PURPOSE

The purpose of this Policy is to provide clear and consistent guidelines for conducting billing, collections, and recovery functions in a manner that promotes compliance with Internal Revenue Code (IRC) Section 501(r) and applicable collection laws and regulations, patient satisfaction, and efficiency. This Policy outlines the circumstances under which Altru will undertake collection actions on delinquent patient accounts related to the provisions of emergency medical care and medically necessary care and identifies permissible collections activities that Altru may take to obtain payment of a bill for emergency medical care and medically necessary care in the event of non-payment.

POLICY

It is the policy of Altru to create a standard process and expectations on how self-pay accounts will be handled regardless of the patient's/guarantor's financial status.

DEFINITIONS

Amounts Generally Billed (AGB): The amounts generally billed for emergency medical care or other medically necessary services to individuals who have insurance covering such care.

Application Period: The period during which a hospital facility must accept and process an application for assistance under its Financial Assistance Policy (FAP) to have made reasonable efforts to determine whether the individual is FAP-eligible. The application period begins on the date the care is provided to the individual and ends on the 240th day after the hospital facility provides the individual with the first billing statement for the care.

Emergency Medical Care: Care for a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in: (1) placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (2) serious impairment to bodily functions, or (3) serious dysfunction of any bodily organ or part.

Extraordinary Collection Action (ECA): A collection activity, as defined by the Internal Revenue Service and U.S. Department of the 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.

Financial Assistance: A reduction of an eligible patient's account balance under the terms of the FAP. Financial assistance may be full (in which a patient's entire account balance is eliminated) or partial (in which a patient's account balance is reduced but not eliminated).

Financial Assistance Policy (FAP): A written policy providing information for Financial Assistance for emergency and medically necessary healthcare services received as an inpatient or outpatient from Altru in a fair, consistent, respectful, and objective manner to indigent, medically indigent, uninsured, or underinsured patients.

FAP-eligible individual: An individual eligible for financial assistance under a facility's financial assistance policy, without regard to whether the individual has applied for assistance under the policy.

Gross Charges: The total charges at Altru's full established rates for the provision of patient care services before deductions from revenue are applied.

Guarantor: An individual or entity which ultimately accepts financial responsibility to pay the patient's bill. The guarantor may or may not be the same as the patient. In most cases, however, the guarantor is the adult patient receiving the service. If the patient is a child, the guarantor may be the child's parent or legal guardian.

Medically Necessary Services: Medical services or items reasonable and necessary for the diagnosis or treatment of illness or injury and that meet professionally recognized standards of healthcare as determined by Altru on a case-by-case basis for purposes of this policy. For purposes of this Policy, the term also does not include medical services or items received from care providers not employed by Altru.

Third-Party Payer: (1) The insurance company, other health benefit plan sponsor, or organization other than the patient (first party) that pays for medical services provided by Altru (second party) to the patient.

APPLICATION

This Policy applies to all charges for emergency medical care and medically services provided in an Altru facility for both facility and physician charges, to non-covered medically necessary services provided to patients where the patient/guarantor would bear responsibility for the charges, and to any collection and recovery activities conducted by Altru or a designated supplier of billing and collection services or its third-party collection.

The provision of financial assistance and billing and collection of patient accounts may now or in the future be subject to additional regulation pursuant to federal, state, or local laws, and such law governs to the extent it imposes more stringent requirements than this policy. If a subsequently adopted state or local law directly conflicts with this Policy, Altru leadership will be permitted to adopt an addendum to this Policy before the next policy review cycle, with such minimal changes to this Policy as are necessary to achieve compliance with any applicable laws.

PRINCIPLES

After an Altru patient has received services, the organization will bill patients/guarantors and applicable payers accurately and in a timely manner. During the billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be managed in accordance with all applicable laws and regulations.

Through the use of billing statements, written correspondence, and phone calls, Altru will make diligent efforts to inform patients/guarantors of their financial responsibilities and availability of financial assistance options, as well as follow up with patients/guarantors regarding outstanding

accounts.

In applying this Policy and the related Financial Assistance Policy (Policy 2614), Altru will:

- Limit the amounts FAP-eligible individuals are charged for emergency medical care and medically necessary care to not more than the amounts generally billed to individuals who have insurance covering such care.
- Bill less than gross charges to FAP-eligible individuals for all other medical care.
- Not engage in extraordinary collections actions (ECAs) before Altru has made reasonable efforts to determine whether the individual is FAP-eligible.

BILLING PRACTICES

Altru will follow standard procedures in collecting on accounts related to emergency medical and medically necessary care provided at an Altru location.

INSURANCE BILLING

For all insured patients, Altru will bill applicable third-party payers (based on information provided or verified by the patient/guarantor or appropriately verified from other sources) in a timely manner.

- If the payer denies (or does not process) an otherwise valid claim due to an error by Altru, Altru will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
- If the payer denies (or does not process) an otherwise valid claim due to factors outside of the Altru's control, Altru staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after reasonable follow-up efforts, Altru may bill the patient or take other actions consistent with payer contracts.

PATIENT BILLING

All patients/guarantors will be billed directly and timely and receive a statement as part of the Altru' s normal billing process.

