

# RML SPECIALTY HOSPITAL

<b>DEPARTMENT: PATIENT FINANCIAL SERVICES</b>		<b>NUMBER: PFS 004</b>
<b>TITLE: SELF-PAY BILLING &amp; COLLECTION PRACTICE</b>		<b>PAGE 1 OF 5</b>
<b>EFFECTIVE DATE: 04/01/2007</b>	<b>APPROVED BY: <u>Signatures on File</u></b>	
<b>REVISION DATES: 6/14/2012</b>	<b>President &amp; CEO</b>	
<b>REVIEW DATE:</b>	<b>APPROVED BY: _____</b>	
<b>DISTRIBUTION:</b>	<b>Vice President Finance &amp; CFO</b>	
<b>PFS/ADMITTING</b>		

## POLICY

To establish consistent and appropriate collection practices for all patient self pay financial obligations related to insured patient deductibles, co-insurance, non-covered services and uninsured patient financial obligations. RML will engage in timely and thorough collection efforts in accordance with Federal and State rules and regulations for self pay balances due resulting from the rendering of medical services to patients.

The following definitions apply to this policy

**Patient** means any person receiving medical services from RML and any individual who is the guarantor of the payment for such services.

**Insured** means any patient receiving medical services at RML who is insured by a health care plan.

**Uninsured** means any patient receiving medical services at RML who is not insured by a health care plan and is not a beneficiary under a government-funded program, workers' compensation, or accident liability insurance.

**Self pay collections** means patient financial responsibilities owed to RML from the rendering of medical services from insured patients (i.e.; deductibles, co-insurance, non covered services etc.) and uninsured patients.

The Patient Financial Services Department (PFS) shall maintain responsibility for collection of outstanding self-pay balances due RML. Collection activity consists of but is not limited to the following.

- Written communication of statements delineating self-pay balances owed
- Follow up phone calls, letters, data mailers
- Helping patients understand their financial assistance options and where appropriate helping develop reasonable payment plans.
- If necessary, engage use of external collection agencies and attorneys to escalate collection efforts when internal collection efforts have failed and all provisions of this policy have been appropriately followed.

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## PROCEDURE

### I. Communication to Patient for Self-Pay Financial Responsibility

An insured patient's account resulting in a self-pay financial obligation will receive a statement from PFS requesting payment no less than 30 days from the last insurance payment received. Uninsured patients will receive statements for self-pay financial obligations within 30 days of discharge along with information on the availability and process to apply for financial assistance. Internally generated statements will be sent to patients every 30 days until paid or referred to external collection firms for follow up. All statements will include the following information:

#### Front

1. Patient name
2. Dates of service or range of service dates
3. Brief description of services provided
4. Dollar amount owed for the services provided
5. Any payments received on the account (insurance or self-pay)
6. Any adjustments applied to the account from insurance contracts.

#### Back

7. Hospital contact information for addressing billing inquiries
8. Statement that uninsured patients may be eligible for Financial Assistance
9. Notice that the patient/guarantor may obtain an itemized bill upon request.
10. Phone number for patients to call.
11. RML Specialty Hospital website address.

### II. Collection Responsibilities and Compliance Requirements

#### 1. Billing Inquiries for All Patients:

PFS must return calls made by patients as promptly as possible, but no later than 2 business days after the call is made. If the hospital's billing inquiry process involves written correspondence from the patient, PFS must respond within 10 business days of receipt of the patient correspondence.

#### 2. Collection activity for Uninsured Patients:

- A. If the uninsured patient has indicated an inability to pay the full amount in one payment, PFS shall work with the patient and offer a reasonable payment plan. Such payment plans will take into consideration the patient's financial circumstances including sources of revenues and assets.

