



TITLE: Patient Account Collection Practices for Aultman Hospital, Aultman Orrville Hospital and Aultman Specialty Hospital	EFFECTIVE DATE: December 29, 2015	
	REVISION DATE:	VERSION:

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(This policy rescinds any previous publication covering the same material)

I. Policy: Aultman has implemented a collection process for the accounts receivable of patients receiving hospital services that supports the business needs of the Aultman and, together with the Financial Assistance Policy, is intended to comply with applicable federal, state and local laws, including Section 501(r) of the Internal Revenue Code of 1986. This policy outlines the actions that Aultman may take to collect an outstanding balance on a patient’s account in the event of nonpayment for hospital services provided by Aultman, including Extraordinary Collection Actions.

II. Purpose: To establish a standard practice for Aultman’s Collections Department to contact patients for nonpayment on accounts and for determining when patient accounts may be referred to an external party for collection. This policy ensures that appropriate billing and collections practices are uniformly followed and that Aultman makes reasonable efforts to determine whether a patient is eligible for financial assistance for payment of the entire balance, or part thereof. This policy will guide Aultman’s Collections Department and third party collection agencies relative to collecting amounts owed by patients and developing financial arrangements with patients. This policy will apply to all patients regardless of insurance status.

III. Definitions:

Amounts Owed means the balance owed by the patient to Aultman for hospital services in an Episode of Care after payment from insurance, discounts, credits and other payment sources are applied to the patient’s account. Amounts Owed may include co-payments and deductibles that the patient is required to pay under an insurance plan or other payment source.

Eligible Patient means a patient who has submitted a complete FAP Application and/or otherwise qualifies for assistance under this policy, as determined by Aultman.

Episode of Care is the period of time in which a patient receives hospital services for a specific medical problem, health condition or specific illness, and may include pre-admission testing and care received by the patient at a hospital facility after an admission. A patient generally receives a separate bill for services following each Episode of Care. Aultman may, if reasonable, apply this policy to aggregated Episodes of Care for purposes of complying with the notification and standards under the FAP; however, even if aggregated, the FAP’s timelines must be measured with respect to the patient’s most recent Episode of Care.

Extraordinary Collection Actions or ECA refers to the following actions taken by Aultman against a patient related to obtaining payment of a bill for emergency or other medically necessary care covered under this policy:

- (i) selling a patient's debt to another party (except in situations where the debt purchase meets the requirements of a debt sale that is not an Extraordinary Collection Action – that is, the purchaser of the debt is a party to a written agreement with Aultman, pursuant to which the purchaser is limited with respect to the interest it may charge and the collection activities it may undertake, and is required to adhere to this policy if the individual is determined to be eligible for assistance under this policy).
- (ii) reporting adverse information about the patient to consumer credit reporting agencies or credit bureaus.
- (iii) deferring or denying, or requiring a payment before providing, medically necessary care because of a patient's nonpayment of one or more bills for previously provided emergency or other medically necessary care.
- (iv) any action that requires a legal or judicial process, such as, placing a lien on a patient's property, commencing a civil action against a patient, and garnishing a patient's wages.

ECA do not include liens filed by Aultman with respect to the proceeds of personal injury judgments, settlements or compromises or Aultman's filing of claims in bankruptcy proceedings.

FAP means Financial Assistance Policy.

FAP Application or application means the information and accompanying documentation that Aultman requests a patient to submit to apply for financial assistance under the FAP. A FAP Application is considered "complete" by a patient if it contains information and documentation sufficient for Aultman to determine whether the patient is eligible for assistance under the FAP. A FAP Application is "incomplete" if a patient provides some, but not sufficient, information and documentation to determine eligibility for assistance under the FAP.

IV. Procedure:

- A.** It is expected that patients will honor their financial commitments to Aultman and amounts owed will be collected from all patients. Aultman will use its best efforts to be flexible and responsive to the individual circumstances of our patients. Patients will be treated with respect and dignity throughout the collection process and decisions made relative to collection activities may alternate from policy as the individual situation merits. Aultman does not take into account race, gender, age, sexual orientation, religious affiliation, social or immigrant/visa status when implementing this policy.
- B.** Patient Accounts will invoice patients for all hospital services in an Episode of Care to payment sources identified by the patient, such as insurance coverage, or by Patient Outreach under Aultman's Financial Assistance Policy and the patient's FAP application. Once the payment source has processed the invoice/claim, any balance will be billed to the next payment source or to the patient/guarantor as permitted by law.
 - 1.** Once the patient receives the first statement for the Amount Owed, payment is expected within thirty (30) days. If Aultman does not receive payment after the first statement's due date, Patient Accounts will send follow-up statements to the patient every thirty (30) days.

