

# Billing and Collection

## Policy Number

FH-FIN.015

## Supersedes

CP3.0001 – Credit Policy and 82200-002 – Credit Policy

## Purpose

To establish general guidelines for the expected receipt of payment for services provided by Froedtert Health hospitals and to establish certain requirements that each Froedtert Health hospital must meet prior to taking certain collection actions against individuals that may be eligible for financial assistance (“Financial Assistance”) under Froedtert Health’s Financial Assistance Policy FH-FIN.0017.

## Policy

A. Froedtert Health hospitals will submit claims to Medicare, Medicaid and/or other third-party payors. Any portions not covered by insurance will be the responsibility of the patient. (For purposes of this Policy references to “patient” shall include, where applicable, the individual acting as the guarantor of payment of the patient’s invoice for medical care.) The ultimate financial responsibility for payment lies with the patient.

B. No individual will be refused treatment for emergency medical care or other medically necessary care at Froedtert Memorial Lutheran Hospital, Community Memorial Hospital of Menomonee Falls, or St. Joseph’s Hospital of West Bend due to demonstrated financial hardship or inability to pay.

## Procedure

A. A patient requiring emergency medical services or other medically necessary care will be given appropriate treatment immediately. Promptly after services are provided, the patient, a family member, or other responsible party will be

required to provide all information necessary to properly identify the patient and to make arrangements for payment for all medical services.

B. Individuals requiring non-emergency medical services or other non-medically necessary care, and individuals seeking elective services will be required to make financial arrangements for the payment of medical care prior to receiving the services.

1. Each patient who claims financial hardship or the inability to pay, will be required to complete an application requesting consideration for Financial Assistance in accordance with Froedtert Health's Financial Assistance Policy. Failure to comply with the Financial Assistance application requirements may result in services, other than emergency medical services or other medically necessary care, being denied, or if services are rendered, Froedtert Health may pursue payment for such services in accordance with Froedtert Health's standard policies and procedures, including this Policy, and in compliance with applicable federal and state laws.

2. Each patient with insurance or other form of third party coverage will be required to provide all information requested to properly identify the patient/guarantor and bill the third party payor. Benefit coverage(s) will be verified and precertification will be completed. If an assignment of benefits is received, all valid insurance(s) will be accepted and billed by the entity providing the service. Deductibles and coinsurance amounts not paid by insurance are expected to be paid by the patient/guarantor(s). Patients may be asked to pay amounts towards deductible, co-insurance, or co-pays at the point of scheduling, check in or after services are rendered with receipt of the first invoice, unless alternative acceptable payment arrangements are established.

3. Each patient seeking non-emergency medical care or other non-medically necessary services which are not covered by insurance or other third party payors will be expected to pay estimated charges less any applicable discounts applied in advance. If the actual charges are greater than the collected amount, the patient will be sent an invoice for the balance. If the actual charges are less than the collected amount, the patient will be refunded the excess amount.

C. Payments for services provided to patients are the responsibility of the patient/guarantor including those which appear to be covered services by the patient's third party payor.

1. Reasonable efforts will be made to educate the patient concerning the financial responsibility he/she is accepting prior to the provision of services. An explanation of billing and payment procedures may occur during scheduling or check in. Brochures that explain the billing and collection procedures will be provided to the patient/guarantor before admission or registration for outpatient surgery, whenever possible.

2. Forms of acceptable payment include insurance, cash, check, credit card. These forms of payment will be explained to the patient before registration, when reasonably possible. Prompt payment is expected, unless there are extenuating circumstances. Patients are expected to pay the patient liability amount in full within 120 days of receiving the first billing statement unless a monthly payment plan is agreed upon. Froedtert Health may agree to monthly payment arrangements depending upon the patient's account balance. Payments will not be extended beyond 36 months, unless there are extenuating circumstances. Payment arrangements beyond 36 months must be approved in advance by the Patient Financial Services Manager or designee. Accounts with unpaid balances that are not in an agreed payment plan will be referred to a collection agency no less than 120 days after the first billing statement and in accordance with this Policy. Patients will be sent a minimum of three invoices during the 120 day period and called regarding the unpaid balances a minimum of three times unless the patient specifically requested not to be called or sent invoices, or the address or phone number on file is incorrect

3. The following patients will be referred to a Financial Counselor to be screened for potentially available government programs:

- i. Patients scheduled to receive medical care who are without health insurance.
- ii. Patients scheduled to receive elective services such as cosmetic surgery or other services which are not covered by the patient's health insurance benefits.

iii. Patients without health insurance who receive emergency medical care or other medically necessary care, or who are admitted to the hospital facility.

In the event that a patient is unable to pay for services, Froedtert Health will assist the patient in applying for any available source of financial assistance. Examples include Wisconsin Medicaid Program (Title XIX), Wisconsin AIDS/HIV Laboratory Reimbursement Program, Crime Victim Compensation Fund, and enrollment in an insurance plan available through the federal Health Insurance Marketplace. Refusal of the patient to cooperate in this effort may result in denial of services except for emergency medical care or other medically necessary care. Financial Assistance may be offered according to policy FCH-FIN.0017.