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- B. If the uninsured patient has indicated an inability to pay the entire amount due even after an offer of a reasonable payment plan, the case will be referred to the Admitting department to determine eligibility for financial assistance. Admitting will indicate why the patient did not apply at time of admission and if the patient would qualify retroactively for Medicaid. If it appears there is potential eligibility for either Medicaid benefits or hospital financial assistance, the Admitting department will commence the appropriate application process.
3. RML can pursue collections with an outside agency for uninsured patients only if:
- A. PFS has given the patient the opportunity to:
- i) Request and assess the accuracy of the statement
  - ii) Apply for RML financial assistance
  - iii) Offer a reasonable payment plan
- B. If the patient has indicated an inability to pay the full amount in one payment, and the hospital has offered the patient a reasonable payment plan.
- C. To the extent the hospital provides financial assistance and the circumstances of the uninsured patient suggest the potential for eligibility for charity care, the uninsured patient has been given at least 60 days following the date of discharge or receipt of outpatient care to submit an application for financial assistance.
- D. If the uninsured patient has agreed to a reasonable payment plan with RML, and the patient has failed to make payments in accordance with that reasonable payment plan.
- E. If the uninsured patient informs RML that he/she has applied for health care coverage under Medicaid, or other government-sponsored health care program (and there is a reasonable basis to believe that the patient will qualify for such program) but the patient's application is denied.
4. Collection Action Referral to External Collection Agencies or Attorneys
- A. RML may not refer a bill, or portion thereof, to a collection agency or attorney for collection action against the insured patient, without first offering the patient the opportunity to request a reasonable payment plan for the amount personally owed by the patient. Such an opportunity shall be made available for the 30 days following the date of the initial bill. If the insured patient requests a reasonable payment plan but fails to agree to a plan within 30 days of the request, RML may proceed with collection action against the patient.
- B. No collection agency, law firm, or individual may initiate **legal** action for non-payment of a hospital bill against a patient (insured or uninsured) without the written approval of either the President/CEO or the Vice President Finance/CFO who

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reasonably believes that all conditions in this policy for pursuing collection action have been met.

- C. RML shall only refer accounts for collection activity to external collection agencies, law firms or other individuals engaged by the hospital to obtain payment of patient outstanding self pay obligations that agree in writing to comply with the State of Illinois Fair Patient Billing Act.
- D. RML will not pursue legal action for non-payment of a hospital bill against uninsured patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations provided the patient:
  - i. Acts reasonably and cooperates in good faith with RML.
  - ii. Provides RML with all reasonably requested financial and other documentation needed to determine patient eligibility for financial assistance and reasonable payment plan options.
  - iii. Provides information within 30 days of the hospital's request.
  - iv. Communicates to the hospital any material changes in financial situation that may affect the patient's ability to comply with payment plans or qualify for hospital financial assistance within 30 days of such change.

## 5. Other Collection Practice Guidelines

RML will not place a lien on a self pay patient's primary residence if this is the patient's sole real asset unless the value of the property clearly indicates an ability to assume significant financial obligations. RML will not execute a lien for the purpose of forcing the sale or foreclosure of the patient's primary residence to pay for an outstanding medical bill. RML will refrain from using aggressive collection practices such as body attachment to require the patient or responsible party to appear in court.

### III. Notification Concerning Out-of-Network Providers.

Upon admission or shortly thereafter, PFS shall notify patients in writing that:

- 1. Patients may receive separate bills for services provided by health care professionals affiliated with the hospital.
- 2. Some hospital health care professionals may not be participating providers in the same insurance plans and networks as the hospital.
- 3. The patient may have a greater financial responsibility for services provided by out-of-network providers.
- 4. Inform the patients they should refer to their health care plan for questions regarding coverage or benefit levels.

### IV. Special Circumstances

Collection efforts shall cease or be placed on hold when directed by either the President / CEO, Vice President of Finance / CFO or the Vice President of Risk Management. Directives may be

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initiated in special circumstances involving allegations of malpractice or other such administrative determinations. PFS shall appropriately documents in the notes of the billing system administrative orders to cease or hold such collection efforts.

Developed by: Vice President Finance & CFO
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Committee Approval: RML Board of Directors July 24, 2012
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