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Corporate Patient Financial Services Billing and Collection Guidelines

Introduction:

It is the policy of Baptist Memorial Health Care (BMHCC), and all legally affiliated hospitals and clinics to pursue the collection of patient balances from patients or the patient's guarantor that have the ability to pay for the health care services they receive. BMHCC will make reasonable efforts to identify patients who may be eligible for financial assistance under federal, state and/or local programs, the BMHCC Hospital Financial Assistance Policy (FAP), the BMHCC Financial Assistance Policy for Professional Services (Pro-FAP), and any other available programs. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and within the mission of BMHCC. When making decisions throughout the collection process, BMHCC is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state, or local laws.

Collection agencies and law firms may be enlisted after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts where patients are uncooperative in making payments, have not made appropriate payments or have been unwilling to provide reasonable financial and other data to support their request for financial assistance. BMHCC staff, collection agency staff, and law firm staff will uphold the confidentiality and individual dignity of each patient. All BMHCC staff, agency staff, and law firm staff will comply with all applicable laws including the Health Insurance Portability and Accountability Act (HIPAA) requirements for handling Protected Health Information (PHI).

Objective:

- To outline the BMHCC process for pursuing unpaid balances for services provided. This includes actions that may be taken by BMHCC, by collection agencies or by law firms.
- To define the reasonable efforts that will be made prior to taking any extraordinary collection actions (ECA).

Scope:

This policy applies to BMHCC and all legally affiliated hospitals and clinics in compliance with the provision of Internal Revenue Service (IRS) Code 501(r) and other applicable guidelines.

Patient Payment Expectations:

BMHCC will provide, without discrimination and in full compliance with the Emergency Medical Treatment and Labor Act (EMTALA), care for emergency medical conditions to individuals regardless of their eligibility for financial assistance. BMHCC will clearly communicate with patients regarding financial expectations as early in the appointment and



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billing process as possible. Patients with the ability to pay are expected to pay for the health care services they receive, including the requested co-pay, any co-insurance, deductible, and, for some services, a deposit, at the time of service (except in the Emergency Department and other emergent situations). When necessary, patients are expected to participate in and adhere to interest-free payment plans for prior, current or future services. Uninsured patients without the ability to pay for some or all of their care are expected to request financial assistance. The BMHCC Hospital FAP and Pro-FAP may be reviewed on the company web site at www.baptistonline.org/expense-navigator/financial-assistance. Patients requiring assistance may download and print a copy of the FAP application from the same web site. Patients may also request a paper copy by contacting BMHCC.

Amounts Generally Billed (AGB):

AGB is defined as the amounts generally billed for emergency or other medically necessary care to patients who have insurance covering such care. Baptist Hospital FAP eligible patients will not be charged more than this AGB percentage. In accordance with IRS Code Section 501(r) requirements, BMHCC uses the “Look Back Method” to determine the AGB percentage based on claim data from the prior fiscal year. AGB percentages are calculated separately for each hospital facility by totaling the amount allowed by Medicare fee for service, plus all other commercial and private health insurers, then dividing by the respective gross charges. The AGB percentages are recalculated annually by the BMHCC Vice President of the Revenue Cycle.

Patient Billing Process:

- A. Insurance Collections:** BMHCC will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known primary health plans or insurance payers (“Payer”) clearly identified by the patient. If BMHCC receives the complete and accurate payer information from the patient in a timely manner, but does not submit the claim timely to the Payer and subsequently receives a timely filing denial, the patient will be responsible for only the amount they would be liable to pay had the Payer paid the claim. However, if BMHCC determines that the claim was filed timely and/or inaccurate or incomplete information was provided by the patient, the patient will be held responsible. Liability insurance is not covered by these provisions. BMHCC will make every reasonable attempt to collect from all known Payers with whom BMHCC has a contract and non-contracted payers for services provided to assist patients in resolving their bill. Patients must sign an authorization allowing BMHCC to bill the patient’s health plan, insurance company or any other third party payer, and must cooperate with BMHCC in a reasonable manner by providing requested information to facilitate proper billing to a patient’s health plan or insurance company.
- B. Billing Statements:** BMHCC and/or an outside vendor will mail billing statements to the patient and/or the patient’s guarantor for balances due on services rendered. Each billing statement will include a brief statement, in easily-understandable language describing the services rendered, date of services, charges for such services, balance due on the account,



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and a telephone number and contact information to connect the patient or patient's guarantor to the BMHCC Business Office. To make patients aware of the BMHCC Hospital FAP, the billing statements will also advise patients how to obtain information regarding the FAP.

- C. Telephone Contact to Patients:** Concurrently with the billing statement process previously outlined, balances may be pursued by method of telephone calls to reach the patient or the patient's guarantor. The method of making telephone calls to a patient or the patient's guarantor may include calls made by an outside vendor working on behalf of BMHCC. Telephone contact with the patient or the patient's guarantor is intended to supplement the billing statement process to ensure all patients are aware they have an outstanding balance and what payment options are available. All calls will be made in a professional manner that is consistent with the goals and objectives of the billing collection process of the hospitals. All calls are recorded for quality assurance and training purposes.
- D. Payment Plans:** If a patient is unable to pay a balance in full after receiving a billing statement, they may establish an interest-free payment plan by contacting the BMHCC Business Office. BMHCC will consider reasonable payment plans but balances must be paid within eighteen (18) months and adhere to our minimum monthly payment amount. If a patient has additional services and additional self-pay balances are owed, BMHCC will require increases to the current payment plan based on the patient's ability to pay.
- E. Payment Plan Modification Availability:** If a patient or the patient's guarantor is having difficulty meeting the financial demand of an established payment plan, they may request a modification of the established payment plan.
- F. Payment Plan Default:** If a patient or the patient's guarantor has defaulted on an established payment plan, a vendor working on behalf of BMHCC may attempt to contact the patient or the patient's guarantor to notify them of their payment plan default and seek payment in full.
- G. Identification of Reasonable Efforts Taken:** Prior to engaging in ECA, BMHCC's Business Office staff will identify whether reasonable efforts were made to determine if an individual is eligible for the BMHCC FAP. BMHCC will notify individuals that financial assistance is available to eligible individuals at least thirty (30) days prior to pursuing ECA to obtain payment for the care provided by the hospital by doing the following:
1. Uninsured patients applying for the BMHCC Hospital FAP must complete the Financial Assistance Application. To make reasonable efforts to determine whether a patient is eligible for financial assistance, free copies of the application and a plain language statement explaining the BMHCC FAP is readily available from several sources.
 - a. A copy is given to the patient during the admissions and/or discharge process for each visit for medical treatment.
 - b. A copy is sent with the first post-discharge billing statement.



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- c. Copies will be posted and available upon request at all Admissions, Emergency and Business Office department areas at all BMHCC facilities.
 - d. They are also available for download and printing online on the BMHCC website under “Financial Assistance” or by contacting the facility where services were received and requesting a copy by mail or email at FAP@BMHCC.org. In addition, BMHCC will provide all of the FAP-related documents electronically to any individual who indicates that is their preference.
2. Make reasonable efforts to orally notify individuals about the BMHCC FAP.
 3. Provide the individual a Plain Language Summary of the Financial Assistance Policy with this written notice; and
 4. Provide written notice to the individual that financial assistance is available to eligible individuals, indicating that BMHCC intends to initiate or have a third party initiate to obtain payment for the care, and provides a deadline after which ECA may be pursued and which is no earlier than thirty (30) days after the date of this written notice.
- H. Notification Period:** ECA for hospital services will not commence for a period of one-hundred and twenty (120) days after the date of the first post-discharge billing statement for applicable medically necessary or emergency medical care.
- I. Conduct and Documentation:** All contacts with patients or the patient’s guarantor regarding their financial responsibility will be handled respectfully, and all accounts will be pursued with the intent of being fair and consistent in the application of this Policy. All contacts with patients or the patient’s guarantor will be documented with sufficient detail [in the notes section of the patient’s billing record] so that any person who subsequently contacts the patient or the patient’s guarantor regarding a balance owed can follow-up on any prior conversations. In addition, all telephone inquiries will be recorded for quality review purposes.

Financial Assistance Application Period:

The eligibility criteria and application process is set forth in the applicable BMHCC financial assistance policy. The financial assistance application period for facilities and providers participating in the Hospital FAP begins on the date medical care is provided and ends two-hundred and forty (240) days after the first post-discharge billing statement or thirty (30) days after BMHCC and/or an authorized third party provides written notice of BMHCC’s plans to initiate ECA, whichever is later. BMHCC affiliated hospitals widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible.

