GOV-11 – Hospital Credit and Collection

Key Points

- University Hospitals (UH) is a charitable organization that provides care to patients regardless of their ability to pay; all patients are treated with respect, regardless of their individual financial circumstances. It is anticipated that all UH patients will honor their financial commitments to UH.
- This Policy shall apply to all patients regardless of insurance status.
- This Policy applies to all UH hospital facilities and those entities identified in Gov-2–Addendum 3: “Providers who Provide Financial Assistance” (“UH Billing and Collection Entities”).
- This Policy is only applicable to those services provided by and billed by UH Billing and Collection Entities and does not include any professional fees provided by or billed by physicians or other healthcare providers. UH Billing and Collection Entities do not have the authority to waive any charges from physicians or other healthcare professionals.
- This Policy provides instruction to UH Billing and Collection Entities and any third-party collection agencies for the following:
  - Discharge of patient financial responsibilities;
  - Follow-up on unpaid or partially paid patient accounts during and after a patient's hospital stay; and
  - Efforts for collection of accounts not paid in full at the time of the patient's discharge.
- UH Billing and Collections Entities are committed to maintaining a consistent process for the management and collection of self-pay amounts. UH Billing and Collection Entities shall apply the same collection policy to all accounts with a self-pay balance. UH Billing and Collection Entities will make every effort to be flexible and responsive to individual circumstances.
- All third party agencies working on behalf of UH Billing and Collection Entities shall be held accountable to follow applicable public laws, regulations and guidelines set forth in this policy.
- This Policy shall work in concert with the UH Gov-2 - Financial Assistance Policy.
- UH Billing and Collection Entities shall not discriminate based upon race, color, religion, sex, age, sexual orientation, gender identity, disability, national origin, or marital status in its policies or in its application of this policy.

1 For purposes of this Policy, a hospital facility shall include all hospital facilities that are required to be registered with the Ohio Department of Health as a hospital.
Policy & Procedure

1. Patient liabilities for services rendered by UH Billing and Collection Entities shall be collected from all patients. Amounts owed by patients qualifying for charity care under UH Gov-2 - Financial Assistance Policy shall not be billed to patients at amounts that are more than the amounts generally billed (“AGB”)² to patients.

2. When scheduling or registering for non-emergency or non-urgent UH Billing and Collection Entities services, patients are required to provide confirmation of third-party insurance coverage and/or financial information to assist in determining a patient’s ability to pay for services rendered.
   2.1. If a patient does not maintain third-party insurance coverage or is found to be medically indigent and cannot pay the costs associated with a patient’s incurred balance, the patient may qualify for financial assistance as set forth in UH Gov-2 - Financial Assistance Policy.
   2.2. The patient will be provided with a financial assistance application and will be directed to meet with or contact a financial counselor who can be reached at the contract information noted on the financial assistance application. If the patient is found to qualify for financial assistance, all further interactions with the patient regarding Hospital Billing and Collection shall be in accordance with the activities set forth in this Policy and the UH Gov-2 - Financial Assistance Policy.

3. Notice:
   3.1. UH will post signs and provide brochures regarding the availability of financial assistance and other programs of public assistance available to patients receiving care from UH Billing and Collection Entities. Notice of these programs will be posted in the following manner:
       3.1.1. Signs and materials will be in all UH Billing and Collection Entities registration areas as well as financial counseling areas.
       3.2.1. UH will provide notice of the availability of financial assistance in patient/family brochures, including admission and billing brochures.
       3.1.3. UH will post notice of the financial assistance policy and payment options on the UH website and in accordance with UH Gov-2 - Financial Assistance Policy.
   3.2. UH will include a notice about the availability of financial assistance programs, public assistance programs, and payment plan options in its initial billing statement and in all other written collection communications. UH will provide contact information for resolution of billing questions in the statement.

²The calculation of AGB is the percentage of Expected Reimbursement divided by total charges for all insurances combined. Insurance categories included in the calculation are Medicare, Anthem, Commercial, HMO, MMO, PPO, and Managed Care. Insurance categories specifically excluded from the calculation are Medicare HMOs, Medicaid, Medicaid HMOs, Other Expected Self Pay Plans, Other Government Payers, and Patient Self Pay. The calculation will be refreshed every year on December 31 and put into effect on January 1 of the following year, and that calculation will be used to adjust charges for services for the next fiscal year.
4. **Deposits at Time of Service:**

4.1. Per the Emergency Medical Treatment and Active Labor Act ("EMTALA") and UH EMTALA policies\(^3\), UH will not request payment information or information about a patient’s insurance status prior to registration, medical screening exam and stabilization where a patient presents to a hospital emergency department for emergency services.

