

BUCKTAIL MEDICAL CENTER POLICY AND PROCEDURE	
Issuing Department: Business Office	Category: Patient Accounting Subject: Billing and Collections
Staff Affected: All	Effective Date: 11/17/2004 Revised Date(s): 09/01/2016; 03/29/2017; 03/28/2018

POLICY:

Bucktail Medical Center (BMC) strives to provide a fair and understandable process for billing and collection of patient medical accounts. Billing and collection policies will be made in association with Bucktail Medical Center's Financial Assistance Policy (FAP). Bucktail Medical Center will make reasonable attempts to assist a patient who is uninsured, underinsured or who may have unidentified resources available. This policy is administered in accordance with the Affordable Care Act; requirements in section 501(r) of the Internal Revenue Code; and PA Medical Assistance Bulletin 01-17-03. Hospital Services included in this policy: Hospital/acute; Swing Bed; Observation; Emergency; Clinic; Ambulance and Outpatient-Lab/X-ray/Therapy. Services NOT included in this policy: Contracted professional services for emergency room physicians; radiologists; acute/swing bed/skilled nursing physician visits.

DEFINITIONS:

Amounts Generally Billed (AGB) –	Amounts billed for emergency and/or other medically necessary care to patients who have insurance covering the patient medical care/service.
FAP Application Period -	The period during which a Financial Assistance Policy application may be submitted. This period will end on the 240 th day after the 1 st billing statement was received by the patient.
Bad Debt/ - Uncompensated Care -	Accounts that are no longer considered collectible under normal operations or account follow-up. Care provided to patients who are financially unable or unwilling to pay for services provided by BMC.
Billing -	The process in which gross charges/chargemaster rate (undiscounted charges) are calculated and applied to a patient account for payment purposes.
Billing Cycle -	A period of time, during which, a patient account statement is released notifying the patient of their fiscal responsibility for services. Generally, this period is every 30 days.
Collection -	The process through which BMC will make attempts to collect patient account amount(s) owed. Under normal operations, BMC may use subsequent billing, follow-up letters and phone calls. Beyond normal operations, BMC may use Extraordinary Collection Actions (ECA).
Extraordinary Collection Actions (ECA) -	Actions taken by BMC against a patient related to obtaining payment. This may include: selling an individual's debt to another party or reporting adverse information about the patient to a consumer credit reporting

agency or credit bureau; legal or judicial action; deferring, denying or requiring payment before providing non-emergent care due to non- payment of a current or past bill.

- Financial Assistance - Policy (FAP)** - A written financial policy, approved and adopted by the BMC governing Board of Directors outlining requirements for a patient/applicant to apply for and receive help in paying a medical bill.
- FAP Approved -** A determination of Financial Assistance based on a patient's approved application. Approved applicants will receive discounts based on income and account analysis. All approvals will follow the FAP poverty guidelines and may result in discounts from 100% to a lesser amount based on the patient's application, income analysis and income resources. All approvals (per this policy) must be reviewed with and approved by the FAP Committee.
- FAP Denied -** A determination of Financial Assistance based on a patient/resident's denied application. Applications may be denied based on failure to: complete an application; provide requested information; exceed the time limits as provided under this policy or FAP Policy. All denials (per this policy) must be reviewed and approved by the FAP Committee.
- Payment Plan -** A mutually agreed upon (between patient/applicant and BMC) amount to be paid to BMC on a monthly basis. The minimum monthly payment will be 10% of the account balance. The requested monthly payments may exceed 10%, based on amount owed. Time frames for repayments will be based on total outstanding amount(s). If the patient defaults on a payment, the account will be transferred to collection/bad debt.
- Private/Self Pay -** A patient payment classification made when a patient has: exhausted all insurance; no insurance; received all expected payments from insurance carriers received on account; not provided requested insurance or FAP information timely (for BMC and/or third party insurers); chosen not to have their insurance billed for services provided.
- Presumptive FAP Eligibility -** A determination that an individual is FAP eligible based on third-party information from resources such as Medical Assistance or other program eligibility and/or a prior FAP eligibility determination.
- Prompt Pay Discount -** A discount of 10% of billed charges (chargemaster rate) for non-FAP requested/approved accounts. The discounted rate applies to accounts paid within 30 days following the 1st billing statement. A prompt pay discount does not apply to patient co-pays under \$50.00.

