

*System – Administrative***TITLE:**

Hospital Billing and Collecting Patient Liabilities

OUTCOME STATEMENT:

The purpose of this policy is to provide guidelines within SSM Health for billing and collecting amounts due from patients and their guarantors consistent with the mission and values of SSM Health which include our special concern for people who are poor and vulnerable.

All SSM Health hospitals will provide exceptional health care services to all persons in need regardless of their ability to pay. Each person will be treated as an individual with specific needs for assistance without regard to payment.

All billing and collection policies and practices will reflect the mission and values of SSM Health, including our special concern for people who are poor and vulnerable. SSM Health embraces its responsibility to serve the communities in which we participate by establishing sound business practices. SSM Health's billing and collection practices will be fair and consistently applied within each facility.

SCOPE:

This policy is applicable to employees of SSM Health Hospitals*, with the exception of SSM Health Saint Louis University Hospital which maintain separate policies.

FILE MAINTENANCE INFORMATION:

Original Effective Date: 01/01/2005
Revision Dates: 04/15/2007, 06/15/2015, 08/01/2016; 03/20/2019
Review Dates:
Author(s): Director, Patient Services Center
System Vice President Revenue Management
Body or Person Last Approved: Chief Financial Officer

* As required by CMS Regulation §482.12 A-0043 Conditions of Participation: Governing Body, the following hospitals are included as SSM entities:

Missouri: (1) SSM Health St. Mary's Hospital – St. Louis and SSM Health Cardinal Glennon Children's Hospital, (2) SSM Health DePaul Hospital – St. Louis, (3) SSM Health St. Clare Hospital – Fenton, (4) SSM Health St. Joseph Hospital – Lake St. Louis, (5) SSM Health St. Joseph Hospital – St. Charles and SSM Health St. Joseph Hospital – Wentzville, (6) SSM Health St. Francis Hospital – Maryville, (7) SSM Health St. Mary's Hospital – Jefferson City, (8) SSM Health St. Mary's Hospital – Audrain,

Oklahoma: (1) St. Anthony Hospital and Bone & Joint Hospital at St. Anthony, (2) St. Anthony Shawnee Hospital.

Wisconsin: (1) SSM Health St. Mary's Hospital – Madison, (2) SSM Health St. Clare Hospital – Baraboo, (3) SSM Health St. Mary's Hospital – Janesville,

Illinois: (1) SSM Health St. Mary's Hospital – Centralia and (2) SSM Health Good Samaritan Hospital – Mt. Vernon

DEFINITIONS

- I. None

PROCESS

- I. **SSM Health will:**
 - A. Educate its employees and agents to behave in a manner that reflects the policies and values of SSM Health, including treating patients and their families with dignity, respect, cultural sensitivity and compassion.
 - B. Maintain comprehensive written procedures on billing and collecting amounts due from patients and their guarantors that are consistent with this policy and with applicable laws and regulations.
 - C. Provide patients with prompt access, in a readily understandable format, to charge information for any service provided.
 - D. Appoint contact persons to answer questions from staff and patients about its policies and procedures, and ensure that they have adequate knowledge and the communication skills necessary to fulfill that role.
 - E. Advise patients and their families of the hospital's applicable policies on billing and collection in easily understood terms, in languages commonly used in the community.
 - F. Provide employees who have patient care contact with an orientation to the billing and collection process so that they will be able to direct patients to the appropriate person for response to their questions and requests.
 - G. Make financial counseling available to all patients, and advise them of that availability in languages commonly used in the community.
 - H. Provide timely notification of the availability of charity care and financial assistance. (See SSM Health's System Policy Operations – Financial Assistance (Charity Care))
 - I. Respond promptly to patients' questions and concerns about their bills.
 - J. Pursue outstanding patient liabilities fairly and consistently.
 - K. Ensure that its policies and procedures comply with all applicable state and federal laws, including, but not limited to, the Fair Debt Collection Practices Act, the Health Insurance Portability and Accountability Act (see the "SSM Health HIPAA Privacy Policy Manual"), and the Gramm Leach Bliley Act and Regulation Z (Truth in Lending).
- II. **First Party Collection Efforts:** All accounts with balances due from the patient will receive written notification after discharge or after final adjudication from patient's insurance. Generally, the patient will receive 3 written notifications regarding their balances due and may include placement with early-out collection vendors.
- III. **Bad Debt Agency Collection Efforts:** If after above collection effort, the Patient Liability is still outstanding and the patient has not submitted an application for financial assistance or set up an approved payment plan, SSM Health may place the account with a bad debt agency for further collections. Accounts with consistent monthly payments in the last 45 days will be reviewed prior to being sent for bad debt placement. This review will include notification to the patient to prompt them to establish an approved payment plan or pay the balance in full. If the patient fails to respond and does not meet SSM's guidelines for payment, the account may be sent for bad debt placement. For patients who qualify for financial assistance and who are cooperating in good faith to resolve their Patient Liability, SSM Health may offer extended payment plans, and it will not place unpaid accounts with bad debt collection agencies.

