# Hospital Billing and Collection for Uninsured and Other Patients

## I. PURPOSE

The purpose of this Policy is to assure that Presence Health hospital bill patients in a fair manner and in compliance with applicable laws, by setting forth fair patient billing and collection practices for Presence Health Hospitals.

## II. KEY PRINCIPLES

A. **Hospital Bill Contents.** All Presence Health hospital bills will contain:
   1. the date or dates health care services were provided to the Patient;
   2. a brief description of the hospital services provided;
   3. the amount owed for hospital services;
   4. a statement regarding how an Uninsured Patient or Patient in financial need may apply for consideration under the Presence Health Financial Assistance for Hospital Patients (FAHP);
   5. a notice that the Patient may obtain an itemized bill upon request; and
   6. a telephone number for Patient billing inquiries.

B. **Reasonable Collection Actions.** All Presence Health hospitals will engage in reasonable collection activities for collection of the portion of bills for which patients are responsible after application of any Financial Assistance discount, uninsured Patient discount, insurance allowances, payment(s) and other applicable adjustments.

## III. DEFINITIONS

As used in this Policy:

### Policy-Specific Definitions

A. **Application Period** - means: the period during which Presence Health must accept and process an application for Financial Assistance under its FAHP 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 Presence Health provides the individual with a written notice that sets a deadline after which Extraordinary Collection Action (ECAs) may be initiated.

B. **Business Day** - means: a day on which a hospital's billing office is open for regular business.

C. **Collection Action** - means: any referral of a bill to a collection agency or law firm to collect payment for services from a Patient or a Patient's guarantor for hospital services.

D. **Extraordinary Collection Action (ECA)** - means: a list of collection activities as defined by the Internal Revenue Service and the U.S. 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 include actions requiring a legal or judicial process such as wage garnishment and the commencement of a civil action (lawsuit).


F. **Financial Assistance** - means: the term to refer to the value (at cost) of free or discounted healthcare services provided to individuals who have been determine to be eligible for Financial Assistance under the FAHP.

G. **Health Care Plan** - means: a health insurance company, health maintenance organization, preferred provider arrangement, or third party administrator authorized in Illinois to issue policies and contracts that reimburse Patients for inpatient and outpatient services provided in the hospital. Health Care Plan does not include any government-funded program such as Medicare or Medicaid, worker's compensation, and accident liability insurers.

H. **Insured Patient** - means: a Patient who is insured by a Health Care Plan.

I. **Patient** - means: the individual receiving services from a Presence Health hospital and any individual who is the guarantor of the payment for such services.

J. **Presence Health Hospitals** - means: the following twelve (12) hospitals within the Presence health System:
   1. Presence Covenant Medical Center
   2. Presence Holy Family Medical Center
   3. Presence Mercy Medical Center
   4. Presence Resurrection Medical Center
   5. Presence Saint Francis Hospital
   6. Presence Saint Joseph Hospital - Chicago
   7. Presence Saint Joseph Hospital - Elgin
   8. Presence Saints Mary and Elizabeth Medical Center (Presence Saint Mary of Nazareth Hospital and Presence Saint Elizabeth Hospital)
   9. Presence St. Mary's Hospital
   10. Presence United Samaritans Medical Center

K. **Reasonable Payment Plan** - means: a plan to pay a hospital bill that is offered to the Patient or Patient's legal representative and takes into account the Patient's available income and assets, the amount owed and any prior payments.

L. **Uninsured Patient** - means: a Patient who is not insured by a health care plan and is not a beneficiary...
under a government funded program, worker’s compensation or accident liability source.

Standard Definitions

A. **Includes, or Including** – means including but not limited to the listed items.

B. **Ministry** – means any Operating Ministry (such as a hospital, nursing home, physician practice or a clinical service line operated as a distinct business unit, such as home health) or Services Ministry (such as the System Finance, Human Resources or Mission departments, other System services functions and supporting organizations such as Presence Health Network, Presence Core Transformation Corporation and Presence Health Partners Services).

C. **Presence Health or System** – means collectively, all legal entities comprising the Presence Health System and Ministries.

IV. **REQUIRED PROCEDURES**

A. **Determining Financial Assistance Eligibility**. Presence health will make reasonable efforts to determine whether individuals are eligible for Financial Assistance in accordance with the FAHP.

B. **Notice During Admission**. During admission or as soon as practicable thereafter, the Presence Health hospital will provide an Insured Patient with written notice that:

1. Patients may receive separate bills for services provided;
2. Some hospital staff members may not be part of participating providers in the same insurance plan as the hospital;
3. Patient may have greater financial responsibility for services from providers who are not under contract with Patient's Health Care Plan; and
4. Questions about coverage or benefit levels should be directed to the Patient's Health Care Plan and Certificate of Coverage.

