



## **POLICY**

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| TITLE: Billing and Collection Policy              |   |
| AFFECTED AREA(S)/DEPARTMENT(S):<br>Revenue Cycle  |   |
| ORIGINATING DEPARTMENT:<br>NV- Patient Accounting |   |
| DATE ORIGINAL APPROVED:<br>Not Set                | DATE OF LAST APPROVED REVIEW/REVISION:<br>Not Set   |
| VERSION NUMBER (generated by PolicyTech): 4       | REGULATORY STANDARD(S): IRS 501(r) – Billing and Collection Practices; Treas. Reg. 1.501(r)-6(c)(3) |

KEY WORDS: Billing, FAP, Collection

### **1. Policy Statement**

After our patients have received services, it is the policy of Barton Health to bill patients and their applicable payers in a timely and accurate basis. During this billing and collection process, staff will be committed to providing quality customer service and appropriate follow-up on all outstanding accounts.

### **2. Purpose**

It is the goal of this policy to provide a clear and consistent procedure for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Using billing statements, written correspondence, and phone calls, Barton Health will strive to 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 Barton Health to make reasonable efforts to determine a patient's eligibility for financial assistance under Barton Health's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

### **3. Billing Practices**

Barton Health will strive to bill all claims accurately and on a timely basis. Although dependent on information and communication from patients and payers, Barton Health will provide enough follow-up service to ensure that patients receive an accurate account and billing information and can make payment and/or apply for Financial Assistance. The billing process will be assisted by the following guidelines:

- For all insured patients, Barton Health will bill all third party payer information (as provided by or verified by the patient) on a timely basis.
- If a claim is denied (or is not processed) by a payer due to a Barton Health error, Barton Health will not bill the patient for any amount in excess of that for which the patient would have been liable had the payer paid the claim.
- If a claim is denied (or is not processed) by a payer due to factors outside of Barton Health's control, hospital staff will follow up with the payer and patient as appropriate to facilitate the resolution of the claim. If resolution of the claim does not occur after reasonable follow-up efforts, Barton Health may bill the patient or take other actions consistent with current industry standards.
- After claims are processed by payers, Barton Health will bill patients on a timely basis for their respective liability amounts as determined by their payers.
- All patients may request an itemized statement for their accounts at any time.
- All billed patients will have the opportunity to contact Barton Health regarding Financial Assistance for their accounts. Financial assistance may include charity care, payment arrangements, or other applicable programs.
- Barton Health will approve payment arrangements for patients whereby the patient pays the greater of \$50 or 10% of the original patient balance per month. Barton Health's Billing Managers and Director have the authority to make exceptions to this policy on a case-by-case basis for special circumstances. Barton Health is not required to accept patient-initiated payment arrangements and may refer accounts for collection if the patient is unwilling to make acceptable payment arrangements or has defaulted on a Barton Health approved payment plan.
- For patients approved for Discounted Care, Barton Health will establish a Reasonable Payment Plan, as defined in the Financial Assistance Policy, if Barton Health and the patient cannot otherwise agree on a payment plan.
- Through the use of billing statements, letters and phone calls, Barton Health will take diligent follow-up actions to contact patients to resolve outstanding accounts.

If accounts are not resolved during this process, the outstanding balances may be referred to a third-party agency or attorney (“Collection Agency”) for collection at the discretion of Barton Health.

#### 4. Collection Practices

In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collections Policy, Barton Health may engage in collection activities including extraordinary collection actions (ECAs) to collect outstanding patient balances. Barton Health does not sell patient debt to Collection Agencies.

After at least 180 days have passed since the initial billing statement was provided to the patient and either Barton Health has found the patient ineligible for financial assistance or the patient has not responded to any attempt to bill or offer financial assistance, Barton Health may place the patient’s bill with a Collection Agency to pursue collections under the authority of the Chief Financial Officer (“CFO”) or his/her designee. If the patient has a pending application or appeal for coverage of the claim(s) and has made a reasonable effort to communicate with Barton Health about the progress of the application or appeal, Barton Health will wait until a determination of that application or appeal is made to place the patient’s unpaid bill with the Collection Agency.

Collection Agencies that collect unpaid patient bills on Barton Health’s behalf will be required to meet the same debt collection standards as Barton Health and comply with this Billing and Collections Policy. Collection Agencies must agree to comply, in a written agreement, with applicable state and federal laws, Barton Health policies, and Barton Health debt collection standards and practices.

