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Resource Cathy Alger: Non-Emp Ensemble Health Partners
 Policy Area Patient Financial Services
 Applicability Valley Health System - System Wide
 Regulatory Tags 501r, Accounts Receivable, Bad Debt + 9 more

Patient Billing and Collections

PURPOSE

To provide guidelines regarding self-pay billing of patient balances, classification of unpaid patient balances as bad debt, describe the extraordinary collection activities (ECA's) that Valley Health System (VH) is permitted by this policy to take to aid in collection unpaid patient balance. This policy covers Valley Health entities and providers covered by the Valley Health System Financial Assistance Policy. Valley Health maintains a team of Financial Counselors established to assist patients and their financial guarantors explore means to meet their financial obligations for medical care, including payment plan and patient financing options, ACA/Exchange and Medicaid application assistance, and Financial Assistance. **The Financial Counseling and Customer Service Team can be reached toll free at 1-866-414-4576 or via e-mail at financial.counselor@valleyhealthlink.com.**

POLICY

- A. Valley Health System recognizes that in order to remain financially viable, provide funding to support current and future patient services, meet its obligation to protect the Medicare Trust Fund, as well as to protect the healthcare assets of the communities which VH facilities and providers serve, it must be diligent in collecting payment for services.
- B. When attempting to collect guarantor balances, Valley Health, its representatives, and partners will treat all patients and guarantors equally, with dignity, compassion, and respect, adhering to

- the organization's Code of Ethics and all applicable state and federal laws.
- C. Although VH is not strictly obligated to follow the practices set forth in the Fair Debt Collection Practices Act (FDCPA), VH makes a concerted effort to follow both the intent and letter of the law. VH will require that any outside collection agency (OCA) or collection attorney who partners with VH to follow the FDCPA and all other applicable state and federal collection laws.
 - D. Valley Health offers Financial Assistance to aid patients who demonstrate an inability to pay as well as a team of Financial Counselors to assist patients identifying means of payment.
 - E. Valley Health maintains a Financial Counseling Team established to assist patients/guarantors investigate various options for account payment and payment plans, and for those not able to pay, to assist with Medicaid applications and Financial Assistance Applications.
 - F. VH actively encourages patients or guarantors experiencing financial hardship to pro-actively communicate with the VH Financial Counseling Team and/or apply for Financial Assistance.
 - G. Valley Health hospitals are required to meet the obligations set forth for Medicare-participating hospitals under the requirements of Emergency Medical Treatment and Labor Act (EMTALA).
 - H. This policy covers Valley Health hospitals and Valley Physician Enterprises.
 - I. Effective June 1, 2024, patients enrolled in Valley Health's MyChart will receive patient statement notifications electronically, including links to the full electronic patient statement on MyChart, in lieu of a mailed statement. MyChart patients may also log into MyChart to view, download, or print their statements at any time. MyChart enrolled patients may choose to opt-out of electronic statement notifications and receive paper statements in lieu of electronic notification by changing their user preferences in their Valley Health MyChart account. Patients who are not enrolled in MyChart or choose to opt-out of electronic statements will receive paper statements through the mail. For the purposes of this policy, the term "sent" applies to the statement generation date on the Epic account and applies to both electronic statement notifications and mailed paper statements.

AVAILABILITY OF FINANCIAL ASSISTANCE

- A. Notice of the availability of the VH Financial Assistance Policy (FAP), including contact information and instructions on how to initiate an FAP application, is posted throughout all Valley Health Facilities, including in each facility's Emergency Department and admission areas.
- B. Notice is also provided to each patient at admission, and is printed on all guarantor/patient statements and collection notices sent to the guarantors. The notice of availability, the FAP policy, and application are also available on-line via the Valley Health website www.valleyhealthlink.com. Financial Assistance will remain available to all qualifying debtors for 240 days after the first post-service billing statement date of the services subject to the collection activity.
- C. The VH Financial Counseling and Customer Service Team can be reached toll free at 1-866-414-4576 or via e-mail at financial.counselor@valleyhealthlink.com.

