Perham- Perham Health: Patient Financial Services:	Billing & Collection Policy- Perham
	APPROVED BY: DIR OF REVENUE MANAGEMENT
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Purpose:

Provides guidance for the management of Accounts Receivable while establishing a collection process with consistency regarding financial arrangements and expectations.

Perham Health is committed to providing financial assistance to those patients demonstrating an inability to pay for the services they receive. This policy is consistent with the missions and values of Perham Health. All patients will be treated with respect, dignity and compassion regardless of their ability to pay or the status of their self-pay balance. Financial arrangements with Emergency Room patients will not be discussed until a patient has been treated and assessed in accordance with Perham Health's EMTALA Policy. No Patient will be refused emergency care based on ability to pay.

Perham Health staff will make a reasonable effort to notify patients of its Financial Assistance Policy. Perham Health will not deny financial assistance based on race, creed, sex, national origin, handicap or age. Perham Health will train its staff responsible for admissions, billing and those who provide direct patient treatment about its Financial Assistance Policy and its Collections Policy.

Zero Tolerance Policy:

- Perham Health has zero tolerance for use of abusive, harassing, oppressive, false, deceptive, or misleading language in regards to collection practices. This zero tolerance applies to internal Perham Health staff and third party collection vendors and attorneys.
- For any patient/guarantor who has provided written notice of bankruptcy filing to Perham Health, and thus under the protections of the bankruptcy court, Perham Health will abide by the automatic stay.

Patient Expectations and Demographic Information:

- Prior to delivering health care services, except in cases of emergencies or urgent care, a patient is expected to provide a copy of their insurance card, as well as timely and accurate demographic information (full name (patient and guarantor, if different), address, phone numbers (home, cell and work), date of birth, social security number, citizenship and residency information, marital status, changes in marital status, changes in insurance status, and any applicable financial resources that may be used to pay their bill (including insurance, motor vehicle or homeowners insurance, if applicable, worker's compensation insurance, if applicable, student insurance policies, if applicable, among others)).
- It is ultimately the patient's responsibility to provide insurance and demographic information in an accurate and timely manner and to keep Perham Health apprised of any updates in their personal information outlined above.

- Insurance provided 12 months after the date of service is considered untimely; therefore, a claim will not be submitted to your insurance. Any outstanding balances will remain patient responsibility.
- Patients are also responsible for any required notification to insurance companies or public programs either prior to or after care has been delivered. This would include notices required by health insurance companies, worker's compensation programs, third party liability companies, Medicaid programs, Medicare supplemental and replacement plans, or any other plan or program that might have responsibility for covering part or all of the services rendered.
- Perham Health will assist a patient with their insurance prior authorizations, if appropriate and applicable; moreover, Perham Health has developed and implemented procedures to ensure timely and accurate submission of claims to third party payers. However, timely submission is contingent upon the patient providing the information promptly.
- Perham health will provide patient estimates upon request. Patients can also create their own price estimates online at www.perhamhealth.org. Additionally, Good Faith Estimates will be generated and provided to patients without insurance in accordance with the No Surprise Billing Act.

Internal Self Pay Collections Policy:

- This policy is applicable to all patients receiving services at Perham Health, specifically all balances that are considered self- pay.
- Self-pay is defined as an account that is not covered by any medical insurance or other indemnity, in whole or in part (co-payment, co-insurance, deductible, spend down, etc.), and for which the patient or guarantor is liable and responsible for payment.

Statements

- Perham Health will notify patients of their balances by billing statements, which are mailed approximately every 28 days. Patients may elect to receive billing statements electronically.
- The billing statement will show hospital and clinic activity on the guarantor account. This will include balances pending insurance, new balances and/or carry forward balances.
- Information regarding availability of financial assistance will be included on statements.
- Medicare patients will only receive a statement showing a self-pay balance.
- The billing statements will contain messages notifying the patient of past due balances.

Telephone Communication with Patients

- For any balance unpaid after the initial due date, Perham Health may also attempt to contact patients by phone.
- Perham Health will make reasonable efforts to educate patients/guarantors that they may receive a separate statement from third party ancillary services i.e. Radiologists, Pathologists, Surgeons, and Anesthesiologists.
- Financial counselors will make reasonable efforts to assist patients in determining if they are eligible for private and governmental sponsored programs, including Perham Health's Financial Assistance program, whenever appropriate.

- Perham Health employs the services of language line to assist patients needing appropriate translating skills.

Reasonable Payment Plans

- Perham Health requests payment in full within 28 days of its first billing statement. However, patients indicating an inability to pay in one payment will be offered a reasonable payment plan as outlined in this policy.
- Perham Health staff is authorized to set up a reasonable payment plan for up to 12 months; additionally, minimum payment expectations are set at $50 monthly.
- Payment plans greater than 12 months will be referred to ClearBalance, a third-party financing agency.
- If a payment arrangement is agreed to, the first payment must be made to stop further collection activity.
- A promised payment or a defaulted upon payment plan is not considered an agreement and will not stop collection activity, including listing balances with a third party collection vendor.
- To establish an acceptable payment plan, the patient must contact Perham Health Patient Financial Services; mailing in a payment without contacting Perham Health is not considered a formal payment plan.
- Future accounts are not automatically added to payment plans, the patient must contact Perham Health each time an account reaches self-pay to determine if the payment plan would need to be adjusted before adding additional accounts.
- Perham Health reserves the right to negotiate unique payment plans outside of the guidelines listed above on a case by case basis.

