

BUSINESS OFFICE POLICY	Policies
	<p>Title: Debt Collection</p> <p style="text-align: right;">Created 1/2008 Revised 11/2022</p> <p>Distribution: Business Offices Hospitals Corporate Finance</p>

PURPOSE

The purpose of this policy is to define the process for the transfer of Patient Accounts to an outside vendor as part of the Extended Business Office (EBO) and the guidelines to follow while collecting on such accounts.

POLICY

Vibra Healthcare and its Business Offices must demonstrate due diligence in the collections of all Patient Account Balances. Vibra Healthcare must follow appropriate state Medicaid and federal Medicare billing requirement as they relate to the submission of coinsurance and/or deductible amounts.

Once the account is identified as patient responsibility Vibra Business office will place the account with the EBO to begin the collection efforts. This must be done within 60 days of the last processed Medicare remit date. When secondary insurance is involved, Vibra Business office will issue the first bill to the patient within two months of receiving the remittance advice from the secondary insurance. Upon receipt of the account placement the EBO will issue the first bill to the patient.

The EBO vendor will immediately begin a reasonable collection effort during the next four (4) months via letters, statements and calls. The vendor will identify themselves as “Business Office” and all correspondence will have Vibra name on them as they are an extension of Vibra Business Office. If the debt remains unpaid more than 120 days from the date the first bill is mailed to the patient, the debt will be deemed uncollectible and the vendor will return to Vibra Business Office as uncollectable and all collection efforts will stop. Medicare related accounts can then be written off to Medicare bad debt and claimed on the cost report in accordance with Medicare guidelines. Non-Medicare accounts will be written off as regular bad debt. If a payment is received from the patient, then the account is considered collectible and the collection efforts will continue until the account balance is collected in full or until there has been no additional payment received for more than 120 days since the last payment was made, despite continue collections efforts.

If at any time during the collection process, regardless of the age of the account, the facility or the collection agency determines the account is uncollectable, collection activity will stop and it will be returned to Vibra and written off to bad debt. Death or bankruptcy

Deceased Patients – If a patient is deceased then collection attempts still must be pursued (if not a Medicaid secondary). If possible, proof of death should be obtained, i.e., a copy of the death certificate, obituary, on-line passport sheet showing date of death. Letters may be sent to “The Estate of John Doe” and at least one must be sent after we determine that the patient is deceased. It must be determined whether there is another responsible party, such as a spouse or guardian. If no responsible party, is there an estate? The patient’s county probate office should be contacted to determine whether there is an estate. Notes should be placed in the patient file that the contact was made, name of person that was spoken to and a contact phone number. It is preferable that a written statement showing there is no estate be obtained. If there is an estate, a claim should be filed. If no estate, then no further action can be taken. **Confirmation that there is no estate must come from the county --- a call to a family member who states there is no estate is not**

sufficient proof. In the past, once it was determined that a patient was deceased, the claims were submitted for write off. Based on the disallowance of claims for deceased patients written off prior to the 120 days and/or those without sufficient collection effort, please complete the collection process, file a claim with an estate, or get verbal or written confirmation from the county that there is no estate prior to submitting the claims for write off.

If at the time of Admission or during the billing process a patient makes Staff aware they may qualify for Charity Care, a copy of the specific facilities Charity Care and Discount Payment program must be provided to the patient. Collection efforts will stop and the Charity Care application will be sent to the patient in accordance with Vibra's Charity Care policy. Patients without insurance will be treated fairly and with respect during and after their treatment. Vibra Healthcare will provide financial counseling to all patients requiring financial assistance. This will include help in understanding and applying for local, state, and federal healthcare programs such as Medicaid. All patients will be offered reasonable payment plans and, subject to their acceptance of the offer, will be billed at discounted rates. Any patient who lacks coverage, or provides information that he or she may have "high medical costs", Vibra Healthcare and its EBO will not report adverse information to any consumer credit reporting agencies or commence civil action against the patient for non payment prior to 150 days from the initial billing date.

Notice Prior to Commencing Collection Activities:

Every initial statement of charges mailed to patients will include the following plain language summary of the patient's rights pursuant to AB 774, the Rosenthal Fair Debt Collection Practices Act, and the federal Fair Debt Collection Practices Act. *"State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 877-FTC-HELP.*

Collection Process

The Collection Agency may not use wage garnishment or liens on primary residences as a means to collect an unpaid bill when dealing with patients eligible for charity care or discount payment. Vibra Healthcare also may not charge interest on any balances where patients are eligible for the charity care or discount payment program. Collection Agency will treat all Patients with respect and will always act in a fair and professional manor..

Reference: CHA Hospital Charity Care & Discount Policies Handbook, published Feb 2008

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