

Policy:

Caldwell County Hospital, Inc. d.b.a Caldwell Medical Center (CMC) and Caldwell Medical Associates (CMA) shall seek payment from all appropriate parties for services rendered following coding, billing and payment guidelines established by applicable payor sources to include Medicare, Medicaid, and insurance companies.

Purpose:

To establish clear guidelines regarding the billing and collections for services in order to demonstrate adherence to federal and state regulation.

Definitions:

- Amounts Generally Billed (AGB): usual and customary charges for covered services that are provided to patients. For persons applying for and obtaining financial assistance per this policy, Caldwell County Hospital, Inc. entities have identified a hospital specific AGB percentage that shall be applied to all services billed the patient for which they are seeking payment assistance.
- Disproportionate Share Hospital Program (DSH): DSH provides assistance to all uninsured individuals based on household size and income. Additionally, DSH shall help the individual apply for Medicaid and Social Security Disability, as well as, represent an individual for a disability claim.
- Payor: Person or entity responsible for the payment of services rendered as a part of providing patient health care.
- Bad-Debt: unpaid patient balances sent to third party collection agency.
- Emergency Treatment and Active Labor Act (EMTALA): An act initiated in 1986 by Congress in order to ensure public access to emergency services regardless of ability to pay. The act obligates hospitals offering emergency services to provide a medical screening for emergency medical condition to include a person in active labor. The services are to be provided regardless of a person's ability to pay.
- Healthcare Affordable Repayment Plan (HARP): Long-term installment contract offered through CMC that services hospitals in the following states: Ohio, Illinois, Kentucky Tennessee, Missouri and Indiana.
- Extraordinary Collections Actions (ECA): any action taken by the hospital against a person in an effort to obtain payment for a services rendered and billed that requires either a legal process, involves selling the person's debt to another party or the reporting of adverse information regarding the person to a consumer credit reporting agency.
- Financial Assistance: Assistance offered by CMC and/or CMA for patients that meet eligibility requirements.

Procedure:

1. All persons seeking services through Caldwell Medical Center and/or Caldwell Medical Associates shall be processed through an admission process that shall include collection of information regarding patient insurance coverage (to include private insurance, Medicare, or Medicaid).
2. All patients shall have their information verified upon admission. This shall include all information provided by patient or legal representative given regarding ability to pay, third-party insurance, employment, and other demographic data.
3. Caldwell Medical Center and Caldwell Medical Associates shall provide emergent medical treatment regardless of a person's ability to pay. In the event that the patient problem is non-emergent, the patient shall be asked to make payment before non-emergency services are rendered. If the person indicates they are unable to pay, Caldwell Medical Center and Caldwell Medical Associates shall ensure the following under EMTALA:
 - a. Medical screening and emergency services shall be provided regardless of the patient's ability to pay. However, the payment policies shall be enforced after appropriate medical screening or emergency services have been rendered.
 - b. Emergency patients shall be triaged to determine the extent and severity of the emergency and medically screened.

Responsibility for Payment:

1. The patient or legal representative shall be held responsible for all charges incurred in the provision of medical services, treatment, and evaluation provided by Caldwell Medical Center and Caldwell Medical Associates.
2. Caldwell Medical Center and Caldwell Medical Associates shall bill insurance plans as a courtesy to patients as long as the patient provides the required insurance information and signs an Assignment of Benefits Statement. CMC and CMA shall assist patients with this process as a courtesy; however, if patient fails to cooperate, the hospital and/or clinics shall hold the patient responsible for rejected or denied claims and any outstanding balances or payments.
3. Caldwell Medical Center and Caldwell Medical Associates shall review patient balances, receivable and bad debt, at the time of registration and determine if any outstanding balances are owed. Staff shall attempt to collect payment. If patient cannot or shall not pay balances, staff shall provide the patient with information regarding payment plan options and/or assistance and attempt to set-up terms on receivable balances. If patient has outstanding bad-debt accounts, staff shall provide patient with contact information to Credit Bureau of

Paducah for payment arrangements. Patient may also request financial assistance, if applicable.

4. Co-pays, deductibles and non-covered charges for insured services may also be requested at time of service. This shall be based on individual review of patient's account standings by the Financial Counselor or Patient Financial Services Manager. Patient may also request financial assistance, if applicable.
5. Preadmission information regarding patient shall be requested prior to scheduled admissions and outpatient services. Patients may be required to make payment of the anticipated charges for scheduled, uninsured services prior to hospital admission or outpatient services. Patient may also request financial assistance, if applicable.
6. If services are not- emergent, patient may be asked to reschedule services after review of account balances.
7. The following payment methods shall be accepted: cash, checks, money orders, debit cards and certain credit cards. Care Credit shall not be accepted.
8. Payment for services shall be planned following guidelines established below:

Account Balance	Payment Timeframe
\$200 or less	3 months or less
\$201 - \$600	6 months or less
\$601 - \$1,000	12 months or less
\$1,000 – above	HARP Referral

* The above rates are subject to change at the discretion of Hospital Administration and the Board of Directors of Caldwell County Hospital, Inc. Please, reference HARP Policy.