Emergency Medical Care (EMTALA Statement)

- A. Medicare participating hospitals must meet the Emergency Medical Treatment and Labor Act (EMTALA) statute codified at §1867 of the Social Security Act, the accompanying regulations in 42 CFR §489.24 and the related requirements at 42 CFR 489.20(l), (m), (q), and (r).
- B. EMTALA requires hospitals with emergency departments to provide a medical screening examination to any individual who comes to the emergency department and requests such an examination, and prohibits hospitals with emergency departments from refusing to examine or treat individuals with an emergency medical condition. The term "hospital" includes critical access hospitals.
- C. The provisions of EMTALA apply to all individuals (not just Medicare beneficiaries) who attempt to gain access to a hospital for emergency care. For purposes of this policy, emergency medical condition is defined within the meaning 42 U.S.C. 1395dd.
- D. **In no event will emergency medical care be denied to any patient presenting for such care and nothing in this policy shall be construed to permit the denial of such care regardless of the patient's/guarantor's Financial Assistance status, insured status, ability to pay, current or past collections status, or delinquency of any debt.**

Non-Discrimination

VH self-pay billing activities are event driven with the purpose of obtaining payment of patient balances owed to VH and do not take consider patient, guarantor, or debtor gender, race, national origin, sexual orientation, religion, or political affiliation.

PROCEDURE

- A. General:
 - 1. For the purposes of this policy and unless otherwise specified, the terms "patient", "guarantor", and "debtor" all refer to the individual who is financially responsible for the medical services provided to the patient, whether that individual be the actual patient, a parent of a minor patient, a guardian, or any other relationship incurring financial responsibility for the medical services provided.
 - 2. For the purpose of this policy, "Self-Pay" indicates a balance owed by the patient or an individual financially responsible for the debt, regardless of their insured status, and does not refer to the insured or uninsured status of the patient. A "self-pay" balance may be a residual balance owed by an insured patient after insurance, the balance owed after an insurance has denied payment resulting in a balance billable to the patient, or the balance owed by an uninsured patient.
 - 3. Accounts will be screened for bad debt and collections placement eligibility using the placement criteria below. Screening may be done either electronically, using computer system logic to ensure that placement criteria has been met, or manually by VH Patient Accounts staff using either a work list, manual review of self-pay

accounts, or an ad hoc basis based on event-driven circumstances that identify individual accounts, groups of accounts, or patients that meet bad debt placement criteria.

4. Patients wishing to establish a payment plan must contact the VH Financial Counselors and Customer Service to have a payment plan created. Recurring payments made without the establishment of a payment plan will not suffice to hold an account from bad debt and/or OCA placement if such account is not paid in full within the time period specified below. An actual payment plan must be established to maintain accounts as current for longer installment periods. **The VH Financial Counseling and Customer Service Team can be reached toll free at 1-866-414-4576 or via e-mail at financial.counselor@valleyhealthlink.com.**

B. Reasonable Collection Efforts and Self-Pay Billing Process in general

1. The Self-Pay Billing process begins when an account balance is determined to be the patient's responsibility, the account reaches a "Billed" status and that balance is in the patient responsibility bucket within the patient accounting system.
2. The first day that a patient statement is generated on an account is counted as the "first Self-Pay date" of that account.
3. VH will send patient statement (bills) that routinely communicates balances-owed by individual patients/guarantors at the account level. Statements will be sent approximately every 30 days.
4. Accounts that have not been paid in full, or, for which a suitable payment plan has not been established, or, for which a payment plan has not been maintained as current, a minimum of four (4) statements will be sent for hospital accounts and a minimum of three (3) for physician accounts, as well as a minimum of 120 days from the first Self-Pay date must have elapsed for hospital accounts, and a minimum of 90 days for physician accounts, before an individual account is eligible for bad debt status and/or placement with an OCA, unless one of the exceptions below occur, which may cause accounts to accelerated to bad debt status and/or OCA placement prior to the statement minimums and time-lines listed above.
 - a. The guarantor or their legal representative notifies VH that they are represented by an attorney and all communications should be directed to the attorney (in such cases, VH may refer the account to bad debt status and/or OCA placement with specific notice of guarantor's representation to ensure that these communications restrictions are observed).
 - b. The guarantor, either directly or through a legal representative communicates that they do not intend to pay the outstanding debt, otherwise refuses to discuss their bills with VH representatives, or requests that their account(s) be assigned to bad debt status and/or OCA placement.