Bad Debt Collection Policy:

- Patients/guarantors that do not pay their medical billings may be referred to an outside collection vendor.
- If a patient/guarantor has provided an accurate address to Perham Health then a patient/guarantor will be provided at least 4 billing statements before an unpaid self-pay balance would be assigned to an outside collection vendor.
- If a patient/guarantor fails to provide a correct or deliverable address then their balance may be sourced to a third party collection vendor prior to 4 statements being mailed out.
- If Perham Health is reasonably able to determine that a patient is unable to pay their medical bill, Perham Health may grant financial assistance prior to delivering 4 statements.

Compliance with Perham Health Policies

- Perham Health has contracts with third party collection vendors that require the vendor to comply with and abide by all Perham Health policy and procedures, including this policy, the Financial Assistance Policy, the Minnesota Attorney General Agreement, and all rules, regulations and laws governing third party collections.

Patient Complaints

- Perham Health requires its vendors to log all oral and written complaints about the collection vendor's conduct.

- A patient has a right to file a grievance with Perham Health about the conduct of the vendor.
- The complaint log shall be provided to Perham Health on a monthly basis.
- Perham Health will address any patient complaints and disputes in a timely manner and in compliance with Perham Health's Grievance Policy.
- Any patient with a question, complaint or dispute may contact Patient Financial Services.

Extraordinary Collection Efforts/Bad Debt Litigation Policy:

- Perham Health will not request any patient to sell personal belongings such as their personal transportation to settle a medical account.
- Perham Health will not force the foreclosure of a patient's primary residence to pay an outstanding medical bill.
- Neither Perham Health nor any of its third party collection vendors will take any extraordinary collection efforts until Perham Health and the third party collection vendor have made reasonable efforts to determine if a patient is eligible for financial assistance under the Financial Assistance Policy.
    - Extraordinary collection efforts include:
        - initiating legal action (summons and complaint),
        - placing a lien on property by obtaining a judgement,
        - garnishing/levying on wages, bank accounts or assets, or
        - reporting unpaid balances to a credit reporting agency.
    - Reasonable efforts include notification to the patient by Perham Health of its financial assistance policy upon admission and by Perham Health or its third party collection vendors upon written and oral communications with the patient/guarantor regarding the patient's bill, including statements, phone calls and such other communication as may be directed by regulation, rule or law set forth by the United States Department of Treasury or the Internal Revenue Service.
- In essence, extraordinary collection efforts will not be taken until there is reasonable evidence that a patient/guarantor has income and/or assets to meet his/her obligations.
- However, if the patient is uncooperative, unresponsive, fails to properly fill out a financial assistance application, or fails to follow up on incomplete financial assistance applications during the collection process, the outside collection vendors may take extraordinary collection efforts.
- Perham Health requires its third party collection vendors to assess if a patient is eligible for financial assistance before employing these extraordinary collection efforts; such consideration includes but is not limited to, any information relevant to consideration for financial assistance, a patient/guarantor's employment status, earning capacity, income eligibility based on federal poverty guidelines, and other resources available to the patient/guarantor.
- Regardless of the above, Perham Health dictates that its third party collection vendors cannot take extraordinary collection efforts until a balance is as least 241 days past the first self-pay statement date provided to the patient/guarantor.

- This is to ensure that both Perham Health and its third party collection vendors are taking any and all necessary steps to notify patients of its Financial Assistance Policy and allowing appropriate time for a patient/guarantor to fill out a financial assistance application.
- If a patient/guarantor fills out a completed financial assistance application, Perham Health will notify the third party collection vendor to suspend all extraordinary collection activities until a determination of the application has been made.
- If required by regulation or law and the patient has filled out a financial assistance application prior to 240 days from the first self-pay statement date, then the third party collection vendor will take steps to reverse extraordinary collection efforts for any patient that qualifies for financial assistance.

Minnesota Residents Receiving Services at a Minnesota Facility:

- Perham Health requires by contractual agreement that all external third party collection vendors as well as their agents and attorneys, comply with the terms of the State of Minnesota Attorney General Agreement regarding litigation and collection practices involving Perham Health facilities and Minnesota residents.
- For any self-pay balance of a Minnesota resident receiving services at a Minnesota facility, Perham Health will not place said accounts in collections with the third party vendor until Perham Health staff have verified four steps:
  - that the patient/guarantor is the responsible party;
  - Perham Health has submitted the balance to all known insurance companies and received a denial/response indicating patient responsibility;
  - Perham Health has offered a reasonable payment plan (defined above) to a patient, indicating an inability to pay in full and who has responded to Perham Health; and
  - if a patient cannot pay in accordance with the reasonable payment plan, a financial assistance application has been offered.
- Perham Health will not forward any account to a third party collection vendor when a balance has been denied by insurance due to a Perham Health billing error.
- Prior to a third party vendor initiating a legal action or garnishment the immediate above four steps must be followed by the vendor.
- All collection activity will be suspended for 30 days if a patient advised one of the following situations:
  - patient advises Perham Health or the third party collection vendor that they do not owe all/part of bill;
  - patient advises Perham Health or the third party collection vendor that a third-party payer should pay bill; or
  - patient advises Perham Health or the third party collection vendor that they need communication concerning their bill.
- Neither Perham Health, nor its third party collection vendors, will state or imply, directly or indirectly, that the State of Minnesota or the Attorney General's office has approved of, condones, or agrees with any lawsuit, garnishment, or other attempt by Perham Health to collect debt from a patient.
- Litigation practices are subject to the oversight of Perham Health's Chief Financial Officer, Collections and Customer Service.

  - All default judgments must be verified and approved by Perham Health prior to the entry of the default judgment order.
  - No garnishments may be initiated unless a judgment has been obtained and entered, and Perham Health must verify and approve all garnishments.
- No third party collection vendor or lawyer is authorized to report any Minnesota patient covered by the agreement to any credit reporting agency.