

Department: Patient Financial Services	
Policy #: PFS012	
Name: Billing and Collection Policy	
Effective Date: 12/2/1991	Revised: 06/2018
Owner: Virginia Pittman	Page 1 of 7

PURPOSE:

To provide a guide to all Patient Access, Case Management/Scheduling and Patient Financial Services staff regarding billing and collection procedures in relation to patient responsibility balances.

POLICY:

The Rehabilitation Hospital of Indiana, Inc. (RHI) will not engage in any extraordinary collection actions (as defined herein) against an individual to obtain payment for care before reasonable efforts have been made to determine whether the individual is eligible for assistance for the care under its Financial Assistance Policy. To that end, all patient responsibility balances will be billed and collected using the following guidelines.

SCOPE:

This policy applies to charges for all medically necessary services provided by the hospital and RHI employed physicians.

EXCEPTIONS:

There are no exceptions to this policy.

DEFINITIONS:

AGB – Amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage.

Application Period – The period during which RHI must accept and process an application for financial assistance under its Financial Assistance Policy (FAP) submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends on the latter of the 240th day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after RHI provides the individual with a written notice that sets a deadline after which ECAs may be initiated.

Extraordinary Collection Actions (ECAs) – A list of collection activities, as defined by

Number: PFS012	Title: Billing and Collection Policy	Page 2 of 7
-------------------	--------------------------------------	-------------

the IRS and Treasury, which healthcare organizations may only take against an individual to obtain payment for care *after* reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions are further defined under “Collection Actions” below and include legal/judicial actions such as garnishing wages and reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.

FAP – RHI’s Financial Assistance Policy.

FAP-Eligible Individual – An individual eligible for financial assistance under RHI’s Financial Assistance Policy.

RHI – Rehabilitation Hospital of Indiana, Inc.

PROCEDURE:

1. Patients are expected to pay co-pays at the time of service; unless pre-arranged in advance of the services being provided.
2. Progressive statements will be sent every 30 days for 120 days of activity along with reminder telephone calls. After 120 days, the account will be turned over to a collection agency if financial assistance has not been applied for, or payment plan established; or if no payment has been made.
3. A summary of the Financial Assistance Policy will be included with patient statements.
4. Patients with self-pay balances may apply for assistance. See Financial Assistance Policy for more details.

REFERRAL TO OUTSIDE COLLECTION AGENCY:

If a patient balance remains after normal follow-up, and a minimum of 120 days has passed from the first statement date, and it is determined that the patient balance will not be written off as financial assistance or another adjustment, the account will be turned over to the outside collection agency.

1. Patient balances will be considered for collection if one of the following applies:
 - Patient balance is not paid in full after a minimum of 120 days;
 - Patient balance exceeds small balance write-off adjustment;
 - Patient fails to comply to an agreed upon payment plan; or
 - Patient fails to meet commitments as otherwise arranged.
2. The information system is configured to generate patient statements with

Number: PFS012	Title: Billing and Collection Policy	Page 3 of 7
-------------------	--------------------------------------	-------------

progressively urgent dunning messages. The patient will be notified of the impending collection via a final statement and a phone call.

3. If a patient balance is considered to be uncollectible after thorough follow-up, according to the amount of the patient balance, the account will be considered for referral to the outside collection agency.

EXTRAORDINARY COLLECTION ACTIONS (ECAs):

1. RHI will not engage in extraordinary collection actions (ECAs) before making reasonable efforts to determine whether a patient is eligible for assistance under RHI's FAP.
2. ECAs include:
 - Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;
 - Deferring or denying, or requiring payment before providing, medically necessary care because of an individual's nonpayment of one or more bills.
 - Actions requiring a legal or judicial process, such as commencing a civil action against an individual and placing a lien on an individual's property; or
 - Garnishing an individual's wages.

DETERMINING FINANCIAL ASSISTANCE ELIGIBILITY PRIOR TO ECA:

1. RHI will make reasonable efforts to determine whether individuals are eligible for financial assistance. To that end, RHI will notify individuals about the FAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date RHI provides the first post-discharge billing statement for the care.
2. RHI will take the following actions at least 30 days before first initiating one or more of the above ECA(s) to obtain payment for care:
 - a. Provide the individual with a written notice (the plain language summary) that indicates financial assistance is available for eligible individuals, identify the ECA(s) that RHI (or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided.
 - b. Make a reasonable effort to orally notify the individual about RHI's FAP and about how the individual may obtain assistance with the FAP application process.

