



Billing and Collections Policy

PURPOSE:

Beaufort Memorial Hospital has developed this policy to outline its billing and collection procedures, including its processes for determining a patient's eligibility under **Beaufort Memorial Hospital Financial Assistance Policy** prior to initiating certain collection activities.

SCOPE:

This policy shall apply to the Hospital and collection agencies (Primary Agencies) engaged by the Hospital. The Hospital is committed to informing patients of their financial responsibilities and available financial assistance options, and communicating with patients regarding outstanding accounts in a manner that treats patients with dignity and respect.

The Hospital will use reasonable efforts to determine a patient's eligibility under its Financial Assistance Policy before engaging in Extraordinary Collection Actions, as described in this policy. Copies of the Financial Assistance Policy, a plain language summary of the Financial Assistance Policy, the Financial Assistance Application and associated instructions are available free of charge upon request by writing to:

Beaufort Memorial Hospital
Attn: Patient Financial Services
955 Ribaut Rd
Beaufort, SC 29902

Copies can also be obtained by inquiring at the emergency room and admission registration areas of the hospital or they can also be downloaded online at WWW.BMHSC.ORG located under Pay my bill option.

EMERGENCY MEDICAL CARE

Beaufort Memorial Hospital will provide, without discrimination, and in compliance with the Emergency Medical Treatment and Labor Act (EMTALA), care for emergency medical conditions to individuals regardless of whether they are eligible for Financial Assistance, as specified in greater detail in the Hospital's EMTALA policy. A copy of the EMTALA policy is available free of charge upon request by writing to **Beaufort Memorial Hospital**, Patient Financial Services at **Beaufort Memorial Hospital**; the policy may also be downloaded at WWW.BMHSC.ORG. The Hospital will not engage in any actions that discourage individuals from seeking emergency



medical care, such as by demanding that emergency room patients pay before receiving treatment or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care.

DEFINITIONS

Notification Period – the period beginning on the date care is provided and ending 133 calendar days after the date of the first post-discharge billing statement.

Covered Services – emergency and other medically necessary care.

Extraordinary Collection Actions (ECAs) – the following actions are deemed to be "extraordinary collection actions" when used to obtain payment for Covered Services:

- reporting adverse information to a credit agency,
- placing a lien on an individual's property,
- foreclosing on an individual's real property,
- attaching or seizing an individual's bank account or other personal property,
- commencing a civil action,
- causing an individual's arrest,
- causing an individual to be subject to a writ of body attachment,
- garnishing wages, or
- Sale of debt to a third party.

Financial Assistance – reduction of an eligible patient's account balance under the terms of the Financial Assistance Policy.

Financial Assistance Policy – written policy describing the Hospital's program for providing free or discounted emergency or other medically necessary care to eligible patients, which includes eligibility criteria, basis for calculating charges, and procedures for applying for Financial Assistance.

Hospital – **Beaufort Memorial Hospital**. References in this policy to "Hospital" shall include its Extended Business Office and Primary Agencies, where applicable.

Patient – the individual receiving medical treatment and/or, in the case of an emancipated minor or other dependent, the parent, legal guardian or other person (guarantor) who is financially responsible for the patient.

Application Period – the period beginning on the date care is provided and ending 360 days after the date of the first post-discharge billing statement.



PROCEDURE

General

- The Hospital generally expects patients and third party payers to satisfy their Hospital liabilities in full.
- Subject to compliance with the provisions of this policy and applicable law, the Hospital reserves the right to take any and all legal actions, including Extraordinary Collection Actions, to obtain payment from the patient or third party payers for unpaid account balances.
- The patient's responsibilities include:
 - A. providing the Hospital with complete and timely insurance and demographic information;
 - B. notifying the hospital of potential third-party sources of payment such as worker's compensation, motor vehicle insurance policy, or personal injury settlement;
 - C. obtaining and maintaining health insurance coverage, if affordable coverage is available to them, and satisfying any applicable co-pays, deductibles and co-insurance;
 - D. understanding and complying with the requirements and limitations of their health insurance coverage, including but not limited to network limitations, referral and pre-authorization requirements, and timely submission of claim forms;
 - E. adhering to any agreed-to alternate payment plans; and
 - F. for patients seeking Financial Assistance, submitting a complete and timely Financial Assistance Application and cooperating as requested in applications for Medicaid or other government programs.
- The Hospital will maintain records to document billing and collection efforts and communications on each patient account. [Such records will be subject to the Hospital's applicable privacy and document retention policies.]