4.2. **Non-Urgent, Non-Emergency, and Non-Medically Necessary Services** – Where it has been determined in the best medical judgment of the attending physician, after an appropriate medical screening examination, that a patient requires non-urgent, non-emergency, or non-medically necessary services, UH Billing and Collection Entities may require a preadmission deposit for inpatient and outpatient services based on information from a third party or patient/family.

4.2.1. Where it is determined that a patient is not able to pay the requested deposit, the patient shall be directed to the financial assistance program and provided a financial assistance application.

5. **Payment /Payment Plans:**

5.1. In general payment in full is expected upon receipt of a bill from UH Billing and Collection Entities or any UH entity.

5.2. UH Billing and Collection Entities may offer payment plan arrangements after payment in full has been determined not possible by the patient/family/guarantor.

5.2.1. Where a patient qualifies for financial assistance, such payment plans will be arranged in such a way as to take into account all required activities under UH Gov-2 - Financial Assistance Policy.

5.2.2. Prior to initiating any payment plan option, a financial counselor will discuss the appropriate account resolution approach with the patient and/or family.

5.2.3. Where possible, new account balances will be combined with existing payment plans, and the resulting monthly payments will be assessed for reasonableness.

5.2.4. For patients who are not eligible for financial assistance, and who are unable to pay a claim or accumulation of claims within six (6) months of the date of the identification of the obligation, UH Billing and Collection Entities will work with the UH Department of Finance provide reasonable, interest-free payment plans or discounts.

5.2.5. The patient must agree orally, electronically, or in writing to meet all of the requirements of this section.

5.2.6. A copy of the payment plan will be provided to the patient and retained at the Central Business Office ("CBO") for UH Billing and Collection Entities and other UH entities.

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\(^3\) EMTALA policies found at CP-74 – CP 80; these policies have been adopted as UH emergency medical care
6. Patients Who Are Unable to Pay Claims – Medical Indigency:

6.1. Patients with limited health insurance or financial hardship may be deemed to be medically indigent\(^4\) under this Policy if they:

6.1.1. Have a claim or accumulation of claims that may cause the patient to be unable to pay the outstanding balances;

6.1.2. Agree to provide the necessary financial information and complete and attest to the financial assistance application per UH GOV-2 – Financial Assistance Policy; and

6.1.3. Are residents of Northeast Ohio or a UH Billing and Collection Entities’ primary or secondary service area and seek treatment at one of UH’s Billing and Collection Entities.

7. Patient Statements:

7.1. Patients will receive monthly statements/letters for the balances that have been identified as the patients’ responsibility. All statements will contain information to assist patients in applying for Medicaid, HCAP, or financial assistance through UH GOV-2 – Financial Assistance Policy.

7.2. UH may employ a pre-collection process for accounts with patient payment liabilities. The UH pre-collection process will include sending patient statements and letters. It may also include making telephone contact with the patient when possible. The pre-collection process will be conducted over a period of approximately ninety (90) days for patients who do not qualify for financial assistance and a minimum of one hundred and twenty (120) days for patients who do qualify for financial assistance. UH may use a third party vendor to assist in the pre-collection process.

7.2.1. During the pre-collection process, the account shall remain in the possession of UH, which does not constitute an extraordinary collection action.

7.2.2. Subsequent to the UH pre-collection process, the management of accounts for which satisfactory payment arrangements have not been made, accounts have not been paid in full, or it is determined that the patient does not qualify for financial assistance, will be returned to the CBO for possible bad debt classification.

8. Collection Activities:

8.1. UH will not assign accounts to external collection or engage in extraordinary collection actions before making reasonable efforts to determine whether the patient is eligible for financial assistance consistent with UH Gov-2 – Financial Assistance Policy. Reasonable efforts may include:

8.1.1. Sending billing statements which including information on how to obtain a financial assistance application;

8.1.2. Processing any financial assistance application received within 240 days after the first post-discharge bill has been sent to the patient and place all

\(^4\) Medically indigency shall be analyzed based on a patient’s medical expenses compared to their percentage
normal collection activities on hold until a financial assistance determination has been made;

8.1.3. Initiating collection calls and letters each of which shall including information to the patient on how to apply for financial assistance; or

8.1.4. Engage third party collection agency for additional collection activities, however, such third party collection agencies shall not engage in ECAs until after the appropriate notice is given per Section 7 below.

