



FHN

Policy

SUBJECT: Fair Billing and Collection Policy		POLICY NUMBER	
FORMER SUBJECT: Patient Financial Responsibility	DATE REVISED: 12/07/15	DATE EFFECTIVE: 1/1/16	PAGE 1 OF 4
SUBMITTED BY: Jody Gabel, CBO Director	INIT/DATE:	APPROVED BY:	
DATE ORIG. WRITTEN 7/93	DATE REVIEWED:	DATE OF MEETING:	
DEPT OR COMMITTEE APPROVAL: FHN Planning/Finance (11/24/15) FHN/Hospital Board of Directors (12/11/15)		DISTRIBUTED TO: All	
APPLIES TO: <u>Fiscal</u> <u>Social</u> <u>Bus. Office</u> <u>Physician Practices</u> <u>Admin.</u> <u>Services</u> <u>Patient Access</u>			

PURPOSE

This policy is to ensure that FHN's patient billing and collection processes are reasonable, fair and consistent.

POLICY STATEMENTS:

- A. FHN will render non-discriminatory emergency medical services to patients regardless of their ability to pay.
- B. FHN will provide sufficient billing information to allow patients to determine the accuracy of their bills.
- C. FHN will provide patients a fair and reasonable opportunity to assess and discuss the accuracy of their bill.
- D. FHN will provide patients with information regarding FHN's Discounts and Financial Assistance Programs.
- E. FHN will provide patients the opportunity to establish a reasonable repayment plan for their outstanding account balance.
- F. Patients who do not meet their financial obligations in accordance with this policy and FHN's Discounts and Financial Assistance Programs' policy may be subjected to additional collection efforts including transfer to a third party collection agency. FHN will not initiate Extraordinary Collection Actions before making reasonable efforts to determine whether the individual is eligible for assistance under the FHN Discounts and Financial Assistance Policy.

METHOD OF IMPLEMENTATION:

- A. FHN Patient Billing Statements & Collection Notices:
 - a. All FHN patient bills for health care services will include the following information:
 - i. Date(s) that health care services were provided to the patient;
 - ii. Brief description of the services provided to the patient;
 - iii. Amount owed for the services provided to the patient;
 - iv. FHN contact information for addressing billing inquiries and disputes, including a mailing address, phone number, email address and website address;
 - v. A statement of the financial assistance available, the telephone number of the hospital office or department that can provide information about the financial assistance policy and application process, the website address where copies of the financial assistance policy, application and plain language summary may be obtained, and information regarding how a patient may apply for financial assistance in person, over the phone (some documentation and signatures may still be required) or at www.fhn.org;
 - vi. A notice that the patient may obtain an itemized bill upon request; and
 - vii. All billing statements issued to persons eligible for financial assistance will indicate what the person owes and how this amount was determined by showing the contractual allowances, discounts or deductions and describe how to obtain information regarding the AGB percentage.
 - b. All FHN collection notices will include FHN contact information for addressing billing inquiries and disputes including a mailing address, phone number, website and email address.