- For insured patients, after claims have been processed by all available third-party payers, Altru will bill patients/guarantors in a timely manner for their respective liability amounts as determined by their insurance benefits.
- All patients/guarantors may at any time request Altru to provide an itemized statement for their accounts.
- If a patient disputes his or her account and requests documentation regarding the bill, Altru will provide the requested documentation in writing within 14 days of receiving the request and will hold the account for at least 30 days from receipt of the request before referring the account to collections (so long as the account is ready to go to collections a minimum of 120 days from the patient's/guarantor's first post-discharge billing statement).

- Altru shall approve reasonable payment plan arrangements for patients/guarantors who indicate they may have difficulty paying for their balance in a single installment.
- Altru is not required to accept patient-initiated payment arrangements and may refer accounts to a third-party collection agency as outlined below if the patient/ guarantor defaults on an established payment plan.
- Revenue Cycle Leadership has the authority to make exceptions to this provision on a case-by case basis for special circumstances.

GENERAL COLLECTION PRACTICES & ACTIVITIES

Any collection activities conducted by Altru, a designated supplier, or its third-party collection agents will be in conformance with all federal and state laws and regulations governing debt collection practices.

All patients/guarantors will have the opportunity to contact Altru regarding financial assistance, payment plan options, and any other applicable programs that may be available with respect to their accounts, as provided in Addendum A. The FAP will be provided to all patients/guarantors free of charge. Individuals with questions regarding Altru's FAP may contact the Revenue Cycle team by phone or in person.

In compliance with relevant state and federal laws and regulations, and in accordance with provisions outlined in this Policy, Altru may engage in collection activities, including permissible ECAs, to collect outstanding patient balances. General collection activities may include phone calls, statements, and other reasonable efforts in accordance with standard industry practices.

Patient/guarantor balances may be referred to a third-party for collection at the discretion of Altru and in compliance with all applicable state, federal and local non-discrimination practices. Altru will maintain ownership of any debt referred to a debt collection agency, and patient/guarantor accounts will be referred for collection only when the following conditions apply:

- There is reasonable basis to believe the patient owes the debt.
- All third-party payers identified by the patient/guarantor in a prompt and timely manner have been billed, and the remaining debt is the financial responsibility of the patient. Altru shall not bill a patient for any amount the insurance company or third-party payer is obligated to pay.
- Altru will not refer accounts for collection while a claim on the account is pending payment from a third-party payer.
- Altru will not refer accounts for collection when the insurance claim was denied due to a mistake or error on Altru's behalf. However, Altru may still refer the patient liability portion of such claims for collection if unpaid.
- Altru will not refer accounts for collection where the patient has initially applied for financial assistance, and Altru has not yet made reasonable efforts with respect to the account.
- Upon receipt of a notice of bankruptcy discharge, Altru will cease all collection attempts, including assignment to a collection agency. The patient/debtor will not be contacted by

any method, including phone calls, letters, or statements after receipt of the notification. All communication, if necessary, must occur with the trustee or the attorney assigned to the case.

- Altru shall not send any unpaid self-pay account to a third-party collection agency if the patient or guarantor is engaged in the patient cooperation standards.

SUSPENDING ECAs WHEN FINANCIAL ASSISTANCE APPLICATION IS SUBMITTED

Altru (or other authorized parties acting on its behalf) will not initiate ECAs, or take further action on any previously initiated ECAs, to obtain payment for the emergency medical or medically necessary care until either (1) Altru has determined whether the individual is FAP-eligible based on a complete FAP application and met the reasonable efforts requirements, as defined herein, with respect to a completed FAP application; or (2) in the case of an incomplete FAP application, the individual has failed to respond to requests for additional information or documentation within a reasonable period of time (no fewer than 14 days) given to respond to such requests.

EXTRAORDIANARY COLLECTION ACTIONS (ECAs)

Before engaging in ECAs to obtain payment for emergency medical care and medically necessary services, Altru must make reasonable efforts to determine whether an individual is eligible for financial assistance. Such reasonable efforts include notice to the patient and providing the patient a reasonable time to apply for more generous financial assistance. In no event will an ECA be initiated prior to 120 days (or longer, if required by applicable law) from the date Altru provides the first post-discharge billing statement unless all reasonable efforts have been made.

Engaging in ECAs - Notification Requirement
With respect to any emergency medical and medically necessary care provided at an Altru facility, a patient must be notified about the FAP as described herein prior to initiating ECA. The notification requirement is as follows:

- **Notification Letter** - Altru will notify a patient/guarantor about the FAP by providing the individual with a written notice at least 30 days prior to initiating an ECA. The notification letter must
    - Include a plain language summary of the FAP;
    - Indicate financial assistance is available for eligible individuals; and
    - Identify the ECA(s) that Altru intends to initiate to obtain payment for the emergency medical and/or medically necessary care if the amount due is not paid or a FAP application is not submitted before the specified deadline, which may not be earlier than the last day of the application period (day 240 following the first post-discharge statement).
- **Oral Notification** - In conjunction with the provision of the Notification Letter, Altru will attempt to orally notify the patient/guarantor about how to obtain financial assistance under the FAP during the patient's care episode using the most current phone number provided by the patient. This attempt should be documented appropriately by Revenue Cycle staff.
- **Notification in the Event of Multiple Episodes of Care -** Altru may satisfy this notification requirement simultaneously for multiple episodes of emergency medical and or

medically necessary care and may simultaneously notify the individual about the ECA(s) that Altru intends to initiate to obtain payment for multiple outstanding bills for this care.

History of Review

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years.

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Key Word Search

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