

**Billing and Collections
 Administrative House Wide Policy and Procedure**

Applicable Campus	Department Name	Approval Authority
Salem Health Hospitals and Clinics	Revenue Cycle	Director, Revenue Cycle
Effective Date: January 2023		Next Review Date: December 2025
List Stakeholders Position or Committee	Document Status	Date of Approval
Workflow Coordinator	Reviewed	08/2022
Patient Billing Manager	Revised	10/2022
Systems Director Rev Cycle	Revised	11/2022
VP of Finance	Reviewed	12/2022
Chief Financial Officer	Reviewed	12/2022
WVH Director, Clinical Operations	Reviewed	01/2023
Final Approval Date SH & WVH	Final Approval	01/2023

Describe briefly the most recent revision made to this policy, procedure or protocol & why:

This policy was not located on the policy website, but was housed locally on PFS folders. Republishing per our 501(r) requirements and adding in language regarding the patient's financial expectations of providing us their correct address and added additional information on how many statements a patient is to receive under the self-pay balance resolution.

Policy Content

Purpose/Policy Statement:

This Policy establishes reasonable procedures regarding collection of patient accounts, including actions that may be taken by Salem Health or contracted external collection agencies and law firms.

It is the policy of Salem Health to pursue collection of patient balances from patients who have the ability to pay for services. Salem Health will make reasonable efforts to identify patients who may be eligible for financial assistance. 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 Salem Health's mission. For those patients unable to pay all or a portion of their open balances, the Financial Assistance Policy will be followed.

Collection agencies and/or law firms may be enlisted after 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. Collection agency and law firm staff will uphold the confidentiality and individual dignity of each patient. All agencies and law firms will comply with all applicable laws including HIPAA requirements for handling protected health information.

Steps/Key Points Procedure

Financial Expectations

Consistent with this Policy and the Financial Assistance Policy, Salem Health will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible and will provide language assistance when requested.

1. Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.

2. It is the patient's obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.
3. Patients may be required to pay a pre-service deposit or estimated co-pays and deductibles prior to services (except in the Emergency Department and other emergent situations) or amounts may be collected after services are provided, based on the current business practices of individual Salem Health sites.
4. Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third party payers.
5. If the patient has a previous bad debt or outstanding balance, Salem Health may request amounts owed before future elective appointments are granted. If arrangements cannot be made for resolving the patient's Billing and Collections Policy outstanding balance, future non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services.

Insurance Collections

Salem Health 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 Salem Health timely receives from the patient complete and accurate information about the Payer, but does not timely submit a claim to the Payer, and the Payer denies the claim based on that untimely filing, the patient will be responsible for only the amount that the patient would be liable to pay had the Payer paid the claim. However, if Salem Health determines that it either timely filed the claims or was provided inaccurate or incomplete information, then the patient will be held responsible. Liability insurance is not covered by these Insurance Collections provisions.

Salem Health may refer any bill to a third-party vendor or attorney for collection activity while a claim for payment of the services is pending with a contracted payer. Salem Health may refer a bill to a third-party collection agency or attorney following an initial denial or untimely denial of the claim by a Payer. Salem Health will not refer any patient bill to a third-party collection agency or attorney for collection activity when a claim is denied by a third-party payer due to Salem Health's error and such error results in the patient becoming liable for the debt when they would not otherwise be liable. Salem Health reserves the right to substantiate that an error has been made and if Salem Health determines that it has not made an error, then the patient may be held liable. Patients must sign an authorization allowing Salem Health to bill the patient's health plan, insurance company or any other third party payer, and must cooperate with Salem Health in a reasonable manner by providing requested information to facilitate proper billing to a patient's health plan or insurance company. The only exception to this is when a patient has requested to restrict disclosure of protected health information to a health plan for purposes of carrying out payment or health care operations and not otherwise required by law, and Salem Health has been notified in advance and the health care item/service paid in full.

Salem Health makes every reasonable attempt to collect from all known Payers, with whom Salem Health has a contract and non-contracted payers for services provided to assist patients in resolving their bills.

Self-Pay Balance Resolution

Salem Health will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. Financial assistance will be approved for those patients who demonstrate that their income and assets will not allow full payment of services within a reasonable time.

1. Self-pay collection procedures and process flows are followed by Salem Health and fully comply with this policy. Salem Health and its affiliates have developed a streamlined process for patients to question or dispute bills, including a toll-free phone number patients may call and an address to which they may send written correspondence. The phone number and address shall be listed on all patient bills and collection notices sent by Salem Health. Salem Health will make reasonable attempts to return telephone calls made by patients to this number as promptly as possible, but in no event later than five business days after the call is received.
2. Salem Health will send a minimum of three statements to the patient, informing the patient of the amount due and the patient's opportunity to complete a Financial Assistance application.
3. Salem Health will consider reasonable payment plans, based on individual circumstances.
4. If a patient has additional services and additional self-pay balances are owed, Salem Health may require increases to the patient's current payment plan, based on the patient's ability to pay.
5. Patients who make timely payments on all agreed-upon-in-house installment arrangements for payment of health care services shall not be charged interest on outstanding amounts.
6. Patients who do not make payment arrangements, or if the patient fails to comply with any payment arrangements made, Salem Health may refer the outstanding account balance to a collection agency. Prior to sending a patient to collections, Salem Health will complete a presumptive financial assistance screening for the patient.