Number: PFS012	Title: Billing and Collection Policy	Page 4 of 7
-------------------	--------------------------------------	-------------

3. If RHI aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECA(s) until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.
4. If RHI defers or denies, or requires a payment before providing, medically necessary care to an individual with one or more outstanding bills for previously provided care, RHI will provide the individual with a FAP application form and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline, if any, after which RHI will no longer accept and process a FAP application submitted (or, if applicable, completed) by the individual for the previously-provided care. The deadline will be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date that the first post-discharge billing statement for the previously-provided care was provided. RHI will also provide the individual with a plain language summary of the FAP with the written notice, and make a reasonable effort to orally notify the individual about RHI's FAP and about how the individual may obtain assistance with the FAP application process. If a FAP application is timely received by RHI, it will process the application on an expedited basis.

PROCESSING FAP APPLICATIONS:

RHI will process FAP applications in accordance with the provisions set forth below.

1. Submission of Complete FAP Application:
 - a. If an individual submits a complete FAP application during the Application Period, RHI will—
 - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
 - ii. Make a determination as to whether the individual is FAP-eligible and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination;
 - iii. If RHI determines the individual is FAP-eligible, RHI will—
 - Provide the individual with a statement that indicates the amount the individual owes for the care as a FAP-eligible individual (assuming the individual is eligible for assistance other than free care) and how that amount was determined and

Number: PFS012	Title: Billing and Collection Policy	Page 5 of 7
-------------------	--------------------------------------	-------------

states, or describes how the individual can get information regarding, the AGB for the care.

- Refund to the individual any amount he or she has paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin).
- Take all reasonably available measures to reverse any ECA (with the exception of a sale of debt) taken against the individual to obtain payment for the care.

- b. If, upon receiving a complete FAP application from an individual who RHI believes may qualify for Medicaid, RHI may postpone determining whether the individual is FAP-eligible for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.

2. Submission of Incomplete FAP Application

- a. If an individual submits an incomplete FAP application during the Application Period, RHI will—
 - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
 - ii. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that the individual must submit to RHI to complete his/her FAP application.

Number: PFS012	Title: Billing and Collection Policy	Page 6 of 7
-------------------	--------------------------------------	-------------

- b. If an individual who has submitted an incomplete FAP application during the Application Period subsequently completes the FAP application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the individual will be considered to have submitted a complete FAP application during the Application Period.
3. Failure to Submit FAP Application

Unless and until RHI receives a FAP application from an individual during the Application Period, RHI may initiate ECAs to obtain payment for the care once it has notified the individual about the FAP as described herein.

MISCELLANEOUS PROVISIONS:

1. **Anti-Abuse Rule** – RHI will not base its determination that an individual is not FAP-eligible on information that RHI has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
2. **No Waiver of FAP Application** – RHI will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the FAP, or receive the information described above, in order to determine that the individual is not FAP-eligible.
3. **Final Authority for Determining FAP Eligibility** – Final authority for determining that RHI has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual rests with the Patient Financial Service Department.
4. **Agreements with Other Parties** – If RHI sells or refers an individual's debt related to care to another party, RHI will enter into a legally binding written agreement with the party that is reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.
5. **Providing Documents Electronically** – RHI may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.

Number: PFS012	Title: Billing and Collection Policy	Page 7 of 7
-------------------	--------------------------------------	-------------

CROSS REFERENCES:

PFS003 -Financial
Assistance Policy

REFERENCES/CITATIONS:

None

FORMS/APPENDICIES:

None

RESPONSIBILITY:

Patient Financial Services

APPROVAL BODY:

Administration
PFS Team Lead

System Generated Footer

Attachments:

Version Number: 6.0

References/Citations:

Reviewed Dates: 12/1991, 09/2011, 09/2012, 07/2013, 09/2014, 01/2016, 06/2018, 10/2019

Revised Dates: 09/2011, 07/2013, 09/2014, 01/2016, 06/2018

Approvals:

Patient Financial Services: 12/1991, 09/2011, 09/2012, 07/2013, 09/2014, 01/2016, 06/2018,
10/2019

Signatures: