PURPOSE: The purpose of this policy is to provide general guidelines to assure reasonable collection of accounts from all available sources. It is also intended to ensure that the Hospital complies with applicable State and Federal requirements as well as those set forth in the Fair Debt Collections Practices Act, and the ACA International Code of Ethics and Professional Responsibility.

POLICY: All services rendered are charged to the patient, not to an insurance company. The patient is responsible for all charges, regardless of insurance coverage. The filing of claims with the insurance companies in no way relieves the patient of his or her obligation. All insurance benefits will be assigned to Rockcastle Regional Hospital (RRH) at the time of treatment. All policy co-pays should be paid at the time of service. Co-pays are not subject to prompt pay discounts and must be paid in full. Information relative to all types of health insurance the patient may have must be presented prior to or upon treatment at the hospital or health center. Third party insurance claims for patients without an assignment of benefits will be filed once the account is paid in full. RRH is authorized to bill and collect for all services provided here. If insurance payment is not received within 45 days of our filing, payment of the account becomes the personal responsibility of the patient. Any balance not covered by insurance becomes the personal responsibility of the patient.

The Hospital shall not discriminate on the basis of race, color, national origin, citizenship, religion, creed, gender, sexual preference, age, or disability in providing its services. This applies to the substance and application of Hospital policies concerning billing and collection practices.
PROCEDURE

I. RRH Rights and Responsibilities

Patients will be informed of the rights to payment plans, options to apply for Medicaid, and access to the FAP program. This information will be communicated verbally when meeting with a Financial Counselor, in discussions with Credit and Collection staff from the Business Office, and via various correspondences the Hospital uses to educate and communicate with patients regarding their rights.

A. As outlined in the introduction of this policy, RRH will not discriminate on basis of race, color, national origin, citizenship, religion, creed, gender, sexual preference, age, or disability in its policies or in its application of policies, concerning the acquisition and verification of financial information, pre-admission or pre-treatment deposits, payment plans, deferred or rejected admission, or Low Income Patient Status.

B. RRH will advise patients of the right to:
   a. Apply for Medicaid or FAP program
   b. A payment plan
   c. A written notice of eligibility
   d. A written notice of the right to file a grievance

C. RRH or its agent shall not seek legal execution against the personal residence or motor vehicle of a patient or guarantor without the express approval of the Board of Trustees. All approvals by the Board will be made on an individual case basis.

D. RRH will not bill patients enrolled in the Medicaid or KCHIP programs, unless the bill is for a co-payment or deductible amount due. The Hospital may initiate billing to a patient if they fail to provide proof of participation in said program. Upon proof of eligibility in the above stated programs, or receipt of the signed application, the Hospital will cease all collection action.

E. RRH will not seek payment from FAP patients for any eligible services rendered during the period for which they have been determined FAP approved. The Hospital may bill FAP patients for eligible services prior to their determination of FAP approval, and after the FAP application has expired.
II. Standard Collection Action on Hospital Debt

A. RRH will send an initial bill to the party responsible for the patient's personal financial obligations.

B. RRH will generate subsequent billings, telephone calls, collection letters, personal contact notices, computer notifications, and any other notification method that constitutes a genuine effort to contact the party responsible for the obligation.

C. RRH will maintain documentation of alternative efforts to locate the party responsible for the obligation or the correct address on billings returned by the postal office service as "incorrect address" or "undeliverable."

D. Every effort will be made to avoid gaps in Collection Action of accounts that have aged 120 days from the first billing statement.

E. The patient's file, paper and electronic, will include all documentation, or the reproductions of, the Hospital's collection effort including copies of the bill(s), follow-up letters, reports of telephone and personal contact, and any other effort made.

F. Patients unable to pay the balance in full may establish a monthly payment plan. A minimum payment of $50.00 is required for monthly payment arrangements, unless hardship can be proven.

G. Patients unable to pay the self-pay balance may apply for financial assistance (FAP), provided a completed application form and any required documentation such as proof of income is supplied by the patient.

H. Patients with qualifying income limits may be given a full write off of charges under the FAP program.

I. Uninsured patients who do not apply for the financial assistance program (FAP) or do not qualify for the financial assistance program, will be given a 24% discount off total charges and allowed to establish a monthly payment plan for the remaining balance.

J. Patients will be notified by mail as to the decision made regarding their financial assistance application or if they were awarded the 24% self-pay discount.
III. Standard Collection Principles

A. The Hospital will provide prompt and courteous financial counseling to all patients in need and will assist these patients in obtaining available financial assistance from federal, state, or private agencies in order to meet their financial obligations to the Hospital. Various Hospital representatives, including Financial Counselors, Outreach Workers, Social Services, or Patient Account Representatives may handle this process and interactions with patients.

