

PF-KHN BILLING AND COLLECTIONS

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PURPOSE:

The purpose of this policy is to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency.

DEFINITIONS:

Amounts Generally Billed (AGB): The amount generally billed for emergency or other medically necessary care to individuals who have insurance coverage.

Application Period: The period during which KHN must accept and process an application for financial assistance under its financial assistance policy submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The application period begins on the date the care is provided and ends on the latter of the 240th day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after KHN (or KHN's authorized business partners) provides the individual with a written notice that Extraordinary Collection Actions may be initiated.

Extraordinary Collection Actions (ECAs): A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions are further defined in Section II of this policy and include actions such as legal/judicial actions such as garnishing wages.

Financial Assistance Policy (FAP): A separate policy (PF-KHN Patient Financial Assistance) that describes KHN's financial assistance program—including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.

Reasonable Efforts: A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under KHN's FAP. Reasonable efforts may include making determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application processes.

Kettering Health Network (KHN) Organization-Wide Policy

KHN adopts this policy for Kettering Medical Center, Sycamore Medical Center, Grandview Hospital and Medical Center/Southview Hospital, Greene Memorial Hospital Inc., Soin Medical Center, Fort Hamilton Hospital, Kettering Behavioral Medicine, Kettering Physician Network and all Support Service Sites.

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POLICY:

Through the use of billing statements, written correspondence, and phone calls, Kettering Health Network (KHN) will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires KHN to make reasonable efforts to determine a patient's eligibility for financial assistance under PF-KHN Patient Financial Assistance before engaging in extraordinary collection activities to obtain payment.

This policy applies to all KHN hospitals: Kettering Medical Center, Sycamore Hospital, Grandview Hospital, Southview Hospital, Fort Hamilton Hughes Hospital, Greene Memorial Hospital, and Soin/Beavercreek Medical Center.

After patients have received services, it is the policy of KHN to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with section 501(r) of the Patient Protection and Affordable Care Act, and the Treasury Regulations issued thereunder, and other applicable laws and regulations.

1. Billing Process

a. Insurance Billing

- i. For all insured patients, KHN will bill applicable third-party payers (as based on information provided by or verified by the patient) in a timely manner.
- ii. If a claim is denied (or is not processed) by a payer due to an error on our behalf, KHN will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
- iii. If a claim is denied (or is not processed) by a payer due to factors outside of KHN's control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, the network may bill the patient or take other actions consistent with current regulations and industry standards.

b. Patient Billing

- i. All uninsured patients will be billed directly and timely, and will receive a statement as part of the organization's normal billing process.

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- ii. For insured patients, after claims have been processed by third-party payers, KHN will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.
- iii. All patients may request an itemized statement for their accounts at any time.

If a patient disputes his or her charges after receipt of an itemized bill, their account will be referred to a PFS Nurse Auditor. Balances may be placed on hold during this period. Patient will receive a dispute resolution within 10 business days.

- iv. KHN may approve payment arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
- v. Patient Financial Services directors and managers have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.
- vi. KHN is not required to accept patient-initiated payment arrangements and may refer accounts to a collection agency as outlined below if the patient is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.

2. Collection Process

- a. **ECAs - In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this policy, KHN may engage in collection activities—including ECAs—to collect outstanding patient balances.**

- i. General collection activities may include follow-up calls on statements.
- ii. Patient balances may be referred to a third party for collection at the discretion of KHN. KHN will maintain ownership of any debt referred to debt collection agencies, and patient accounts will be referred for collection only with the following caveats:
 - 1. There is a reasonable basis to believe the patient owes the debt.
 - 2. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient.
 - 3. KHN will not refer accounts for collection while a claim on the account is still pending payer payment. However, KHN may classify certain claims as “denied” if such claims are stuck in “pending” mode for an unreasonable length of time despite efforts to facilitate resolution.
 - 4. KHN will not refer accounts for collection where the claim was denied due to a KHN billing error. However, KHN may still refer the patient liability portion of such claims for collection if unpaid.

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b. Notification Prior to ECA

- i. Before engaging in ECAs to obtain payment for care, KHN will make certain reasonable efforts to determine whether an individual is eligible for financial assistance under the KHN FAP:
 1. KHN will notify the individual about the FAP before initiating any ECAs to obtain payment for the care, and refrain from initiating ECAs for at least 120 days from the first post-discharge billing statement for the care.
 2. At least 30 days before initiating ECAs to obtain payment, KHN (or its authorized business partners) shall do the following:
 - a. Provide the individual with a written notice that indicates the availability of financial assistance.
 - b. Notify the individual of potential ECAs that may be taken to obtain payment at least 30 days prior such actions. A
 - c. Attempt to notify the individual orally about the balance due, the FAP, and how he or she may get assistance with the application process.
- ii. After making reasonable efforts to determine financial assistance eligibility as outlined above, KHN (or its authorized business partners) may take any of the following ECAs to obtain payment for care:
 1. Refer balances to an outside collection agency
 2. Wage garnishment
- iii. KHN's Patient Financial Services Department is ultimately responsible for determining whether KHN and its business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance. The Patient Financial Services Department also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy.