Extraordinary Collection Actions (ECAs)

Salem Health will not perform any ECAs outside of the 501(r) regulatory guidelines. Actions that Salem Health may take, or authorize a collection agency or law firm to take, related to obtaining payment of a bill for medical care include the following:

1. Reporting adverse information to consumer credit reporting agencies or credit bureaus
2. Actions that require legal or judicial process

The following actions may be taken but are not considered ECAs:

1. A claimed filed by a hospital facility in any bankruptcy proceeding
2. Placing a lien against the proceeds of an individual's personal injury recovery, settlement, compromise or judgment caused by a third party
3. Placing a patient's account with a collection agency

Salem Health Reasonable Efforts to Identify Patients Eligible for Financial Assistance

Salem Health will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing ECAs to obtain payment for the care provided by the hospital by doing the following:

1. Provide written notice to the individual indicating that financial assistance is available to eligible individuals, indicating that Salem Health intends to initiate or have a third party initiate to obtain payment for the care, and provides a deadline after which ECAs may be pursued and which is no later than 30 days after the date of this written notice
2. Provide the individual a Plain Language Summary of the Financial Assistance Policy with the written notice
3. Make reasonable efforts to orally notify individuals about the Salem Health's financial assistance policy.

Notification Period

ECAs for hospital services will not commence for a period of at least 240 days after the date of the first post-discharge billing statement and 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate for the applicable medically necessary or emergency medical care.

Financial Assistance Application Period

The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement and 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate. If a patient submits a complete hospital financial assistance application during the application period, Salem Health will suspend any ECAs and make an eligibility determination before resuming applicable ECA activity. If an individual is found to be eligible for financial assistance, any ECAs will be reversed.

Identification of Reasonable Efforts Taken

Salem Health affiliated hospitals widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process is set forth in the applicable Financial Assistance Policy. Prior to engaging in ECAs, Salem Health's Revenue Cycle staff will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance. The Salem Health Patient Financial Services leadership will provide oversight for identification of reasonable efforts made.

Collection Agency

Third-party debt collection agencies may be enlisted only after reasonable collection and payment options have been exhausted. Primary and secondary collection agencies may be used. If the primary collection agency is unable to secure payment for the debt, the debt may be referred to a secondary collection agency which may report adverse information to consumer credit reporting agencies or credit bureaus. Agencies may help resolve accounts for services 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.

1. Collection agency staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet all HIPAA requirements for handling protected health information.
2. When reviewing the account for referral to a collection agency, the responsible person will confirm that:
 - a. There is a reasonable basis to believe that the patient owes the debt.

- b. 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 the patient provides reasonable verification of the inability to pay the full amount of the debt in one payment.
 - c. The patient has been given a reasonable opportunity to submit an application for Financial Assistance or that any appropriate presumptive eligibility has been determined. Particular attention should be given when a patient is uninsured or is currently on Medical Assistance, or other relief based on need.
3. If a patient submits a complete application for Financial Assistance within 240 days after the first post-discharge billing statement and 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate after an account has been referred for collection activity, Salem Health will suspend ECAs until the patient's application has been processed and notified the patient of Salem Health's determination. If an individual is found to be eligible for financial assistance, any ECAs will be reversed.

Legal Action

Salem Health may pursue legal action against patients who keep insurance payments or settlement proceeds related to the medical services, patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make that determination. Legal follow-up and commencing a lawsuit is appropriate and permitted subject to the following:

1. Authorization to take legal action against a patient for the collection of medical debt will be provided on a case by case basis by the Systems Director of Revenue Cycle and Patient Financial Services.
2. Legal action will not be filed against any particular patient to collect medical debt until Salem Health determines that:
 - a. There is a reasonable basis to believe that the patient owes the debt
 - b. All known Payers have been properly billed
 - c. There is reason to believe that the patient has the means available to pay the debt
 - d. Where the patient has indicated an inability to pay the full amount of the debt in one payment, Salem Health has offered the patient a reasonable payment plan
 - e. The patient has been given a reasonable opportunity to submit an application for Financial Assistance

Equal Opportunity

When making decisions throughout the collection process, Salem Health 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.

Confidentiality

Salem Health staff will uphold the confidentiality and individual dignity of each patient. Salem Health will meet all HIPAA requirements for handling protected health information.

Definitions – Insert N/A if not applicable
N/A
Equipment or Supplies - Insert N/A if not applicable – N/A
N/A
Form Name and Number or Attachment Name - Insert N/A if not applicable – N/A
N/A
Expert Consultants Position -
N/A
References (Required for clinical Documents and within the last five years) :
N/A
Related CBT's, Policy, Procedure or Epic Protocol Cross Reference Information – Insert N/A if not applicable
N/A
Computer Search Words
N/A
Is there a Regulatory Requirement? Yes or No
Yes, 501(r)

Review and Revision History		
History	Review or Revision	Date
This policy was not located on the policy website, but was housed locally on PFS folders. Republishing per our 501(r) requirements and adding in language regarding the patient's financial expectations of providing us their correct address and added additional information on how many statements a patient is to receive under the self-pay balance resolution.	Revision	01/2023
New Policy	New	11/2016