B. Individual clinical departments, in conjunction with the Patient Financial Services Department, are responsible for the prompt processing and aggregation of charges for services provided to patients in order to provide for the timely collection of charges and to maintain the financial solvency of the institution. Billing procedures are maintained and intended to result in prompt payment of each account by the patient prior to or at the time services are rendered or through third party sources in a timely manner. This is true unless the patient is otherwise determined to be eligible for certain governmental programs or eligible for participation in the FAP program.

C. The Patient Financial Services Department will submit a universal billing form and assist the patient in filing all necessary forms with third party insurers or responsible parties. However, the patient is expected to assign benefits due from their health insurance carriers and/or their automobile insurance carriers and pay the account in full or the balance after insurance sources.

D. In the event of a denial of benefits from the insurance carrier or other responsible party, the patient is obligated to appeal and cooperate by taking all steps necessary to obtain payment and have payment made directly to the Hospital. The patient has the responsibility to obtain payment and have payment made directly to the Hospital. The patient has the responsibility to obtain proper physicians referral(s) or other authorizations and is obligated to notify his/her health maintenance organization (HMO) or other insurance source, as required by the patient's policy of insurance.
E. RRH will not force the sale or foreclosure of a patient's primary residence to pay an outstanding medical bill. The legal execution of real estate attachments on the patient's personal residence or on a patient's other assets (e.g., automobile) to secure the patient's debts is an extraordinary action that will only be used in truly exceptional circumstances. At a minimum, liens are permitted only where there is evidence that the patient or responsible party has income and/or assets to meet his or her obligations. Such action will require prior express authorization from the Hospital's Board of Trustees in each case.

F. A collection agency will be used when the Patient Accounting Department has exhausted all reasonable collection efforts on the accounts, except for patients who are exempt from collection action pursuant to Section I, above.

G. All collection agents of RRH are required by contract to comply with the credit and collection policies of RRH. Collection agencies will use any patient contact as an opportunity to encourage the patient to discuss any need for financial assistance directly with RRH. All collection agencies and agents will exercise due diligence in seeking to collect an account referred to it by RRH. All collection activity will be conducted such that it is consistent with good public relations and every effort will be made to preserve the good public image of RRH. All actions taken by collection agencies and collection agents will be in compliance with all applicable State and Federal requirements, the Fair Debt Collections Practices Act ("FDCPA") and the ACA International Code of Ethics and Professional Responsibility. Collection agencies and/or agents shall not take any of the following actions in pursuing its collection activities:

(i) Initiate a lawsuit against an obligor on account(s) referred for collection without the prior written approval of RRH.

(ii) Record a judgment lien against an obligor on account(s) referred for collection without the prior written approval of RRH.

(iii) Seek a bench warrant or initiate other contempt proceedings against an obligor on account(s) referred for collection without the prior written approval of RRH.

(iv) Initiate foreclosure proceedings or other enforcement of non-consensual liens against an obligor on account(s) referred for collection without the prior written approval of RRH.

All collection agencies will be required to sign an agreement as a condition to work on behalf of RRH.
IV. Patient Billing and Collection Procedures

A. A system generated statement will be mailed to each uninsured patient when the encounter final bills. (Five days will have passed since the encounter discharge, the encounter will have been coded by medical records, and no other billing holds will be attached to the encounter.)

B. A system generated statement will be mailed to each patient with a balance remaining once Medicare, Medicaid, and Third Party payers have remitted their appropriate payments.

C. A 30-day waiting period will begin from the date of final billing for uninsured patient accounts or from the date of patient billing for those patients with balances remaining after insurance remittance. During this 30-day waiting period, patients may make payment for their services using cash, check, or credit card. Patients may take a full-payment discount if paying their full balance within this 30 day period. The discount percentage will be 25%. Self-pay patients will have already received a discount, and they will not be entitled to another discount.

D. After 30 days with no payment, the hospital sends another bill to the patient.

E. After another 30 days with no payment, the hospital sends another bill to the patient.

F. The hospital follows up with a personal phone call to the patient.

G. After another 30 days with no payment, the hospital sends another bill to the patient.

H. The hospital follows up with another personal phone call and a collection letter to the patient.

I. Persons not paying their account balances nor establishing a monthly payment plan, will be sent to "Pre-collections" at an aging of 120 days from the first billing statement, and placed with an outside company for further collection activity. These accounts are automatically written off by the system. The bad debt AR transaction code used is “882” (Transfer-Collection).

J. Accounts whose balances were written off to bad debt will then be placed with contracted Collection Agencies per last name of account guarantor.
K. Accounts with guarantor last names of A-K will be placed with a GLA Collection Agency.

L. Accounts with guarantor last names of L-Z will be placed with Credit Solutions Collection Agency.

M. Medicare patients not paying their account balances, nor establishing a monthly payment plan within 90 days of placement with an outside collection agency, will result in requesting a return of the account from the collections vendor. These accounts will be reinstated using AR transaction code “888” (bad debt reinstate), and then adjusted off with transaction code “885” (adj. mc bad debt).