3. Financial Assistance

- a. All billed patients will have the opportunity to contact KHN regarding financial assistance for their accounts, payment plan options, and other applicable programs.
 - i. KHN's FAP application and plain language summary of the FAP are available in **English and Spanish**, free of charge, in the following ways:
 1. In person at any point of registration.
 2. By calling the Customer Service Department at 937-384-8788 or 1-866-319-2981 or mailing a request to 2110 Leiter Rd. Miamisburg, OH 45342 Attn: Financial Counselors.
 3. Online at <http://www.ketteringhealth.org/financial/>
 4. Notification on the back of the billing statement.

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- b. Individuals with questions regarding KHN's FAP may contact the Customer Service Department at 937-384-8788 or 1-866-319-2981.
 - c. KHN's FAP is for facility services only. A listing of provider groups not associated with the hospitals financial assistance programs can be found on our website at <http://www.ketteringhealth.org/patientpricing/pdf/PL.pdf> or by calling the Customer Service Department.
- 4. Processing FAP Applications; Time Frames**
- a. **Incomplete FAP Applications**
 - i. If an individual submits an incomplete FAP application during the application period, KHN will:
 - 1. Suspend any ECAs to obtain payment for the care; and
 - 2. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that must be submitted to complete the application. This notice will include the KHN contact information set described in section 4. a.
 - b. **Complete FAP Applications**
 - i. If an individual submits a complete FAP application during the application period, KHN will:
 - ii. Suspend any ECA previously initiated to obtain payment for the care;
 - iii. Make an eligibility determination as to whether the individual is FAP-eligible for the care.
 - iv. If the individual is determined to be FAP-eligible for the care, KHN will:
 - 1. Adjust the account accordingly.
 - 2. Refund to the individual any amount he or she paid for the care that exceeds the amount he or she is determined to be personally responsible for paying under the FAP, unless such excess amount is less than \$9.99.
 - 3. Take all reasonably available measures to reverse any ECA taken against the individual to obtain payment for the care.
 - c. **Failure to Submit a FAP Application**
 - i. When no FAP application is submitted during the application period, KHN may initiate ECAs to obtain payment for the care once it has notified the individual about the FAP as described in Section 2. a. above.
- 5. Customer Service**
- a. **Adhering to the billing and collection process, KHN will provide quality customer service by adhering to the following guidelines:**

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- i. KHN Customer Service Department will follow all KHN Standards of Behavior with all patients: no abusive, harassing, offensive, deceptive, or misleading language or conduct.
- ii. KHN will maintain a streamlined process for patient questions and/or disputes, which include toll-free phone number patients, may call and a prominent business office address to which they may write. This information will remain listed on all patient bills and collections statements sent.
- iii. After receiving a communication from a patient (by phone or in writing), KHN staff will return phone calls to patients as promptly as possible (but no more than one business day after the call was received) and will respond to written correspondence within 10 business days.

6. Miscellaneous

- a. **Anti-Abuse Rule** – KHN will not base its determination that an individual is not FAP-eligible on information that the network has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
- b. **Determining Medicaid Eligibility** – KHN will not fail to have made reasonable efforts to determine whether an individual is FAP-eligible for the care received. If, upon receiving a complete FAP application from an individual who KHN believes may qualify for Medicaid; KHN may refer the account to an approved business partner for application assistance.
- c. **Agreements with Other Parties** – If KHN refers an individual's debt to another party, it will first enter into (and, to the extent applicable, enforce) a legally binding written agreement with that party. The agreement will be designed to ensure that no ECAs are taken to obtain payment for the care received until reasonable efforts have been made to determine whether the individual is FAP-eligible.

SPONSORING DEPT:	Patient Financial Services
DEPARTMENTS AFFECTED:	All KHN Employees
DATE OF ORIGIN:	12/29/15
LAST REVIEWED:	
LAST REVISED:	
REPLACES:	
APPROVED BY:	Network Leadership Group (4/19/16) Administrative Finance Council (4/19/16)
EFFECTIVE DATE:	4/19/16

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