2. If the patient requests assistance with the Amount Owed, the patient is referred to Patient Outreach and may be required to complete a FAP application to determine if the patient is an Eligible Patient.
- C. Patient Accounts will deem a patient's Amount Owed as uncollectable, and refer the account to the Collection Department, if:
1. Patient Accounts is unable to contact the patient after at least (3) attempts, whether such attempts are in writing or by telephone call.
 2. Patient Accounts is unable to obtain correct demographic information, including address and phone number, from the patient after at least (3) attempts to contact the patient.
 3. The Amount Owed remains unpaid after 120 days from date of the first statement.
- D. The Collections Department will review each referred patient account for current payments made to the **OFC** account and for multi-family payment.
- E. The Collections Department will verbally communicate with patients to explain how to obtain financial assistance through HCAP, FAP, and Medicaid programs.
1. If payment is received from Medicaid or HCAP, Patient Collections will remove the Amount Owed from Bad Debt and apply the adjustment to the patient's account.
 2. If the patient is determined to be an Eligible Patient, Patient Collections will apply the appropriate financial assistance to the account and remove discounted balance from Bad Deb. Patient Collections may continue to collect remaining balance in Bad Debt.
- F. The Collections Department may, in its discretion, determine that a patient's account is uncollectable using internal resources and may refer the patient's account to an outside agency for professional collection assistance. *Accounts are turned over to outside agencies bi-weekly, weeks two and four of each financial period, on Saturdays.*
- G. The Collections Department may, in its discretion, determine that a patient's account is uncollectable and may be cancelled. In such case, the patient's account must be at least 120 days from date of the patient's Episode of Care to request to cancellation and the patient must have received at least four (4) statements from Patient Accounts requesting payment for that Episode of Care.
1. Patient accounts with balances over \$5.00 will need requested to cancel in Ontario with disposition 0900 along with a cancel code to send to an outside agency.
 - a. Cancel code to agency determined by alphabetical split based off of patient's last name. Ontario Codes:
 - i. Aultman Hospital and Aultman Orrville Agency Codes
 - a.) BDB: Buckingham
 - b.) CBS: CBSC
 - c.) FOR: Fidelity
 - ii. Aultman Specialty Agency Codes
 - a.) CBS: CBSC
 - b. Replace agency code G in MPAC with the correct outside agency code.
 - i. Aultman Hospital and Aultman Orrville Agency Codes
 - a.) 5: Buckingham (B,C,D,L,M,N,O,P,U,V,X,Z)
 - b.) S: CBSC (A,E,F,G,H,I,J,K,Q,R,S,T,W,Y)
 - c.) FI: Fidelity (B,C,D,L,M,N,O,P,U,V,X,Z)
 - ii. Aultman Specialty Hospital Agency Codes
 - a.) CBS: CBSC (A-Z)

- G.** All credits resulting from payments made by a patient or the patient's guarantor with multiple Amounts Owed will be applied to reduce unpaid aged balances or balances in bad debt.
- H.** Aultman's Patient Collections Department will only implement Extraordinary Collections Practice if: (1) the patient does not qualify as an Eligible Patient under the FAP; (2) the patient does not pay the Amount Owed or balance in full; (3) Aultman has exhausted every reasonable effort to assist the patient in obtaining other payment sources, financial assistance or use of payment plans to collect the Amount Owed; and (4) Aultman provided the patient with at least thirty (30) days' written notice of its intent to undertake an ECA and such notice included a plain-language summary of the FAP.

References:

Aultman Hospital Policy, *Financial Assistance Policy*

Approval:

Adopted by the Aultman Hospital, Board of Directors, December ____, 2015

Sources:

IRS Final Rules for Charitable Hospitals, 26 C.F.R. §§ 1.501(r)-1 to 1.501(r)-7.