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- B. FHN Patient Billing Inquiry Response Times:
 - a. FHN patient account representatives will return patient billing phone inquiries as promptly as possible, but not later than two (2) business days after the call is received.
 - b. FHN will respond to written billing inquiries within ten (10) business days of receipt. For purposes of this section “business day” means a day on which FHN’s billing office is open for regular business.
- C. Out-of-Network Provider Notices:
 - a. During the admission or as soon as practicable thereafter, FHN will provide insured patients with written notice that:
 - i. The patient may receive separate bills for services provided by health care professionals affiliated with the FHN;
 - ii. If applicable, some hospital and healthcare center staff members may not be participating providers in the same insurance plans and networks as FHN;
 - iii. If applicable, the patient may have a greater financial responsibility for services provided by health care professionals at FHN who are not under contract with the patient’s health care plan; and
 - iv. Questions about coverage or benefit levels should be directed to the patient’s health care plan and the patient’s certificate of coverage.
- D. FHN Courtesy Discounts:
 - a. FHN applies a courtesy Prompt Pay discount for most Hospital and Physician services when the Patient pays their balance in full within thirty days of the first statement date. Certain services are excluded and the applicable discount is noted on patient billing statements. The discount amount is subject to change at FHN’s discretion. (See Addendum A of FHN’s Discounts & Financial Assistance Programs Policy for most recent Prompt Pay discount and exclusions)
 - b. FHN applies a courtesy discount to Uninsured Patients for most Hospital and Physician services. Certain services are excluded and the applicable discount is automatically applied to the Patient’s billing statement. This discount is removed if insurance coverage is subsequently identified. This discount cannot be combined with other FHN discounts (with the exception of the FHN Prompt Payment Discount). (See Addendum A of FHN’s Discounts & Financial Assistance Programs Policy for most recent FHN Uninsured Discount.)
- E. Accepted Forms of Payment:
 - a. FHN accepts the following forms of payments:
 - i. Cash, Checks, Money Orders, Traveler’s Checks and Electronic Checks
 - ii. Credit Cards (Visa, MasterCard, American Express and Discover)
 - iii. FHN approved payment plans
 - iv. FHN’s Financial Assistance Programs – see FHN Discount & Financial Assistance Programs policy
 - v. FHN Payroll Deductions (for FHN employees only - 12 month maximum)
 - b. Any returned checks will be charged back to the patients account and a service fee will be assessed.
 - c. Any exceptions to these payment options require the prior written approval of the Director of Central Business Office.
- F. Amounts Generally Billed (AGB): No person eligible for FHN Assisted Care Discounts for Hospital services will be charged more than the amounts generally billed for Emergency Medical Care or other Medically Necessary Services to individuals who have insurance covering such care, which shall be determined by multiplying the Gross Charges for all Emergency Medical Care and Medically Necessary Services by the AGB Percentage. [Financial Assistance Policy](#)
- G. Maximum Collectible Amount:
 - a. Patients eligible for the Illinois Hospital Uninsured Patient Discounts or the FHN Assisted Care Discounts under the FHN Discounts & Financial Assistance Programs Policy will not be required to pay more than 25% of their Family Income in a 12-month period. The 12 month period begins on the first date of eligible discounted medical services subsequent to June 14, 2012. To have this maximum collection amount applied to subsequent charges, the Uninsured Patient must inform FHN in subsequent encounters that they have previously received eligible discounted medical services from FHN.
- H. Prerequisites to Pursuing Collection Action:

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- a. FHN will not pursue collection action for non-payment of a bill against patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations, provided the patient has cooperated in good faith by:
 - i. Providing all reasonably requested financial and other relevant information and documentation necessary to determine the patient's eligibility under the FHN Discounts & Financial Assistance Programs and for reasonable payment plan options for qualified patients
 - ii. Communicating to FHN any material change in the patient's financial situation that may affect the patient's ability to comply with an agreed upon reasonable payment plan or their eligibility for financial assistance within 30 days of the change.
 - b. Before FHN refers a bill, or any portion of a bill, to a collection agency or attorney for collection:
 - i. FHN will allow the patient the opportunity to assess the accuracy of their bill;
 - ii. FHN will offer the patient the opportunity to apply for financial assistance under the FHN Discounts & Financial Assistance Programs Policy during the notification period of 120 days after the first post discharge bill.
 - iii. FHN will consider secondary sources of information to determine if the patient qualifies for Financial Assistance under the Presumptive criteria of FHN's Discounts & Financial Assistance Programs Policy. [Financial Assistance Policy](#)
 - iv. FHN will apply any discounts the patient is eligible for under FHN's Discounts & Financial Assistance Programs Policy.
 - v. For UNINSURED patients:
 - (1) If the patient has indicated an inability to pay the full amount of the debt in one payment, FHN will offer the opportunity to make reasonable payment arrangements in accordance with the FHN Discounts & Financial Assistance Programs Policy.
 - (2) If the circumstances suggest the potential for charity care eligibility, FHN will give the patient a minimum of 240 days following the date of the first post discharge bill or receipt of outpatient care to submit an application for financial assistance.
 - (3) If the uninsured patient informs the FHN Central Business Office (CBO) that he or she has applied for health care coverage under Medicaid, Kidcare or other government sponsored health care program (and there is a reasonable basis to believe the patient will qualify for such program), FHN will await a formal confirmation of a denial by such program.
 - vi. For INSURED patients:
 - (1) FHN will offer the opportunity to request a reasonable payment plan or additional financial assistance for the amount personally owed by the patient. FHN will give the patient a minimum of 240 days from the date of the first post discharge bill or receipt of outpatient care to submit an application for financial assistance.
 - c. If a patient requests a reasonable payment plan, but fails to agree to a plan, FHN may proceed with collection action after the providing the written notice required in section I below.
 - d. If a patient has agreed to a reasonable payment plan, but fails to make payments in accordance with the plan, FHN may proceed with collection action after providing the written notice required in section I below.
 - e. If a patient does not meet the presumptive eligibility criteria of FHN's Discounts & Financial Assistance Programs Policy and does not submit a completed financial assistance application within 120 days of the first post discharge bill or receipt of outpatient care, FHN may proceed with collection action after providing the written notice required in section I below.
- I. Prerequisites to Pursuing Extraordinary Collection Action:
- a. FHN shall not engage in extraordinary collection actions defined to mean reporting adverse information to a consumer credit reporting, filing a collection suit, and garnishing wages or a bank account sooner than 120 days after the first post discharge bill or receipt of outpatient care and not before FHN:
 - i. Has made reasonable efforts to determine whether the individual is eligible for financial assistance under the FHN Discounts & Financial Assistance Programs Policy; and
 - ii. Provided written notice of the financial assistance policy and the extraordinary collection actions the hospital may initiate, with a Plain Language Summary enclosed, and made reasonable efforts to orally notify the individual about the financial assistance policy as required under the FHN Discounts & Financial Assistance Programs Policy.
 - b. Before FHN may refer an account to a third party for collection, FHN must enter into a written agreement with the party to ensure financial assistance applications submitted after referral and