C. **Patient Responsibilities**

1. **Patient Cooperation**. To receive the benefits of this Policy, a Patient responsible for paying a Presence Health hospital bill must act reasonably and in good faith with the hospital by:
   a. Providing the hospital with all reasonably requested financial and other relevant information and documentation necessary to determine eligibility for Financial Assistance and for Reasonable Payment Plan options within thirty (30) days of request by the hospital.
   b. Communicating any material change in the Patient's financial situation that may affect the Patient's ability to abide by provisions of the agreed upon Reasonable Payment Plan or eligibility for Financial Assistance within thirty (30) days of such a change.

D. **Hospital Bill Requirements**

1. **Required Information**. All Presence Health hospital bills will contain the following information:
   a. the date or dates health care services were provided to the Patient;
   b. a brief description of the hospital services provided;
   c. the amount owed for hospital services;
   d. hospital contact information for addressing billing inquiries;
   e. a statement regarding how an Uninsured Patient or Patient in financial need may apply for
consideration under the FAHP.

f. a notice that the Patient may obtain an itemized bill upon request; and

g. a telephone number for Patient billing inquiries.

2. **Itemized Statement.** Upon receiving a request from the Patient for an itemized statement, the hospital must provide an itemized statement of charges for inpatient and outpatient services rendered by the hospital.

E. **Patient Billing Inquiries**

1. **Contact Options.** A Patient may inquire about or dispute a bill by telephone or in writing. All Presence Health hospitals must maintain (1) telephone numbers for patients to call, (2) an address for patients to write or a website or email address for patients to voice concerns. Each System hospital will designate a specific department or person to contact.

2. **Prompt Response to Patient Telephone Inquiries.** All Presence health hospitals must return Patient telephone calls as soon as possible and no later than two (2) Business Days after the Patient's initial telephone call, unless the Patient's inquiry requires correspondence from the Patient. If a Patient's inquiry requires correspondence from the Patient, then the hospital may respond in ten (10) Business Days after the initial telephone call.

F. **Patient Awareness of Financial Assistance Availability**

1. **Hospital Bill/Invoice.** Patient bills, invoices or other summary of charges will include a prominent statement that patients who meet certain income requirements may qualify for Financial Assistance, and information regarding how a Patient may apply for consideration under the FAHP.

2. **Financial Assistance.** The FAHP includes further information on the availability and procedures for provision of Financial Assistance to eligible hospital patients.

G. **Hospital Collection Practices**

1. **General.** All Presence Health hospitals will engage in reasonable collection activities for collection of the portion of bills for which patients are responsible after application of any Financial Assistance discount, uninsured Patient discount, insurance allowances, payments(s) and other applicable adjustments.

2. **Cessation of Collection Efforts on Discounted Amounts.** No Presence Health hospital will engage in direct collection activity with respect to any discounts on health care charges provided as a result of a determination or eligibility under the hospital's Financial Assistance Program, unless it is later determine that the Patient omitted relevant information relating to actual income or available assets, or provided false information regarding financial need or other eligibility criteria. Balances remaining after Financial Assistance discounts are applied will be subject to reasonable collection activity, consistent with the Policy.

3. **Use of Reasonable Collection Actions to Enforce Patient Debt Remaining after Applying Uninsured or Financial Assistance Discount.** Presence Health will not initiate any Collection Actions, including ECAs, before making reasonable efforts to determine whether a Patient is eligible for assistance under its FAHP as required herein. Reasonable Collection Actions may be taken by any Presence Health hospital to collect any Patient debt remaining after any adjustment or discount for Financial Assistance, uninsured status or other reason.

   a. **Uninsured Patients.** A Presence Health hospital may commence Collection Actions for amounts owed by an Uninsured patient only after the hospital has:
i. Verified the Patient is not eligible for health care coverage under Medicaid, All Kids, or another government-sponsored health care program;

ii. Allowed the Patient the opportunity to assess the accuracy of his or her bill;

iii. Provided the Patient with the opportunity to apply for Financial Assistance and/or Reasonable Payment Plan, or a discount for which the Patient is eligible pursuant to the Illinois Uninsured Patient Discount Act;

iv. Allowed the Patient at least one hundred twenty (120) days from the date Presence Health provides the first post-discharge billing statement (“Notification Period”) to apply for Financial Assistance.