- IV. **Consumer Credit Reporting:** Consumer credit reporting or credit bureau listing will occur no less than 120 days from bad debt placement. Written approval from SSM Health is required prior to engaging in any other form of legal action.
- V. **Return of Accounts From Collection Agencies:** After 12 months of collection efforts, the bad debt collection agency will return all accounts not being pursued for legal action (i.e. those with judgments or, active or inactive garnishments which may be kept at the agency up to the statute of limitations in the applicable state) or making established payment arrangements to the hospital as efforts exhausted. Accounts may be considered uncollectable prior to completion of the 12-month collection period if indigence requirements are met or the account is otherwise deemed uncollectable. The agency will return the accounts using the approved "return code" which will identify the account in SSM Health's system as bad debt uncollectible.
- VI. **Extraordinary Collection Actions (ECAs):** SSM Health will not initiate ECAs for any patient without first making reasonable efforts to determine whether that patient is eligible for financial assistance under the Financial Assistance Policy. Prior to initiating ECA, SSM Health will provide at least 30 days' notice to the patient or his/her legal representative.

Reasonable efforts shall include:

- A. Validating that the patient owes the unpaid bills;
- B. Determination that SSM Health has offered the patient the opportunity to apply for financial assistance within the Notification Period and that the patient has not complied with the hospital's application requirements.

If ECAs have commenced, and a patient subsequently submits a completed application that has been approved, any ECAs will be suspended and SSM Health will notify the patient of his/her financial eligibility in accordance with the Financial Assistance Policy.

After receiving proper notification, if the patient does not submit a complete application within 30 days, SSM Health may proceed with ECAs.

- VII. **Small Balance Adjustments:** Balances under \$10.00 will be adjusted off using the small balance write-off adjustment code. This does not include balances reduced through regular patient payments.
- VIII. **Reconciliations:** The inventory of accounts placed with an Outside Agency/Vendor will be reconciled on a monthly basis by Patient Business Services – Business Support Services.
- IX. **Overpayments:** In the event that a patient account results in an overpayment, the credit balance will be redistributed to any account with a patient balance. If there are no accounts with a patient liability the credit balance will be refunded to the patient for amounts greater than ten dollars.

In the event that a patient account results in an overpayment and financial assistance is awarded at less than 100%, the credit balance will be redistributed to any account with a patient balance. If there are no accounts with a patient liability the credit balance will be refunded to the patient for amounts greater than five dollars. Overpayments that are made with accounts that are awarded 100% financial assistance will receive a refund for amounts greater than five dollars.
- X. **Legal Action:** Legal action against individuals may be taken after a case by case review and only when there is evidence that the patient or responsible party has income and/or assets to meet his or her obligation and the patient or responsible party is unwilling to cooperate with SSM Health in resolving his or her obligation. This will include a review consistent with SSM Health's Financial Assistance Policy, including a consideration of the patient's employment status, earning capacity, and other resources available.

SSM Health will not force the sale or foreclosure of a patient's primary residence, however, it may place a lien against the proceeds of the sale of real property including the patient's primary residence

or garnish an individual's wages or enforce payments from bank accounts or other liquid assets to satisfy the obligation.

Any legal action will require the approval of the Director, Patient Service Center.

- XI. **Agreements With Outside Agencies:** SSM Health is responsible for performing due diligence when contracting to outsource billing and collection of patient accounts. The written agreement must specify that the contracting agent has the duty to:
- A. Comply with all applicable state and federal laws, including, but not limited to, the Fair Debt Collection Practices Act, HIPAA (see the "SSM HEALTH HIPAA Privacy Policy Manual"), the Gramm Leach Bliley Act and Regulation Z (Truth in Lending), Internal Revenue Service requirements for charitable hospitals defined under section 501 (r).
 - B. Comply with the Association of Credit and Collection Professional's Code of Ethics and Professional Responsibility.
 - C. Comply with all applicable portions of this policy and the policies of SSM Health.
 - D. Obtain written approval from SSM Health before initiating any legal action against a patient or account guarantor.
 - E. Report, in a mutually agreed upon format, on the collection activity on all open accounts assigned no less than monthly, including collections.
 - F. Return accounts that it has closed with report on the reason for closing.
 - G. Remit amounts collected in accordance with the specified timetable and form.
 - H. Take reasonable actions to ensure that its employees and agents who are responsible for carrying out the terms of its agreement with SSM Health will conduct themselves in a manner that is consistent with the mission and values of SSM Health.

The written agreement must specify the services to be provided, the standards of conduct, the standards for performance, and the collection actions that are permitted.

- XII. **Exceptions:** In extenuating circumstances, the normal schedule of billing and collection efforts may be deviated from in consideration of preserving patient relations, or other administrative judgment by the Hospital President, Chief Operating Officer, or System Vice President, Revenue Management. Exceptions to the collection timeline may occur due to returned mail for invalid address, incorrect contact information and accounts covered by bankruptcy or involved in a probate matter, or for patients failing to comply with their insurance carrier's request for information from them. In these instances the account will not abide by the schedule of collection activity and may immediately be referred for bad debt placement or adjusted as appropriate.
- XIII. **Delayed Billing:** On occasion billing to patients can be delayed significantly in case of waiting for final adjudication from the insurance carrier. It is the Policy of SSM Health to provide monthly billing statements within a timely manner after the insurance company has made final payment. Timely follow-up is defined as the generation of billing statements within 12 months from discharge or within 6 months of insurance payment or the last insurance follow-up activity, whichever is longer. If the patient's account meets the criteria for untimely follow-up, the patient's balance may be adjusted down for patient satisfaction.
- XIV. **Hospital Billing Disputes:** All communications concerning disputed billing and amount owed by the patient, including any instruments tendered as full satisfaction of a debt, must be sent to the dispute address available on the patient statement and the SSM website. Any payments tendered as full satisfaction of a debt that are not sent to this location will not satisfy the total outstanding amount owed by the patient.

DOCUMENTATION

None

REFERENCES

None