Billing Patients and Third Party Payers

- The Hospital will make reasonable efforts to collect a patient's insurance and other information and to verify coverage for the services to be provided. This information may be obtained prior to the delivery of non-emergent health care services. The Hospital will defer any attempt to obtain this information during the delivery of EMTALA-level emergency care if the process to obtain this information would delay or interfere with either the medical screening examination or services to stabilize an emergency medical condition.



- The Hospital will bill third party payers in accordance with the requirements of applicable law and the terms of applicable third party payer contracts. In general, patients are expected to timely pay any account balances that are not paid by a third party payer. Patients who seek non-emergent health care services may be requested to pay in advance for services that will not be covered by third party payers, including co-payments, deductibles and co-insurance amounts.
- Patient Financial Services may, on a case-by-case basis, approve payment plan arrangements for patients who indicate they may have difficulty paying their account balance in a single installment.
- When a patient does not qualify for Financial Assistance, Patient Financial Services may in its discretion apply other discounts, including for example discounts to encourage prompt payment or to recognize unique cases of financial hardship. Such discounts are not part of the Financial Assistance Policy and may not be combined with Financial Assistance discounts.

Generally Billed Amounts

- The hospital will bill all accounts regardless of payer status from the charge master so that all accounts are billed at the same fee schedule.
- Self-Pay accounts will receive a 30% self-pay discount at the time of billing. Patients who choose to pay their bill in full at the time of service will receive an additional 20% discount.
- If approved under the terms of our charity care policy, we will add the insurance FAA to the patient account. Any patient account with FAA insurance will prorate all balances remaining after the self-pay discount has been applied to a charity care adjustment upon final billing; no additional review or approval will be required. Qualifying individuals will not be charged more than amounts generally billed for emergency and other medically necessary care.

Collections and Reasonable Efforts to Determine Eligibility for Financial Assistance

- a. The Hospital will not refer any account to a collection agency or initiate ECAs during the Notification Period and will first make reasonable efforts to determine whether a patient is eligible for Financial Assistance.
- b. A plain language summary of the Financial Assistance Policy will be distributed as part of the Hospital's intake or discharge process.
- c. The notification period will begin the day the account is final billed and remain in



- accounts receivable status for 133 days.
- d. The day after a Self-Pay account is billed or the day after a balance is transferred into patient responsibility, the first statement is sent. All initial statements will contain a plain language summary of the Financial Assistance Policy.
 - e. All subsequent billing statements will include a notice regarding the Financial Assistance Policy, including information on how to obtain copies of the Financial Assistance Policy and Charity Care Application.
 - f. On Day 18, the Account will qualify for phone calls.
 - 1. Upon contact, the representative will work towards setting up a payment plan, obtain payment in full, or obtain new / updated insurance. The account representative will also discuss the financial assistance policy and charity care process and advise the patient where this information can be obtained and/or mail them a copy.
 - 2. Additional phone calls will be attempted every 3-5 days until an arrangement for payment has been made or patient asks about charity care, informs of bankruptcy, or we make a determination that the patient is deceased.
 - g. On Day 33, the second statement will be sent to the patient.
 - 1. Upon contact, the representative will work towards setting up a payment plan, obtain payment in full, or obtain new / updated insurance. The account representative will also discuss the financial assistance policy and charity care process and advise the patient where this information can be obtained and/or mail them a copy
 - h. On Day 63, the third statement will be sent to the patient
 - 1. Upon contact, the representative will work towards setting up a payment plan, obtain payment in full, or obtain new / updated insurance. The account representative will also discuss the financial assistance policy and charity care process and advise the patient where this information can be obtained and/or mail them a copy
 - i. On day 93, The first letter (pre-collect) is sent.
 - 1. Upon contact, the representative will work towards setting up a payment plan, obtain payment in full, or obtain new / updated insurance. The account representative will also discuss the financial assistance policy and charity care process and advise the patient where this information can be obtained and/or mail them a copy
 - j. On Day 123, The second letter (Final Demand) is sent
 - 1. Upon contact, the representative will work towards setting up a payment plan, obtain payment in full, or obtain new / updated insurance. The account representative will also discuss the financial assistance policy and charity care process and advise the patient where this information can be obtained and/or mail them a copy
 - k. On Day 133 – the account will qualify for bad debt and ECA's will commence.