9. Payments for all charges, which are not covered by insurance, shall be due and payable at the time of services or discharge. Upon request, patients that do not qualify Disproportionate Share Hospital Program (DSH) may request Financial Assistance and may receive a discount on charges. (Implementation of Disproportionate Share Hospital Program (DSH) Policy).
10. Prior to providing elective services, Caldwell Medical Center and Caldwell Medical Associates shall require payment of prior outstanding accounts, including bad debts, or have specific payment arrangements approved by the Patient Financial Services Manager or Financial Counselor.
11. If during the course of a patient's stay or service, the patient's liability exceeds \$500.00, or in the event the insurance liability was not defined at the time of admission, the patient or

guarantor shall be contacted by the Financial Counselor for payment resolution or financial counseling.

12. Caldwell Medical Center and Caldwell Medical Associates patients shall be requested to make full payment of unpaid balances when insurance payments from non-governmental/contractual payers are not received after 60 days from date of billing. Caldwell Medical Center and Caldwell Medical Associates shall make every effort to resolve valid, verified insurance related payment for patients.
13. Patients with insurance policies that cover only a portion of the services shall be required to pay the difference between the hospital charges and the anticipated payment. Patient may also request financial assistance, if applicable.
14. In an effort to neutralize the burden an uninsured patient may bear in the cost of their healthcare, Caldwell Medical Center and Caldwell Medical Associates shall provide discounts for those accounts that have no insurance coverage and no other source of reimbursement is found outside of the Patient/Guarantor. These accounts shall be reduced based on CMC/CMA's established criteria and only if the patient agrees to cooperate with Caldwell Medical Center and Caldwell Medical Associates procedures and payment arrangements.

Caldwell Medical Center and Caldwell Medical Associates established criteria shall be as follows:

- a. Private Pay or uninsured patients shall be quoted estimated charges for services and shall receive a discount upon completion of patient account(s).
 - b. Patients eligible for financial assistance shall not be charged more than the yearly Amounts Generally Billed (AGB). This value shall be calculated using the "look back" method based on paid claims from Medicare fee-for-service and private insurance companies.
 - c. Patient balance account shall not be reduced or discounted unless approved by the Chief Financial Officer or Patient Financial Services Manager following review of patient's account and the individual situation.
15. In the event a patient/responsible party identifies their inability to make payment due to the financial status, the patient/responsible party shall be referred by the Financial Counselor to review payment options and eligibility for assistance. (See Financial Assistance Policy).
 16. In the event a patient is unable to make full payment when due of the balance and has not met requirements for assistance, periodic, partial payments may be approved in accordance with this policy. If patient does not qualify for any CMC/CMA's assistance programs, a Payment Extension Application may be required in order to determine appropriate payment

arrangements. This application shall be reviewed and processed by a CMC Financial Counselor. Reduced payments shall be approved based upon the debt to income ratio.

Collections/Non-Payment:

1. In the event a patient is unable to set up a payment plan based on above payment guidelines, the patient shall be advised that the account shall age and be sent to collections once the account completes the billing cycle.
2. At least three separate billing statements shall be mailed to the last known address of each patient with an open balance. At least 30 days shall have lapsed between the mailing of each billing statement. It shall be the patient's responsibility to provide a correct mailing address at the time of service or upon moving. Each statement shall include a conspicuous written notice that notifies and informs the patient about the availability of Financial Assistance under CMC/CMA's Financial Assistance Policy (FAP) including the telephone number of the department and the website address where copies of documents may be obtained.
3. CMC/CMA shall not refer any account to a collection agency or initiate ECAs during the notification period of 120 days after the first post-discharge billing statement is provided and shall make reasonable efforts to determine whether a patient is eligible for Financial Assistance, including:
 - a. Providing the patient with a written [notice](#) that indicates financial assistance is available for eligible [individuals](#), that identifies the ECA(s) CMC/CMA intends to initiate to obtain [payment](#) for the care, and that [states](#) a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date that the written [notice](#) is provided.
 - b. Providing the patient with a plain language [summary](#) of the FAP with a written notice indicating that financial assistance is available for eligible [individuals](#) and stating the deadline, if any, after which CMC/CMA shall no longer accept and process a [FAP application](#) submitted (or, if applicable, completed) by the patient for the previously provided care at [issue](#).
 - c. Making a reasonable effort to orally notify the patient about the CMC/CMA's FAP and about how the patient may obtain assistance with the [FAP application](#) process.
4. Patients shall be offered a plain language summary of the Financial Assistance Policy as part of the admission process.
5. Patient billing statements shall include the plain language summary of the FAP, including information on how to obtain copies of the FAP.

