ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM

POLICY AND PROCEDURE

TITLE: **CREDIT AND COLLECTION POLICY**

DEPARTMENT: **PATIENT FINANCIAL SERVICES**

Effective Date:	7/1/16	Number:	
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Signature:

Vice President, Finance

Director of Patient Financial Services

APPROVAL DATES:

Board of Trustees	02/04/2021, 11/03/2022	Finance Committee	01/27/2021, 10/26/2022

Policy

It is the policy of Atlantic General Hospital (AGH) and the Atlantic General Health System (AGHS) to provide emergent, urgent care, and chronic care regardless of the patient's ability to pay. AGH/AGHS will operate in accordance with all federal and state requirements for the provision of healthcare services, including screening and transfer requirements under the federal Emergency Medical Treatment and Active Labor Act (EMTALA). Every effort will be made to find a reimbursement method that is fair and equitable to the patient and AGH/AGHS. All hospital patients will be charged consistently as established by the Health Services Cost Review Commission (HSCRC) and the amounts generally billed (AGB). All un-insured patients seen by an AGHS provider in an unregulated area will be charged the Medicare Fee Schedule amount, or a contracted rate in the absence of a Medicare Fee Schedule. Information on how to apply for Maryland State Medical Assistance and Financial Assistance will be widely publicized both in English and Spanish through signage, public notifications, messages on statements and on the hospital website. Collection is pursued based on the patient's ability to pay defined by their

willingness to cooperate, response to communication, income and assets, or their unwillingness to cooperate by failing to respond to communication or withholding payment when income or assets deem payment is possible. AGH/AGHS will contract with an external agency to pursue collections. AGH/AGHS has management oversight of the agencies to ensure they operate under the guidelines of the hospital credit and collection policy, and the Fair Debt Collection Practices Act. AGH/AGHS will not sell debt to another party.

Purpose

This policy defines the payment options available for patients who have financial resources including insurance as well as those who do not have financial resources and lack adequate insurance (i.e. underinsured or uninsured). In addition, this policy sets forth the circumstances under which self-pay accounts and accounts with unpaid balances will be referred to collections, and defines the actions the collection agencies may pursue.

Definitions

a) Extraordinary Collection Actions (ECA) – Any legal action and/or reporting the debt to a consumer reporting agency.

b) Early-Out – An agency that acts as an extension of the Business Office for self-pay collections, but does not perform ECA.

Patient Collection Practice

a) Upon request and during normal business hours, AGH/AGHS will provide the patient a written estimate of the total charges for inpatient and outpatient services, procedures and supplies, with the exclusion of emergency room services that reasonable are expected to be provided and billed to the patient by the hospital.

b) Self-pay balances are transferred to the Early-Out agency to send statements and make collection calls, acting as an extension of the Patient Accounting office. The Plain Language Summary is included in the statement.

c) All patients will receive statements and get phone calls based on the balance due. Each statement has the information on how to apply for Medical Assistance. Financial Assistance can be obtained by downloading the application from the website, by calling the Financial Counselor or asking the agency to mail a free copy, by picking up the application in any of the hospital registration areas, or by requesting that the application be completed orally. Interest-free payment plan options are given through signage, messaging on the statements, and through the collection process. The payment amount cannot exceed 5% of the patient's adjusted monthly income and shall consider financial hardship.

1. The early out sourcing company will not transfer any account to the collection agency prior to 120 days from the first post-discharge billing date.

2. All provisions of this policy apply to the patient or guarantor when applicable.

Bad Debt Process

a) Patients with an unpaid balance who do not qualify for FA will be written off as bad debt and referred to a collection agency no sooner than 120 days from the first post-discharge billing date. Every effort will be used to encourage payment without the necessity of seeking ECA. Based on the balance of the bill, patients will receive statements and phone calls to discuss payment arrangements. Notice of ECA will be on the last statement, which is at least 30 days prior to the initiation of ECA, giving the patient the opportunity to respond. Before taking any legal action, the collection agency will confirm that the patient/guarantor is gainfully employed and has the means to pay.

b) The following exceptions may result in the immediate referral to a collection agency, but ECA will not be taken prior to 120 days from the first post-discharge billing statement.

1. Bankruptcies (to ensure all requirements are met)
2. Skips (unable to locate and mail is returned)
3. Estate Settlements (for appropriate follow up and potential filing of a claim)
4. Accident cases involving litigation

c) No ECA will be taken until the 121st day from the post discharging bill date. ECA approved actions are defined as:

1. Referral to a credit bureau
2. Wage attachments
3. Civil action
4. A writ of body attachment
5. Filing of a lien

d) ECA actions not permitted are:

1. The first $10,000 of monetary assets are not included in the income calculation
2. Up to $150,000 in assets in a primary residence are excluded in income calculation

3. Certain retirement benefits such as a 401K where the IRS has granted preferential tax treatment as a retirement account including but not limited to deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans where the patient potentially could pay taxes and/or penalties by cashing in the benefit are excluded in the asset calculation are excluded in income calculation.

4. Foreclosing on an individual's property

5. Cause an individual's arrest

6. Deferring or denying, or requiring payment before providing medically necessary care because of non-payment of previously provided care

e) If the patients request Financial Assistance with 240 days of the first post-discharge billing date, all ECA actions will be suspended. If the FA is approved, or if the patient pays the bill in full, the financial counselor will notify the agency to remove any judgements or adverse ECA information sent to a consumer reporting agency within 14 days.

f) All complaints or appeals on the collection process or collection agency are referred to the Director of Patient Financial Services.

This policy may not be changed without the approval of the Board of Trustees. Furthermore, this policy must be reviewed and approved every two years.