For patients eligible for Financial Assistance, Barton Health shall and shall require Collection Agencies to agree in writing to the following:

- Collection shall only apply to the amount outstanding after application of the Financial Assistance Policy and any discounts.
- Collections shall comply with applicable state and federal debt collection practices law, including but not limited to hospital collection practices set forth in California Health and Safety Code § 127425(a)-(j).
- Barton Health and its Collection Agencies shall not use wage garnishments or liens on any real property.
- Barton Health and its Collection Agencies shall not report adverse information to a consumer credit reporting agency.

Accounts will be referred for collections only with the following caveats:

- There is a reasonable basis to believe that the patient owes the debt.
- All third-party payers have been properly billed by Barton Health and the remaining debt is the financial responsibility of the patient. Hospital shall not bill a patient for any amount that an insurance company is obligated to pay.
- Barton Health will not refer accounts for collection while a claim on the account is still pending payer payment. However, Barton Health may classify certain claims as “denied” if such claims are stuck in “pending” mode for an unreasonable length of time despite Barton Health’s efforts to facilitate resolution.
- Barton Health will not refer accounts for collection where the claim was denied due to a Barton Health error.
- Barton Health will not refer accounts for collection where the patient has initially applied for Financial Assistance or other Barton Health sponsored program and Barton Health has not yet notified the patient of its determination (provided the patient has complied with the timeline and information requests delineated by Barton Health during the application process).

Before sending an account to a Collection Agency to obtain payment, Barton Health shall send the patient a notice with the following information:

- The date(s) of service of the bill that is being assigned to collections;
- The name of the entity the bill is being assigned to;
- A statement informing the patient how to obtain an itemized hospital bill from Barton Health
- The name and plan type of the health coverage for the patient on record with the hospital at the time of services or a statement that the hospital does not have that information;
- An application for Barton Health’s financial assistance;
- The date(s) the patient was originally sent a notice about applying for financial assistance, the date(s) the patient was sent a financial assistance application, and, if applicable, the date a decision on the application was made.

Prior to commencing collection activities against a patient, Barton Health shall require its external Collection Agency to provide the patient with a clear and conspicuous written notice containing both of the following:

- A plain language summary appearing substantially in the following form: “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 1-877-FTC-HELP (382-4357) or online at [www.ftc.gov](http://www.ftc.gov).”
- A statement that nonprofit credit counseling services may be available in the area.

The Collection Notice shall also accompany any document indicating that the commencement of collection activities may occur.

### **Hospital Bill Complaint Program**

The Hospital Bill Complaint Program is a state program, which reviews hospital decisions about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Go to [HospitalBillComplaintProgram.hcai.ca.gov](http://HospitalBillComplaintProgram.hcai.ca.gov) for more information and to file a complaint.

Contact us if you have any questions or concerns about billing or the collection process.

### **5. Extraordinary Collection Actions (ECAs)**

Before engaging in an Extraordinary Collection Action (“ECA”) to obtain payment for care, Barton Health must make certain reasonable efforts to determine whether an individual is eligible for Financial Assistance under our Financial Assistance Policy.

An ECA may begin only when 240 days have passed since the first post-discharge statement was provided. However, at least 30 days before initiating an ECA to obtain

payment, Barton Health shall do the following:

- 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.
- Provide a plain-language summary of the FAP, along with the notice described above.
- Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process.

After making reasonable efforts to determine Financial Assistance eligibility as outlined above, Barton Health (or its authorized business partners) may take the following ECA to obtain payment for care:

- Litigation. Only the Chief Financial Officer or his/her designee may approve any legal actions to be initiated against the patient for outstanding amounts owed to Barton Health, including such actions that may be taken by Barton Health's Collection Agencies.
- Liens against judgments or on a patient's third-party claims. Liens on real property are not permitted.

Barton Health and its Collection Agencies will not use wage garnishments or notice or conduct a sale of real property to obtain payment for care.

If a patient has an outstanding balance for previously provided care, Barton Health may engage the ECA process for deferring, denying, or requiring payment before providing additional medically necessary (but non-emergent) care only when the following steps are taken:

- Barton Health provides the patient with a FAP application and a plain language summary of the FAP.
- Barton Health provides a written notice indicating the availability of financial assistance and any requirements.
- Barton Health makes a reasonable effort to orally notify the individual about the financial assistance policy and explain how to receive assistance with the application process.
- Barton Health processes on an expedited basis any FAP applications for previous care received within the stated deadline.
- Final authority in determining whether an individual is FAP- eligible will be made by the financial assistance committee. The committee includes but is not limited to the CFO, the Revenue Cycle Director, the Manager of Patient access, the Manager(s) of Patient Financial Services, the Patient Access Supervisor, and the Financial Counselor.