v. Offered a Reasonable Payment Plan to a Patient who has requested one, and the Patient fails to agree to a plan within thirty (30) days after such request; and

vi. Entered into a Reasonable Payment Plan with the Patient and the Patient has failed to make payments when due, and there is objective evidence that the Patient's household income and/or assets are sufficient to meet his or her financial obligation to the hospital.

b. **Insured Patients.** A Presence Health hospital may commence collection proceedings for amounts owed by an insured Patient only after the hospital has:

i. Provided at least thirty (30) days after the date of the initial bill for the patient to request a Reasonable Payment Plan for the portion of the bill the patient is responsible for.

ii. Offered a Reasonable Payment Plan to a patient who has requested one, and the patient fails to agree to a plan within thirty (30) days after such request.

iii. Entered into a Reasonable Payment Plan and the patient has failed to make payments when due.

iv. Allowed the patient to apply for Financial Assistance within the Notice Period.

4. **Extraordinary Collection Actions (ECA)**

   a. **Initiating an ECA.** Presence Health and external collection agencies may take certain actions to recover unpaid debts that are considered ECAs. Such ECAs may not include any actions prohibited by this section. Presence Health will refrain from initiating any ECAs within 120 days of Presence Health providing the first post-discharging billing statement for the care (the "Notification Period").

   b. **Notice of an ECA.** Presence health will provide an individual with written notice at least thirty (30) days before initiating one or more ECAs to obtain payment for care. Such notice will include:

      i. Financial Assistance is available for eligible individuals; and

      ii. The ECA(s) that Presence Health (or other authorized party) may initiate to obtain payment is made by a specific date, such date be at least as long as the Notification Period and no earlier than 30 days after the date that the written notice is provided.

   c. If Presence Health aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECAs until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation. Individual episodes of care may receive ECAs if the Notice Period requirement has been met.
d. **Suspending / Reversing an ECA.** If an individual submits a Financial Assistance application within the Application Period, Presence Health will suspend ECAs in accordance with the FAHP. If an individual is determined to be eligible for Financial Assistance during the Application Period and after Extraordinary Collection Actions have been taken, Presence health will ensure that the individual does not pay more than required in accordance with the FAHP and reverse any ECAs in accordance with the FAHP.

e. **Pre-Litigation Review.** Prior to an account being authorized for the filing of a suit for non-payment of a Patient bill, a final review of the account will be conducted and approved by the appropriate System Revenue Cycle leader to make sure that no application for Financial Assistance was ever received and that there exists objective evidence that the Patient does not have sufficient financial means to pay all or part of his/her bill. Prior to a collections suit being filed, the appropriate System Revenue Cycle leader must review and approve.

f. **Residential Liens.** No Presence Health hospital will place a lien on the primary residence of a Patient who has been determined to be eligible for Financial Assistance, for payment of the Patient's un-discounted balance due. Further, in no case will any hospital execute a lien by forcing the sale or foreclosure of the primary residence of any Patient to pay for any outstanding medical bill(s).

g. **No Use of Body Attachments.** No Presence Health hospital will use body attachment to require any person, whether receiving Financial Assistance discounts or not, to appear in court.

5. **Collection Agency Referrals.** Unpaid Patient bills may be referred to external collection agencies. Presence Health Patient Financial Services will ensure that all collection agencies used to collect Patient bills promptly refer any Patient who indicates financial need, or otherwise appears to qualify for Financial Assistance, to a financial counselor to determine if the Patient is eligible for Financial Assistance pursuant to the FAHP. Contracting collection agencies will have contracts with Presence health stating that they are in compliance with the Policy, Section 501 (r) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereto.

6. **Providing Documents Electronically.** Presence Health may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.

**V. IMPLEMENTATION FORMS AND OTHER DOCUMENTS**

None

**VI. RELATED SYSTEM OR MINISTRY POLICIES**

Presence Health Financial Assistance for Hospital Patients Policy

**VII. REFERENCES**

None

**Attachments:** No Attachments
Approval Signatures

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<td>Chris Westerkamp: System VP Revenue Cycle OPS-CBO</td>
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Applicability

Presence Behavioral Health, Presence Health System, Presence Holy Family Medical Center, Presence Home Health, Presence Mercy Medical Center, Presence Resurrection Medical Center, Presence Saint Francis Hospital, Presence Saint Joseph Hospital - Chicago, Presence Saint Joseph Hospital - Elgin, Presence Saint Joseph Medical Center, Presence Saints Mary and Elizabeth Medical Center, Presence St. Mary's Hospital