- I. In the event of nonpayment by an uninsured patient of charges for Covered Services:
 1. *No Financial Assistance Application Submitted During the Notification Period.* If the patient does not submit a Financial Assistance Application during the Notification Period (133 days from final billing), ECAs may be initiated if each of the following criteria has been met:
 - A. The Hospital has sent the patient a written notice that states that financial assistance is available to eligible individuals, identifies the ECAs the Hospital intends to initiate, and states a deadline after which the ECAs may be initiated (which will be no sooner than 30 days after the date of such written notice);
 - B. such written notice is accompanied by a copy of the plain language summary of the Financial Assistance Policy;
 - C. the Hospital has made efforts to orally notify the patient about the Financial Assistance Policy and the availability of assistance for completing the Financial Assistance Application;
 - D. the Notification Period has lapsed;
 - E. the Business Office Director/Patient Financial Services Director or his or her designee has reviewed the patient account and documentation to confirm satisfaction of the foregoing criteria.
 2. *Financial Assistance Application Submitted During the Notification Period.* If the patient completes a Financial Assistance Application during the Notification Period and the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in writing of its eligibility determination and may initiate ECAs after the Notification Period has lapsed.
 3. *Financial Assistance Application Submitted After the Notification Period.* If a patient completes a Financial Assistance Application after the Notification Period but before the end of the Application Period, any ECAs that have been initiated will be suspended until the Hospital has processed the application. If the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in writing of its eligibility determination and may resume ECAs.
 4. *Incomplete Financial Assistance Application Submitted During the Application Period.* If a patient files an incomplete Financial Assistance Application during the Application Period, the Hospital will suspend any ECAs and will send the patient written notice describing the additional information needed and giving the patient a reasonable opportunity to respond (at least 30 days or until the end of the Application Period, whichever is later). If the patient does not provide the required information by the indicated response date, the Hospital may resume ECAs.



- m. Patients found eligible for Financial Assistance will be refunded payments in excess of the amount determined to be owed by the patient, and the Hospital will take reasonably available measures to reverse any ECAs taken against the individual.
- n. This program would only apply to services rendered at Beaufort Memorial Hospital and Beaufort Memorial Physician Partners Medical Practices. It *does not* apply to services rendered by any independent physicians or practitioners that are not employed by Beaufort Memorial Hospital. This includes, but is not limited to, Anesthesiologists, Radiologists, Emergency Room Physicians, Pathologists, Psychiatrists and Teleconsultants. No individual who is eligible for financial assistance will be charged more than amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

Medical Indigent Support / Catastrophic

- a. Financial support is also provided for medically indigent patients. Medical indigence occurs when a person is unable to pay some or all of their medical bills because their medical expenses exceed a certain percentage of their Family or household Income (for example, due to catastrophic costs or conditions), regardless of whether they have Income or assets that otherwise exceed the financial eligibility requirements for Free Care or Discounted Care under BMH's FAP.
- b. Catastrophic costs or conditions occur when there is a loss of employment, death of primary wage earner, excessive medical expenses or other unfortunate events.
- c. Medical indigence/catastrophic circumstances will be evaluated on a case-by-case basis that includes a review of the patient's Income, expenses and assets. If an insured patient claims catastrophic circumstances and applies for financial assistance, medical expenses for an episode of care that exceed 20% of Income will qualify the insured patient's co-pays and deductibles for catastrophic charity care assistance.
- d. Discounts for medically indigent care for the uninsured will not be less than BMH's average contractual adjustment amount for Medicare for the services provided or an amount to bring the patients catastrophic medical expense to Income ratio back to 20%.
- e. Medically indigent and catastrophic financial assistance will be approved by the CFO.
- f. This program would only apply to services rendered at Beaufort Memorial Hospital and Beaufort Memorial Physician Partners Medical Practices. It *does not* apply to services rendered by any independent physicians or practitioners that are not employed by Beaufort Memorial Hospital. This includes, but is not limited to, Anesthesiologists, Radiologists, Emergency Room Physicians, Pathologists, Psychiatrists and Teleconsultants. No individual who is eligible for financial assistance will be charged more than amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.