PROCEDURE:

Patient presents to BMC for service(s) or admission. The method of payment will be determined (including private/self-pay) and charges created as a result of the service(s). Charges will then be posted

to the patient's account receivable record. Once the service(s) has been properly coded, it will be released for processing and generation of a private/self-pay bill.

Private/Self-Pay amounts will be billed accordingly:

Itemized – An itemized billing statement and FAP application sent within 7 days of service.

30-day – 1st Statement - FAP Plain Statement Summary provided; prompt pay discount offered (10% discount if paid within 30 days of patient receipt of 1st billing statement); FAP approval/denial; payment plan may be offered.

60-day – 2nd Statement – FAP Plain Statement Summary provided; FAP approval/denial; payment plan may be offered.

90-day – 3rd Statement – FAP Plain Statement Summary provided; FAP approval/denial; payment plan may be offered.

120-day – 4th Statement – FAP Plain Statement Summary provided; Sticker included indicating collection action will begin; FAP application mailed w/ statement; FAP approval/denial; payment plan may be offered; Presumptive FAP eligibility efforts begin (if not previously initiated by patient).

150-day – No statement mailed- a phone call will be placed to the patient/applicant informing patient that BMC will begin Extraordinary Collection Action (ECA); offer for FAP application; FAP approval/denial; final payment plan offered; Presumptive FAP Eligibility determined; Account will be moved to Bad Debt/Collection.

180-day – No statement mailed – Patient will receive notice of ECA; final BMC staff generated offer for Financial Assistance; patient/applicant may still request FAP/FAA at any point up until the 240th day after the 1st billing; FAP approval/denial.

GUIDELINES:

Patient/Applicant account collection will not take place against any individual who is exempt from such action by law.

Patient/Applicant FAP applications may be submitted to BMC up to and including the 240th day after the patient/Applicant receives the 1st billing statement.

Any account(s) sent to collection cannot be returned to BMC for consideration under the Financial Assistance Policy (FAP), including BMC employee accounts, after the application period ends on the 241st day after the 1st billing statement. The FAP application (while pending) will suspend any collection efforts until the FAP application is complete and a determination has been made. Any patient not providing the necessary information as required by the FAP will have collection efforts resumed once the FAP application is determined to be incomplete and/or patient/applicant is deemed ineligible.

The collection process may involve the use of an outside collection agency(s).

Additional legal action via legal counsel or District Justice may be initiated for any account balances \$2,500 or more. These actions include credit reporting; wage garnishment; promissory note; lien or other legal action(s) and must be documented in writing with proper approval obtained prior to initiation of any collection action(s).

Payment plans will be coordinated between the Billing Office Supervisor and the patient/ applicant. All necessary approval(s) must be obtained.

Self-Pay accounts requiring collection efforts will be processed by the Billing Office Supervisor. All necessary approval(s) must be obtained.

Collections Process/Procedure and Corresponding Actions:

All Private/Self Pay accounts (bad debt/collection/payment plans) at the following levels must be approved by the following (approval must be in writing prior to initiation of any Extraordinary Collection Action(s)):

\$0 – \$100 – Approval: Billing Office Supervisor; Action(s): collections. Payment Plan term up to 6 months.

\$101 - 999 – Approval: Billing Office Supervisor; Action(s): payment plan, collections and/or wage garnishment. Payment Plan term up to 6 months.

\$1,000 to \$4,999 – Approvals: CFO/Controller and Billing Office Supervisor; Action(s): payment plan, collections and/or wage garnishment. Payment Plan term up to 12 months.

\$5,000 - \$9,999 – Approvals: CFO/Controller and Billing Office Supervisor; Actions: payment plan, collections, wage garnishment, promissory note, liens, and/or legal actions. Payment Plan term up to 12 months.

\$10,000 - \$19,999 - Approvals: Administrator, CFO/Controller; Actions: payment plan, collections, wage garnishment, promissory note, liens, and/or legal actions. Payment Plan term up to 24 months.

\$20,000 and above – Approvals: Board of Directors, Administrator, CFO/Controller; Actions: payment plan, collections, wage garnishment, promissory note, liens, and/or legal actions. Payment Plan term up to 24 months.

All patient/applicant privacy shall be maintained in accordance with BMC HIPAA Privacy and Security Policies.