#### Billing and Collection Procedures:

A. For those individuals who qualify, or may qualify, for financial assistance under Froedtert Health's Financial Assistance Policy, Froedtert Health will not engage in any Extraordinary Collection Action against the individual to collect payment for medical care before Froedtert Health has made reasonable efforts to determine whether an individual is eligible for such financial assistance. This also applies with respect to any other individual who may be responsible for the payment of the patient's medical bill for such care

B. Each of the following actions taken by Froedtert Health related to a billing statement for medical care covered under the Financial Assistance Policy, will be considered an Extraordinary Collection Action ("ECA"):

1. Selling an individual's debt to another party;
2. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;
3. Deferring or denying, or requiring a payment before providing, medically necessary care because of an individual's nonpayment of one or more bills for previously provided care covered under the Financial Assistance Policy;
4. Actions that require a legal or judicial process (except for the placement of certain liens which a hospital is entitled to assert under state law); and
5. Garnishing an individual's wages.

C. In an effort to determine whether an individual is eligible for financial assistance, at least 30 days prior to initiating an ECA to obtain payment for care (and subject to the 120-day notification period provided for in paragraph D below), Froedtert Health will:

1. Notify the individual/guarantor about the Financial Assistance Policy, identify the ECA(s) that Froedtert Health intends to take to obtain payment, and states the deadline after which the ECA(s) may be taken (which cannot be less than 30 days following the date that the notice is provided to the individual/guarantor);
2. Provide the individual/guarantor with a plain language summary of the Financial Assistance Policy with the written notice described in paragraph C.1. above; and
3. Make reasonable effort to orally notify the individual/guarantor about the Financial Assistance Policy and about how s/he may apply for such financial assistance.

D. Froedtert Health will not initiate any ECA for at least 120 days from the date the Froedtert Health hospital delivers the first post-discharge billing statement for care.

E. If an individual submits an incomplete Financial Assistance application during the Application Period (as defined in paragraph K below), Froedtert Health will notify the individual about how to complete the application. The individual will be given a reasonable opportunity to complete and submit the application. During this time, Froedtert Health will suspend any ECA it has initiated with respect to the individual and it will provide the individual with a written notice that describes the additional information that must be submitted and includes the contact information at Froedtert Health at which the individual can obtain information about the Financial Assistance Policy, and the department of the hospital which can provide assistance with the Financial Assistance application.

1. ECAs will be suspended until either Froedtert Health has determined whether an individual is eligible for Financial Assistance based upon a complete Financial Assistance, or the individual has failed to respond to requests for additional information within a reasonable period of time given by Froedtert Health to respond to such requests.

2. If an individual subsequently submits a complete application during the Application Period (or, if later, such other reasonable timeframe allowed by Froedtert Health), then Froedtert Health will follow take the actions set forth in paragraphs F.1. – F.5. below.

F. If an individual subsequently submits a complete application during the Application Period (or, if later, such other reasonable timeframe allowed by Froedtert Health), then Froedtert will take the following actions in a timely manner:

1. Suspend any ECAs that have been initiated with respect to the individual/guarantor;
2. Determine whether the individual is eligible for Financial Assistance and notify the individual of the determination and the basis for such determination;
3. If the individual is eligible for Financial Assistance other than free care, then provide the individual with a billing statement that specifies the amount the individual owes for the medical care, how that amount was determined and states how the individual may obtain information regarding the amounts generally billed (AGB) for such medical care;
4. Refund any excess amount which the individual has paid over that amount for which the individual is determined to be responsible for considering the Financial Assistance eligibility (unless such excess is less than \$5); and
5. Take all reasonable measures to reverse any ECAs taken against the individual.

G. Upon submission of a complete Financial Assistance application during the Application Period, Froedtert Health will:

1. Make a determination as to whether the individual qualifies for financial assistance within a reasonable timeframe; and
2. Take the actions set forth in paragraphs F.1.i. – F.1.v. above.

H. In those circumstances where Froedtert Health reasonably believes that the individual may qualify for Medicaid, Froedtert Health may postpone determining whether an individual is eligible for Financial Assistance under the Financial Assistance Policy until such time that a Medicaid application has been submitted and a determination as to such individual's Medicaid eligibility has been made

I. If Froedtert Health sells or refers a patient's debt to a third party, Froedtert Health will take appropriate measures to safeguard against such third party taking ECAs against the patient to obtain payment for the medical care until Froedtert Health has made reasonable efforts to determine if the patient is eligible for Financial Assistance in accordance with process outlined in this Policy. Such safeguards will include entering into a written agreement with the third party designed to facilitate Froedtert Health's compliance with this Policy and applicable federal statutes and regulations. J. For purposes of this Policy, the "Application Period" is the period during which an individual must submit a Financial Assistance application pursuant to Froedtert Health's Financial Assistance Policy. This period begins on the date on which emergency medical care or other medically necessary care is provided and ends on the 240th day after the first post-discharge billing statement for such care is provided, except as otherwise provided in this Policy.

## **Issuing Authority**

FH Corporate Policy Committee

## **Distribution**

Froedtert Health

**category**

Finance,