- c. The guarantor/patient has an extensive and substantial history of unpaid accounts with Valley Health that have been referred to bad debt status and/or OCA placement and the guarantor/patient has been consistently non-responsive or uncooperative with VH in determining means for a more suitable balance resolution.
 - d. There is not a valid address on file for the guarantor/patient, mail has been returned to VH by the USPS (United States Postal Service) as 'return to sender', 'attempted-not known', 'unable to forward', or other valid return reason, and/or no updated address information has been provided to VH by the guarantor.
 - e. A lien for any reason is placed by VH for purposes of protecting VH interests in cases where there is a pending estate settlement or settlement of another court case or any other legal action taken. These will need supervisor approval.
 - f. Other extenuating account circumstances as approved by VH leadership and expected to result in non-payment unless OCA resources are applied or it is otherwise known or strongly believed that the account will not be paid.
- C. Bad Debt Screening: On a routine basis, at least once per month, accounts will be reviewed, electronically or manually as specified below, for transfer to Collections using the following criteria:
- 1. The account has aged at least 120 days from the date of first billing (unless one of the extraordinary circumstances listed above exist).
 - 2. A minimum of four statements were sent on hospital accounts billed through Epic. For physician accounts, the statement minimum is three.
 - 3. There has been no agreed-to payment plan in accordance with VH payment plan options available and/or the agreed-to payment plan has not been kept current and up to date.
 - a. Any payment made after the 'due date' as listed on monthly statements may be considered a late payment.
 - b. Partial payment plan installment payments in amounts less than the agreed-to payment plan installment amount will not maintain payment plans as current and will be considered missed payments.
 - c. Balances subject to a payment plan may be paid in full at any time prior to the due date and installments greater than the agreed-to installment amount may be made without penalty; however, the minimum-agreed to payment plan installment amount must be paid monthly until the account is paid in full.

- d. Any patient payments received will be posted to the guarantor/patient accounts but they do not constitute an agreed-upon payment plan if a payment plan has not been established and may not be in accordance with VH payment plan options offered nor will they hold account from referral for further collection efforts.
- 4. VH does not have a currently pending Financial Assistance and or Medicaid application on file for the guarantor or patient.
- 5. The balances due are believed to be legitimately the responsibility of the guarantor/patient, either because the related patient(s) is not insured or the balance due is a residual or non-covered guarantor/patient balance after insurance has been billed.
- D. All Epic accounts will be electronically screened by the hospital accounts receivable system to identify those accounts meeting the criteria for bad debt as defined in this policy and may be automatically written-off to bad debt.
- E. Once Bad Debt eligibility is determined, the accounts will be distributed to internal collections or external OCA as determined by determined by management to most efficiently and cost effectively meet the business needs of VH.

End of Policy Document

All Revision Dates
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Approval Signatures

Step Description	Approver	Date
	Walter Sowers: CHIEF LEGAL AND COMPLIANCE OFFICER	04/2024
	Matthew Toomey: VP PFS	04/2024

Regulatory Tags

501r, Accounts Receivable, Bad Debt, CBO, Collections, FAP, Financial Assistance, PATIENT FINANCIAL SERVICE, Patient Accounts, SBO, billing and collections, credit and collections