



- UCH/ENTERPRISE
- UCMC
- WCH
- DRAKE - LTCH
- DRAKE - BWP
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- DRAKE - OUTPATIENT
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- LEGAL/COMPLIANCE
- MEDICAL STAFF
- MEDICATION MGMT
- OTHER

POLICY

POLICY #	<u>UCH-PA-ADMIN-006-07</u>		
POLICY NAME	<u>Patient Collection Policy</u>		
ORIGINATION DATE	<u>06/27/2012</u>		
SPONSORED BY	<u>Adam Niemann</u>		
	<u>Director, Patient Payment Services</u>		
ADMINISTRATIVE APPROVAL	<u>Craig Cain</u>		
	<u>VP, Revenue Cycle Management</u>		
ADMINISTRATIVE APPROVAL	<u>Rick Hinds</u>		
	<u>EVP, Chief Financial Officer</u>		
LAST REVIEW / REVISION DATE	<u>02/22/2023</u>	NEXT REVIEW DATE	<u>02/22/2026</u>

I. POLICY

- Administrative
 Interdepartmental
 Departmental
 Unit Specific

UC Health is a not-for-profit healthcare system, including various facilities required to be licensed, registered or similarly recognized by the state as a hospital, including without limitation, University of Cincinnati Medical Center, West Chester Hospital, Daniel Drake Center and University of Cincinnati Physician Corporation (UC Health and each such entity individually and collectively referred to as "UC Health"), serving the health care needs of Greater Cincinnati. It is the policy of UC Health to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act.

II. PURPOSE

The purpose of UC Health's Patient Collection Policy is to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, UC Health will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires UC Health to make reasonable efforts to determine a patient's eligibility for financial assistance under UC Health's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

III. DEFINITIONS

- A. **Medically Necessary Services** - Those services reasonable and necessary to diagnose and provide preventative, palliative, curative or restorative treatment for physical or mental conditions in accordance with professionally recognized standards of health care, generally accepted at the time services are provided and are considered medically necessary by the Medicare and Medicaid services.
- B. **Financial Assistance Application (FAA)** - a document that must be completed by the patient/guarantor, and accompanied by proof of residency and income, in order to qualify a patient for financial assistance.
- C. **Extraordinary Collection Actions (ECAs)** - A list of collection activities, as defined by the IRS and Treasury that 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 in Section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.
- D. **Reasonable Efforts** - A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under UC Health's financial assistance policy. In general, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application processes.

IV. PROCEDURE

- A. **Billing Practices**
 - 1. Insurance Billing
 - a. For all insured patients, UC Health will bill applicable third-party payers (as based on information provided by or verified by the patient) in a timely manner.

- b. If a claim is denied (or is not processed) by a payer due to an error on our behalf, UC Health will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
 - c. If a claim is denied (or is not processed) by a payer due to factors outside of our organization’s control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, UC Health may bill the patient or take other actions consistent with current regulations and industry standards.
2. Patient Billing
- a. UC Health maintains an interdisciplinary team of associates that consists of patient site and Patient Financial Services resources who are trained to help patients and their families with billing, eligibility for financial assistance and payment plans.
 - b. Self-Pay Collections - Self-pay associates employed in the Patient Financial Services office proactively call patients to offer flexible payment options if needed, and/or provide information regarding financial assistance programs to resolve outstanding balances.
 - c. All uninsured patients will be billed directly and timely, and they will receive a statement as part of the organization’s normal billing process.
 - d. For insured patients, after claims have been processed by third-party payers, UC Health will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.
 - e. Patients may request an itemized statement for their accounts at any time. UC Health will make a reasonable effort to provide patient with an itemized statement with a timely period.
 - f. If a patient disputes his or her account and requests documentation regarding the bill, UC Health will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.
 - g. Patients are required to pay the balance of their hospital bill within 30 days of receipt of bill. Payment options are cash, check, money order and the following credit cards; Visa, Master Card, American Express and Discover.
 - h. Patients unable to pay the balance within 30 days are offered interest free monthly payment arrangements within the following guidelines:

UC Health

Balance	Months
< \$ 500	1 to 6 months
\$ 501 - \$2,500	7 to 12 months

\$2,501 - \$5,000	13 to 18 months
> \$5,001	19 to 24 months

* The Self Pay Collection Manager in Patient Financial Services must approve arrangements outside of these guidelines.

