

Marshall Medical Centers
Department: Patient Financial Services
Section: Hospital Wide
Title: Collections Policy

Approved By:	Patient Financial Service Director		
	<u>Effective Date</u> June 9, 2000	<u>Review Dates</u>	<u>Revision Dates</u> December 2015

Purpose / Goals:

It is the purpose and policy of the Marshall Health System that no medically necessary care (a patient encounter for which there is a properly completed physician order based on a legitimate medical diagnosis) will be denied based on the patient’s inability to pay. The Marshall Health System will treat each patient with respect as we assess and verify his or her financial situation. We will work in good faith to resolve all patient accounts in a manner that is realistic within the patient’s ability to pay and consistent with our policies and procedures.

Definitions:

For purposes of this Program, the following terms are defined as:

- “Patient” shall mean an individual who receives care at Marshall Health System and the person who is financially responsible for the care of the patient.
- “Self-Pay Patients” is defined as a person who is uninsured or does not otherwise qualify for any governmental or private program that provides coverage for any of the services rendered.

Principles

1. All billing and collection practices will reflect our commitment to treat all patients equally, with dignity, respect and compassion.
2. Marshall Health System will accept all individuals, regardless of their ability to pay for emergency medical screening and for stabilization services, as necessary, within the scope of the hospital’s capabilities and capacity.
3. Consistent with Marshall Health System’s mission and values, these policies reflect our commitment to provide financial assistance to patients who cannot pay for part or all of the care they receive, while taking into account Marshall Health System’s financial ability to provide the care.
4. When possible, Marshall Health System will assist patients in obtaining health insurance coverage from private or public sources (including, but not limited to Medicaid and Allkids).
5. This policy applies to all non-elective services provided in the inpatient or outpatient acute care setting, including behavioral health, and to non-elective procedures. This

policy does not apply to payment arrangements or elective procedures as defined by Marshall Health System.

Guidelines

Marshall Health System ensures that:

1. Its employees and agents behave in a manner that reflects the policies and values of Marshall Health System, including treating patients and their families with dignity, respect and compassion.
2. Patients and their families are advised of the hospital's applicable policies, including charity care and the availability of need-based financial assistance in easily understood terms, as well as in any language commonly used by patients in the community.
3. Patients who do not qualify for charity care but are in need of financial assistance are offered appropriate extended payment terms or other payment options that take into account the patient's financial status.
4. Outstanding balances on patient accounts are pursued fairly and consistently, in a manner that reflects the values and commitments of our hospital in the community it serves.
5. Financial counseling is available to all patients.
6. Information is posted in the admitting and registration areas, including the emergency room, regarding financial assistance and charity care policies.
7. Financial assistance policies are applied consistently with all patients.
8. Financial assistance for individual patients is balanced with the hospital's broader responsibility to keep its doors open for all that may need care in the community.
9. Patients and families will be advised of their financial responsibility, based upon their individual ability to pay.

Collection

Marshall Health System expects each patient or the guarantor to respond to its request to discuss payment arrangements. Patients who do not respond are far more likely to be referred to outside vendors and the court system for collection. Marshall Health System and its vendors recognize and adhere to all collection practices contained in the Fair Debt Collections Practice Act.

1. Garnishment of wages are permitted only if:
 - a. The patient does not qualify for charity or financial assistance under the "uninsured Patient Discount" section of this policy, and a court determines the patient's wages are sufficient for garnishment.
 - b. Garnishment pursued by a collection agency or other representative of the hospital has had prior review and approval from executive management of the hospital.

2. Hospital will not pursue an involuntary bankruptcy proceeding against a patient as a result of its collection efforts on uninsured patients.
3. All hospital collection agency agreements will be amended to incorporate the language set forth below as notice to the collection agency of hospital's policies and procedures regarding billing and collection practices for uninsured patients including the values-based manner in which all patients and families are to be conducted. The following language will be included in all collection agency service agreements.

Collection of Deductible or Co-payment

Patients with insurance may owe a deductible or co-payment. When possible the Marshall Health System will remind an insured patient in advance of the amount of their deductible and co-payment. We will work with the patient to make arrangements for payment. It is the expectation of the Marshall Health System that deductibles and co-payments are paid at the time of service or before. However, no treatment will be delayed or denied for lack of payment.

Uninsured Patients

The Marshall Health System (or its designee) will help all passively qualified uninsured patients apply for governmental health-care benefits, and we will inform them of any other available options.

Charity Discounts (see full Financial Assistance Policy)

All uninsured patients are informed at time of registration of their ability to apply for charity consideration via communication and/or signage posted in all registration locations. Charity opportunities are based primarily on verified family income, however, family assets will be considered in the decision process as well. Patients whose verified income is less than 200% of the federal poverty level may be eligible for a charity discount equaling 100% of the amount owed. Lesser charity discounts are approved on an incremental basis and are based on a sliding scale of annual gross income beginning at 200% of the federal poverty level and up to 300% of the federal poverty level. Charity approval can be made for catastrophic situations and can be reviewed on a case-by-case basis. Charity approval will be considered upon receipt of a completed and verifiable charity application. Supporting documentation is required to determine accuracy of the application. Supporting documentation typically consists of: bank statements, tax return, pay check stubs, etc. but may require more depending on circumstances.

Self-Pay Discounts

All (except items listed below under 'Pricing and Prepayment for Certain Procedures) self-pay patients will be offered a discount at time of service if they can pay their bill immediately. Larger self-pay discounts can be approved depending on the patient's verified ability to pay. Factors commonly used to evaluate a patient's ability to pay include but are not limited to the following: household income and expenses, assets, hospital costs and major payer reimbursement. Exceptions granting extended payment terms in addition to discounts can be made with the approval of Patient Accounting management and/or Administration. Administration and/or Patient Accounting management has the authority to delegate negotiated settlements to agencies under contract for collection purposes.

Pricing and Prepayment for Certain Procedures

Payment in full case rates for cosmetic surgeries are based on flat rates instead of hospital charges. However, prior arrangements must be made to participate in this rate structure. Payment is always expected on or before time of service. Exceptions can be made with Patient Accounting management and/or Administration approval. These pre-priced types of programs cannot be granted along with any other forms of discount or delay of payment.