial Assistance Policies shall be given to all collection agencies working with MHS self-pay accounts to assure compliance with the policy. A signed acknowledgement of receipt of these policies and agreement to make a good faith effort to comply with the policies will be kept on file by MHS. Collection agencies shall receive authorization from the MHS Business Office prior to taking any ECA against a patient or guarantor so as to confirm that reasonable efforts have been made to determine whether the patient is eligible for financial assistance.

Legal Actions: Legal actions are an ECA. Accordingly, legal actions will not take place until reasonable efforts have been made to determine whether the patient is eligible for financial assistance under the FAP. Patients, or patient guarantors, will be sent a written notice containing the information set forth above at least thirty days in advance of initiating any legal actions for unresolved bills. In certain cases, legal action may be utilized by collection agencies to collect patient self-pay balances. A collection agency may initiate legal action for non-payment of a MHS bill against a patient, or guarantor, after following the process outlined above.

Methodist Health System will be consulted prior to pursuing legal actions. All accounts are reviewed on a case-by-case basis by the MHS Business Office and will take into consideration the patient or guarantor's situation. The MHS Business Office will review all relevant collection activity to ensure that all attempts at voluntary collection have taken place, and the account meets the requirements for litigation.

Legal action may include pursuing a legal judgement. If legal judgment is obtained, the following actions may be utilized: bank garnishments, wage garnishments, property liens, and liens on insurance settlements associated with the medical treatment provided by MHS for which there is an outstanding balance; provided, however, that such actions must have been set forth in the final written notice provided by MHS described above.

Deferring Care in Methodist Physicians Clinics: Methodist Physicians Clinic may require payment or defer non-emergency care, due to non-payment of bills for previously provided care. This action will be taken with patients who have multiple clinic bills that have not been resolved. If non-emergent, medically necessary care is deferred, the patient will be provided a financial assistance application and a written notice indicating that financial assistance is available and also describes the Application Period. Applications received within this timeframe will be processed on an expedited basis. The following collection actions will not be routinely pursued by MHS or its collection agencies, unless required to do so, as described below:

Credit Reporting: Neither MHS or its collection agencies will report patient accounts to consumer credit reporting agencies as a result of a patient's, or guarantor's, failure to pay an account, unless a legal judgment has been obtained and it is reported as such; provided, however, that such potential action must have been set forth in the final written notice provided by MHS as described above.

Liens on Primary Residence: Neither MHS, its collection agencies, or attorneys will place liens on the primary residence of patients, or their guarantors, as a result of a failure to pay outstanding patient obligations, unless a legal judgment has been obtained and such a lien is required under state law provided, however, that such potential action must have been set forth in the final written notice provided by MHS as described above.

V. STAFF TRAINING:

Staff training is essential to effective customer service and collection interactions. Staff responsible for collecting self-pay accounts will receive training on customer service, account negotiation/resolution and collection skills. Training will focus on the MHS Financial Assistance and Billing/Collection policies and its commitment to treat all patients with respect and dignity. The training will review collection scripts and other information required to effectively inform patients of MHS policies.

Refresher training sessions will be conducted annually and will also be a regular part of continuing education training for MHS staff. Training will be provided to MHS registration, scheduling, financial counseling, and home health staff.

Clinical staff will be encouraged to notify customer service of patients who have expressed a concern about their ability to meet their financial obligation.

VI. MONITORING COLLECTION AGENCIES:

Outside collection agencies working on behalf of MHS will be monitored to assure that they comply with this policy. Measures will be put in place to monitor the effectiveness of, and compliance with, this and related MHS policies.

Measures will include:

- Semi-annual audit of debt collection practices to assess compliance with this and related policies.
- Debt collection activity of collection agencies.
- Litigation filed against MHS patients by collection agencies.
- Complaints and complaint resolution for accounts placed with collection agencies.

Results of the semi-annual review will be documented in a formal report and distributed to appropriate MHS executive staff.

VII. PUBLIC ACCESS TO POLICY:

Information on this policy will be made available to patients and the community served by MHS.

Patients may obtain a free copy of this policy, the FAP, a plain language summary of the FAP, and a financial assistance application free of charge (i) by contacting the MHS Financial Assistance Department at 402-354-4230 or 888-485-4494; or the emergency room front desk or the admissions desk at each respective MHS hospital; or (ii) by download at www.bestcare.org/tools/Billing-and-Insurance (for this policy) or www.bestcare.org/tools/Financial-Assistance (for the other documents).

VIII. ENFORCEMENT:

Any abusive, harassing, misleading language or collections conduct by MHS employees, debt collection agency staff or attorneys will be addressed through corrective action procedures.

IX. CONFIDENTIALITY:

Methodist Health System staff will protect the confidentiality of each patient, regarding financial information and the handling of personal health information.

X. POLICY APPROVAL:

This policy was approved by the MHS Audit Committee on September 12, 2017 and the MHS Board of Directors on October 26, 2017. The MHS financial assistance policy is subject to periodic review. Significant changes to the policy must be approved by the MHS Board of Directors (or designated committee).

Policy/Procedure Title	New	Revised	Archived	Comments
Billing and Collection Policy	☐	☒	☐	

Affected Affiliates	Affected Departments
☒ Methodist Jennie Edmundson ☒ MHS Corporate Offices ☒ Methodist Hospital ☒ Methodist Physicians Clinic ☒ Methodist Women's Hospital ☒ Methodist Fremont Health ☐ Nebraska Methodist College ☐ Shared Service Systems	Business Office

Suggested Keywords (submit a minimum of 3)	Billing, collection

Required signatures for approval:

- Nursing - Owner and Chief Nursing Officer or Director of Nursing for each affiliate.
- System wide - Owner and Department head or Vice President for each affiliate.
- Additional signatures for approval may be included as needed

Position	Name	Signature/Credentials	Date
Sr Business Office Manager	Cindy Haas	DocuSigned by: Cindy Haas B1C0D9979B29462...	3/28/2024
Dir Patient Financial Svcs	Michaela Thomsen	DocuSigned by: Michaela Thomsen EBB276B43C1A4A6...	3/28/2024

☐ Reviewed for Abbreviations & Acronyms per "Abbreviations & Acronyms" Policy

☐ Review Critical Elements (if appropriate) – contact Learning Center with questions/changes

☐ Infection Control Practice Review – forward to IC for review if needed

Date placed on Intranet: _____