6. If a balance cannot be paid in accordance with payment guidelines, the patient may be referred by the Financial Counselor to DSH, HARP, or for Financial Assistance based upon screening of eligibility. This may allow for reduced payment options.
7. If patient desires to apply for DSH, HARP, or Financial Assistance he/she may contact Caldwell Medical Center Business Office for assistance.

Caldwell Medical Center
Financial Counselor
Monday – Friday 7:30am- 4:00pm
(270) 365-0331

8. If patient desires to pay on delinquent accounts sent to bad debt they may contact Credit Bureau Systems, Inc. If they desire to pay on-site, Caldwell Medical Center shall collect payment and report to collection agency via fax.

Contact Information:
Credit Bureau Systems, Inc.
100 Fulton Ct, Paducah, KY 42001
Phone: (270) 744-9000
Fax: (270)744-9726

Extraordinary Collection Actions:

1. Caldwell County Hospital, Inc. d.b.a. Caldwell Medical Center and Caldwell Medical Associates shall initiate extraordinary collection actions 120 days after reasonable efforts have been made to identify patient eligibility for financial assistance and no payments have been received through an agreed upon payment plan.
2. Extraordinary Collection Actions shall only be initiated in situations of non-payment.
3. Patients shall be sent at least two letters from the hospital notifying them the ECAs that are intended to be taken if the patient does not apply for financial assistance under the FAP or pay the amount due by the billing deadline. The hospital's Plain Language Summary of the FAP shall accompany these letters. This shall be completed at least 30 days prior to the initiation of any collection efforts outside normal billing activities. The collection agency shall also send patient notification.
4. In situations of extraordinary collections, the hospital shall engage a third party to manage and address the collection of amounts owed for services.

5. Patients or guarantors that have not applied for financial assistance shall have the opportunity to apply even in situations where the third party company has been engaged to initiate collections.
6. Upon notification of application, the hospital shall suspend collection activity while the patient's application is being reviewed.
7. If any patient submits an incomplete application for financial assistance under the FAP prior to the application deadline, then ECAs may not be initiated until after CMC/CMA has provided the patient with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance.
8. Neither the hospital nor the third party collection agency shall provide assistance or guidance once legal proceedings have been initiated unless consent has been given by the Chief Executive Officer and/or Board of Trustees.
9. In the event, a payment plan has been established and the patient or guarantor fails to meet the terms agreed upon regarding payment for services, the hospital reserves the right to bill for the unadjusted balance of the patient's account.

Refunds:

1. Any overpayments identified shall be refunded to the appropriate party – the insurance company or guarantor.
2. Refunds shall be made to patients who pay for care that exceeds the amount he or she is determined to be responsible for paying as a FAP-eligible individual.
3. Patient(s) refunds shall not be processed until all active or past due accounts are paid in full.
4. Caldwell County Hospital, Inc. d.b.a. Caldwell Medical Center (CMC) and Caldwell Medical Associates (CMA) shall not process any refund(s) until the account reflects a credit. Refunds less than amount determined by the State shall not be refunded unless specifically requested by the patient/guarantor or insurance company.
5. If a patient's account reflects a confirmed credit, Business Office staff shall prepare a refund request and shall submit to the Patient Financial Services Manager for verification and approval. Once verified, refunds shall be determined by Accounts Payable.
6. Accounts Payable is to determine when refunds shall be issued to patients.

Audits:

1. Caldwell County Hospital, Inc. d.b.a. Caldwell Medical Center (CMC) and Caldwell Medical Associates (CMA) recognizes the need for audits of insurance claims by insurance companies or their contracted audit firms. The facility shall cooperate fully with any audits by making available required and requested information as outlined in the *National Third – Party Audit Guidelines*.
2. Any problems identified as a result of audit(s) shall be addressed promptly by the appropriate personnel.
3. Audit findings shall be repeated and monitored by Caldwell County Hospital, Inc. d.b.a. Caldwell Medical Center (CMC) and Caldwell Medical Associates (CMA) Administration and Board.

References: None noted