8.1.5. Provide the individual with written notice that indicates financial assistance is available for eligible individuals, identifies the ECA(s) that the hospital facility (or other authorized party) intends to initiate to obtain payment for the care, and states the deadline after which such ECAs will be initiated (no sooner than 30 days after the date this written notice is provided);

8.1.6. In the case of an incomplete financial assistance application, notify the individual about how to complete the financial assistance application and give the individual a reasonable opportunity (no less than sixty (60) days) to do so;

8.1.7. Provide the individual with a plain language summary of the financial assistance policy with the written notice that financial assistance is available for eligible individuals; and

8.1.8. Make a reasonable effort to orally notify individuals about the financial assistance policy and financial assistance application at least thirty (30) days prior to the initiation of ECAs.

8.2. If a patient does not pay his or her portion of the amount as set forth on the billing statement, and UH has made reasonable efforts, initiating a minimum of two (2) reasonable efforts Section 8.1 above to determine if the patient is eligible for financial assistance, UH may engage in Extraordinary Collection Activities ("ECAs"). UH may not engage in ECAs sooner than one hundred twenty (120) days after the initial post-discharge billing date. UH shall give the patient thirty (30) days written notice before engaging in ECAs.

8.2.1. UH intends to engage in the following ECAs:

8.2.2. Selling a patient's debt to another party;

8.2.3. Reporting adverse information about the patient to consumer credit reporting agencies or credit bureaus;

8.2.4. Deferring, denying, or requiring a payment before providing medically necessary care covered under this Policy; and

8.2.5. Actions that require a legal or judicial process:

8.2.5.1. Placing a lien on a patient's property;

8.2.5.2. Attaching or seizing a patient's bank account or any other personal property;

8.2.5.3. Commencing a civil action against a patient; or

8.2.5.4. Garnishing a patient's wages.

For all patient accounts, external collection activity will cease when a patient submits an application for financial assistance under UH GOV-2-Financial Assistance, until the application has been reviewed and decided. If ECAs have started and a patient is found to be eligible for financial assistance, all initiated ECAs shall be reversed at the expense of UH.
8.3. UH shall ensure that all external agencies have a contract to perform collection actions on their behalf. This contract will require that the external agency agrees to abide by UH policies, the Fair Debt Collection Act and any other state or federal requirements. External agencies shall provide the patient/family with the opportunity to file a grievance or complaint with UH relating to a UH patient account or collection of same. In addition, UH shall be notified of any substantiated patient/family complaint regarding the conduct of the collection agency.

8.3.1 External agencies shall forward all patient/family complaints to UH for review. UH will discuss complaints with external agencies and conduct evaluations. This may include review of audio recordings of patient/family and collector conversations.

8.4. UH will use a multi-collection agency referral system and accounts will be transferred to the appropriate agency for further collection action after appropriate in-house efforts have failed to bring the account to a close. All collection activity will be assumed by the collection agency to which the accounts have been transferred. Collection agencies’ performance, methods and effectiveness will be monitored by the CBO.

8.5 For all patient accounts, collection activity will cease when a patient has submitted a financial assistance application (complete or incomplete) per UH GOV-2 – Financial Assistance Policy, until the application has been reviewed and subsequently approved or denied. Where a financial assistance application is incomplete, a patient shall have 240 days from the first post-discharge bill to provide complete information to UH in order for UH to assess a patient’s eligibility for financial assistance.

8.6. Good judgment and reason will be utilized in classifying an account as bad debt as the situation may require alterations from the stated policy based on unique circumstances.


9.1. A patient may be considered “presumptively eligible” for financial assistance if during the previous three (3) months, the patient has received financial assistance from the UH Billing and Collection Entities.

9.2. A patient who previously received a 100% discount, free care, from the UH Billing and Collection Entities may be considered presumptively eligible to receive a 100% discount, free care, from the UH Billing and Collection Entities on all medically necessary services for three (3) months from the date of the initial financial assistance determination.

9.2.1. A patient who is receiving a 100% discount, free care, may not receive written notification of such discount.

9.3. A patient who previously received less than a 100% discount from the UH Billing and Collection Entities may be considered presumptively eligible to receive the same discount from the UH Billing and Collection Entities on all medically necessary services for three (3) months from the date of the initial financial assistance determination.
9.3.1. In a patient receives less than a 100% discount, the patient shall be notified in writing of the financial assistance provided and be provided information on how to apply for additional financial assistance.

9.4. UH Billing and Collection Entities may review credit reports and other publicly available information to determine, consistent with applicable legal requirements, estimated household size and income amounts for the basis of determining financial assistance eligibility when a patient does not provide a Financial Assistance Application or supporting documentation. A patient who is found to be presumptively eligible for financial assistance, and who has not previously submitted a Financial Assistance Application in the last three (3) months, shall receive a 100% discount.

10. UH Billing and Collection Entities shall not discriminate based upon race, color, religion, sex, age, sexual orientation, gender identity, disability, national origin, or marital status in its policies or in its application of this policy.