- If an application for Financial Assistance is received but is incomplete, a letter will be sent to the patient outlining what is missing from the application. The application will be pended for two weeks to allow time for response. If the additional information is not received within two weeks, Barton will send a denial letter to the patient stating that the application was not complete and the missing information was not received

## 6. **Financial Assistance**

All billed patients will have the opportunity to contact Barton Health regarding financial assistance for their accounts, payment plan options, and other applicable programs.

Barton Health's financial assistance policy is available free of charge. Individuals can obtain copies as follows:

- In person at any registration location at Barton Health.
- By calling the Customer Service Department: 530-543-5930 or the Financial Counselor: 530-539-6086
- By mailing a written request to Barton Health Attn: Financial Counselor 2170 South Ave. South Lake Tahoe, CA 96150
- Via e-mail to: [financialassistance@bartonhealth.org](mailto:financialassistance@bartonhealth.org)
- Online at <https://www.bartonhealth.org/tahoe/financial-aid.aspx>

Individuals with questions regarding Barton Health's financial assistance policy may contact the financial counseling office by phone at 530-543-5930 or in person at 2170 South Avenue, South Lake Tahoe, CA 96150.

Barton Health and Collection Agencies shall not pursue collections from a patient who is attempting to qualify for Financial Assistance under Barton Health's Financial Assistance Policy and is attempting in good faith to settle an outstanding bill by negotiating a Reasonable Payment Plan, as defined in the Financial Assistance Policy, or by making regular partial payments of a reasonable amount.

If a patient submits a Financial Assistance Application at any time during the collection process, all collection activities will stop until the application is reviewed and either approved or denied. If denied, the patient will have the right to follow the appeal the determination. The exception to this process is when legal action has been initiated with and court ordered actions have been issued. In this situation, the Financial Assistance Application will be evaluated in parallel with the court issued action. If the Financial

Assistance Application is approved, proper process will be followed to dismiss the legal action.

Information obtained from tax returns or paystubs collected as part of determining eligibility for Financial Assistance or discounts will not be used for collection activities.

Eligibility for Full Charity Care or Discounted Care shall be determined at any time, and Barton Health shall not impose time limits for applying for Charity Care or Discounted Care, nor deny eligibility based on the timing of a patient's application.

If the patient has already paid more than the amount due after the Financial Assistance determination, Barton Health shall refund the amount actually paid to Barton Health in excess of the amount due including interest at the rate provided in the Code of Civil Procedure Section 685.010 from the date of Barton Health's receipt of the overpayment.

## 7. Extended Payment Plans

Barton Health and its Collection Agencies shall offer patients found eligible for Discounted Care the option to enter into an agreement to pay the amounts due over time.

The extended payment plan shall be negotiated between Barton Health and the patient and may take into consideration the patient's Family Income, Essential Living Expenses, and the availability of a health savings account. All extended payment plans shall be interest-free.

If Barton Health and the patient cannot agree on the extended payment plan, the hospital shall create a Reasonable Payment Plan, which is defined as a monthly payment that does not exceed 10% of the patient's Family Income for a month, excluding deductions for Essential Living Expenses.

Barton Health may declare an extended payment plan no longer operative after the patient fails to make all consecutive payments during a 90-day period. Before declaring the extended payment plan inoperative, Barton Health or its Collection Agencies will make a reasonable attempt to contact the patient by the last known telephone number and provide notice in writing with the last known address to notify the patient that the extended payment plan may become inoperative and provide an opportunity to renegotiate. Barton Health or the Collection Agency acting on Barton Health's behalf will attempt to renegotiate the extended payment plan if requested by the patient.

## 8. Translation of Notices

Barton Health shall ensure that written correspondence to the patient required in this policy is translated into English and Spanish and is made accessible by interpretation or alternative formats to ensure access for limited English proficient and disabled individuals.

## 9. **Customer Service**

During the billing and collection process, Barton Health will provide quality customer service by implementing the following guidelines:

1. Barton Health will enforce a zero-tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees.
2. Barton Health will maintain a streamlined process for patient questions and/or disputes, which includes a **phone** number patients may call and a prominent business office address to which they may write. This information will remain listed on all patient bills and collection statements sent by Barton Health.
3. After receiving a communication from a patient (by phone or in writing), Barton Health staff will return phone calls to patients as promptly as possible (but no more than one business day after the call was received) and will respond to written correspondence within ten business days.

## 10. References

Patient Protection and Affordable Care Act

IRS Notice 2014-2 issued on December 30, 2013

Healthcare Financial Management Association Patient Financial Communications Best Practices (2014)

Healthcare Financial Management Association Patient Friendly Billing Guidelines

California Health & Safety Code §§ 127400 *et seq.*

California Code of Regulations, Title 22, Division 7, Chapter 9.2

California AB 102

California HB 2297

California SB 106

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