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- within 240 days of the first post discharge bill or receipt of care are processed as required under Internal Revenue Code Section 501(r).
- c. Before a collection agency, law firm or individual may initiate legal action for non-payment of a bill, an authorized FHN employee, who reasonably believes that the conditions for pursuing collection action under Section 27 of the Illinois Fair Patient Billing Act (210 ILCS 88/27) have been met, must provide written approval.
 - d. FHN shall not initiate civil action, unless authorized by the President or Chief Financial Officer, or such Officer's designee.
 - e. Extraordinary collection actions must be suspended while a financial assistance application is pending until FHN determines whether the individual is eligible for assistance and all of the requirements for processing a completed application under the FHN Discounts & Financial Assistance Programs Policy are satisfied including notifying the applicant of the eligibility determination. If the application is incomplete, extraordinary collection actions may be resumed if the applicant fails to provide the requested additional information or documents within the reasonable time period FHN provided to respond to such requests.
- J. If an incomplete application is received during the 240 day application period, FHN will take the following actions:
- a. Suspend extraordinary collection actions;
 - b. Provide a written notice to the applicant that describes the additional information or documents required under the financial assistance policy, provides a reasonable deadline to complete the application, and provides the telephone number and physical location of the hospital office or department that can provide information about the financial assistance policy and provide assistance in applying.
 - c. If the application is completed during the 240 day application period or, if later, within the reasonable extended time period FHN gives to submit additional information or documents, the application is timely completed and will be processed.
- K. If a complete application is received during the 240 day application period including any extended time FHN gives to supplement an incomplete application, FHN will take the following actions:
- a. Suspend extraordinary collection actions;
 - b. Make a determination of eligibility for assistance and notify the applicant in writing of the eligibility determination including, if applicable, the assistance available and the basis for this determination.
 - c. If the applicant is eligible for less than 100% assistance, provide a bill to the applicant that shows the amount the individual owes, explains how the amount was determined, and provides the AGB for the care or describes how the person can obtain the AGB information.
 - d. Refund any amount the person paid that exceeds the amount personally due as a financial assistance policy-eligible person, unless the refund is less than \$5.00.
 - e. Reverse any extraordinary collection action taken including vacating judgments and removing adverse information from a credit report.
- L. FHN will require any external collection agency, law firm, or individual engaged by FHN to obtain payment of outstanding bills to agree in writing to comply with the collection provisions of this Policy and applicable laws.