- i. Self-pay associates may use Internet resources or credit bureaus to check patient's assets for possible sources of collection, as well as alternate sources of contacting the patient.
- j. Legal action may be initiated with a guarantor who shows proof of adequate, stable income and/or property ownership and is not cooperative in working toward resolving the debt. All suits, whether initiated by the Self Pay department or any of the collection agencies is reviewed by the Self Pay Manager prior to filing.
- k. If a patient, states they do not have the means to pay, representatives will assist them in filling out a financial assistance application (see Charity Care and Financial Assistance Policy).
- l. After internal collection efforts have been exhausted, accounts are referred to a collection agency based upon the following final review process:

UC Health

Balance

- < \$3,000 - referred directly to collections
- \$3,001 - \$15,000 - reviewed by a Patient Accounts Specialist
- \$15,001 - \$50,000 - reviewed by a Manager
- \$50,001 - \$100,000 - reviewed by Manager and Director
- >\$100,000 - reviewed by Manager, Director, & VP, Revenue Cycle

B. Reasonable Efforts and Extraordinary Collection Actions (ECAs)

- 1. Before engaging in ECAs to obtain payment for care, UC Health must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy:
 - a. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
 - b. However, at least 30 days before initiating ECAs to obtain payment, UC Health shall do the following:
 - 1) Provide the individual with a written notice that indicates the availability of financial assistance, lists potential ECAs that may be taken to obtain payment for care, and gives a deadline after which ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice)
 - 2) Provide a plain-language summary of the FAP along with the notice described above

- 3) Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process
2. After making reasonable efforts to determine financial assistance eligibility as outlined above, UC Health or its authorized business partners may take any of the following ECAs to obtain payment for care:
 - a. Commence a civil action or lawsuit against the person or responsible party;
 - b. Garnishing an individual's wages after securing a court judgment;
 - c. Place a lien on an individual's property after securing a judgment provided that placing a lien against an individual's personal injury recovery, settlement, compromise or judgment is not considered an ECA.
3. The filing of a claim in any bankruptcy claim and placing a patient's account with a collection agency is not an ECA.
4. Revenue cycle leadership is ultimately responsible for determining whether UC Health and its business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance. This body also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy.

C. Financial Assistance Application Period

1. The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement or 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate, whichever is later.
2. UC Health widely publicizes the availability of financial assistance and makes reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process is set forth in the applicable Financial Assistance Policy.
3. If a patient submits a complete hospital financial assistance application during the application period, UC Health will suspend ECAs and make an eligibility determination before resuming applicable ECA activity.
4. If an individual who has submitted an incomplete FAP application during the application period, the individual will be considered to have submitted a complete FAP application during the application period, and UC Health will suspend ECAs and make an eligibility determination before resuming applicable ECA activity. Application follow-up steps will be taken as defined in the Financial Assistance Policy.

D. Collection Practices

1. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and with UC Health's mission.
2. Collection agencies or law firms (contracted with UC Health) are used after the internal resources have exhausted their efforts, either the patient cannot be contacted by letter or telephone or the patient will not

cooperate. Collection agencies will contact the patient or guarantor to set up flexible payment plans.

3. Agencies or an attorney will use all legal means to collect the balance including liens, suits and garnishments.
 4. Legal action may be initiated with a guarantor who shows proof of adequate, stable income and/or property ownership and is not cooperative in working toward resolving the debt. The process for determining legal action is as follows:
 - a. Final attempt by collection agency's pre-legal department
 - b. Legal review to determine if litigation is appropriate for the case. Minimum guidelines are:
 - 1) Full time employment or self-employment;
 - 2) Earns over \$14 per hour;
 - 3) Employed at least 1 year;
 - 4) Property ownership.
 - c. Accounts forwarded to an agency attorney for determination of an appropriate legal action:
 - 1) Combined balances <\$3000 in small claims court;
 - 2) Combined balances >\$3000 in municipal court.
 - d. Due diligence review step to verify if, litigation is appropriate.
 - 1) Fair Debt letter is sent to guarantor by an attorney.
 - 2) If no response, attorney files suit.
 - 3) A suit is filed, summons is served advising that suit has been filed and lists a court date to appear.
 - 4) If debtor does not show for court appearance, a default judgment typically is obtained.
 - 5) If debtor appears, attorney tries to resolve case outside of court.
 - 6) If no resolution, the case is rescheduled. An additional 30 days is allowed and for that court appearance, a representative from the hospital is needed as a witness.
 5. If at any time a patient states they do not have the means to pay, collection agencies will stop collection efforts and provide the patient with a UC Health financial assistance application to fill out and return. The patient's account(s) will then be put on hold for 30 days to allow for processing. The UC Health Program Administration department will make the final determination of charity program eligibility, based upon the information that patient submits. If patient is eligible, account(s) will be closed back from collection agency and the balance(s) adjusted to the appropriate code(s). If patient is determined to not be eligible for any charity program, the collections process will continue where it left off.
- E. Neither UC Health nor any of its agencies report to the credit bureau.
- F. UC Health reserves the right to make exceptions to the above policy. Exceptions must be approved by a department Director or above.

V. RESPONSIBILITY

UC Health
Director Patient Payment Services
Patient Financial Services

VI. KEY WORDS

Patient Collection
Financial
Billing
Extraordinary Collection Actions
ECA

VII. APPENDIX

None

VIII. RELATED FORMS

None

IX. REFERENCES / CITATIONS

None