The financial assistance application period for facilities and providers participating in the Pro-FAP program begins on the date medical care is provided and ends ten (10) days from the date of the first billing statement.



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Extraordinary Collection Actions (ECA):

ECAs are collection activities that BMHCC will not undertake before making reasonable efforts to determine if the patient is eligible for financial assistance. As described in the IRS Code 501(r), ECAs are certain actions taken against an individual related to obtaining payment for a hospital bill. No ECA will be taken sooner than one-hundred and twenty (120) days from the date of the first post-discharge bill and at least thirty (30) days after the patient was sent a written notice outlining pending ECA.

The following are ECA alternatives that BMHCC might engage against an individual related to collecting payments owed:

- Reporting adverse information related to nonpayment of an outstanding bill to consumer credit reporting agencies
- Actions that require a legal or judicial process, including but not limited to:
 - Placing a lien on an individual's property
 - Attaching or seizing an individual's bank account
 - Commencing a civil action against an individual
 - Garnishing an individual's wage

Patient Collection (Bad Debt) Process:

Sending an account to collections (also known as Bad Debt) will be used only after BMHCC has taken the steps as described in this Policy to advise the patient of their outstanding balance with BMHCC or the patient and/or the patient's guarantor has refused to cooperate or been unresponsive in establishing a payment plan, modifying a payment plan, or adhering to an established plan. If the patient or patient's guarantor fails to pay the balance owed in full or to establish a payment plan by the one-hundred and twentieth (120) day following the date of the first post discharge billing statement mailed and at least thirty (30) days after the patient was sent a written notice outlining pending ECA, the account will be recommended for external collections. Once the account has been sent to a collection agency, the agency will follow collection processes for a period of at least two-hundred and forty (240) days following the date of the hospitals' first post discharge billing statement mailed before reporting any outstanding balances to a credit bureau. If a patient submits a complete application for Hospital financial assistance after the account has been referred to a collection agency, BMHCC will suspend ECAs until the patient's application is processed and the patient is notified of the FAP determination.

Legal Action:

BMHCC may pursue legal action against patients who keep insurance payments or settlement proceeds related to medical services. BMHCC may also pursue legal action against patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not



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cooperated in the process to make that determination. Legal action is appropriate and permitted subject to the following:

- Authorization to take legal action against a patient for the collection of medical debt will be provided on a case by case basis.
- Legal action will not be filed against any particular patient to collect medical debt until BMHCC determines that:
 - There is reasonable basis to believe the patient owes the debt;
 - The patient has been given a reasonable opportunity to submit an application for Financial Assistance.
 - All known payers have been properly billed such that any remaining debt is the financial responsibility of the patient;
 - Where the patient has indicated an inability to pay the full amount of the debt in one payment, consideration of a reasonable payment plan is required provided that BMHCC may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment.

Use of Vendors:

Any vendors used to implement these guidelines shall be contractually required to adhere to the standards of these guidelines, including, without limitation, the conduct requirements for all communications with patients.

- A. Understanding of BMHCC Guidelines and Policies:** Vendors are expected to understand the BMHCC FAP as well as all aspects of the BMHCC Billing and Collection Guidelines. While working on BMHCC's behalf, vendors are expected to appropriately direct patients or the patient's guarantor to BMHCC for financial assistance when appropriate and are expected to explain, in plain and respectful language, the next step(s) in the billing and collection process and how to restore the account to current status.
- B. Compliance with Law and ACA International Guidelines:** At all times, vendors are expected to adhere to all applicable laws and regulations, including, without limitation, the Fair Debt Collection Practices Act, the Health Insurance Portability and Accountability Act, the Affordable Care Act, the Fair Credit Reporting Act, and to provide services in accordance with any and all applicable consumer protection laws and mandates. All vendors providing services pursuant to this policy shall be required to adopt and abide by the "Health Care Collection, Servicing and Debt Purchasing Practices – Statement of Principles and Guidelines" of ACA International. In no event shall any vendor resell any of BMHCC's account receivables. This limitation does not preclude BMHCC from selling account receivables if deemed appropriate.