

## Billing and Collections Policy

**Effective Date:** 1/1/16

**Date Revised:**

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### Purpose:

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, Boys Town National Research Hospital (BTNRH) 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 BTNRH to make reasonable efforts to determine a patient's eligibility for financial assistance under BTNRH's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

### Policy:

After our patients have received services, it is the policy of BTNRH 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 the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act.

### Definitions:

**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 below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.

**Financial Assistance Policy (FAP):** A separate policy that describes BTNRH'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 BTNRH's financial assistance policy. In general, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application processes.

## Procedure:

### I. Billing Practices

#### A. Insurance Billing

1. For all insured patients, BTNRH will bill applicable third-party payers (as based on information provided by or verified by the patient) in a timely manner.
2. If a claim is denied (or is not processed) by a payer due to an error on our behalf, BTNRH will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
3. If a claim is denied (or is not processed) by a payer due to factors outside of our organization'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, BTNRH may bill the patient or take other actions consistent with current regulations and industry standards.

#### B. Patient Billing

1. All uninsured patients will be billed directly and timely, and they will receive a statement as part of the organization's normal billing process.
2. For insured patients, after claims have been processed by third-party payers, BTNRH will bill patients in a timely fashion for their respective liability amounts as determined by their insurance benefits.
3. All patients may request an itemized statement for their accounts at any time.
4. If a patient disputes his or her account and requests documentation regarding the bill, staff members will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.
5. BTNRH may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
  - a. Patient Financial Services supervisors and directors have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.
  - b. BTNRH 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.

### II. Collections Practices

#### A. **In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collections Policy, BTNRH may engage in collection activities—including extraordinary collection actions (ECAs)—to collect outstanding patient balances.**

1. General collection activities may include dunning messages on statements, as well as follow-up calls on statements.
2. Patient balances may be referred to a third party for collection at the discretion of BTNRH. BTNRH will maintain ownership of any debt referred to debt collection agencies, and patient accounts will be referred for collection only with the following caveats:
  - a. There is a reasonable basis to believe the patient owes the debt.
  - b. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. BTNRH shall not bill a patient for any amount that an identified insurance company is obligated to pay.
  - c. BTNRH will not refer charges for collection while the claim account is still pending payer payment. However, BTNRH 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.
  - d. BTNRH will not refer charges for collection where the claim was denied due to a BTNRH error. However, BTNRH may still refer the patient liability portion of such claims for collection if unpaid.
  - e. BTNRH will not refer charges for collection where the patient has initially applied for financial assistance or other BTNRH- sponsored program and BTNRH has not yet

notified the patient of its determination (provided the patient has complied with the timeline and information requests delineated during the application process).

**B. Reasonable Efforts and Extraordinary Collection Actions (ECAs)**

1. Before engaging in ECAs to obtain payment for care, BTNRH must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy:
  - a. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
  - b. If an application is received within 240 days from the first post-discharge statement, any ECA previously initiated will cease and the FAP application will be immediately reviewed for determination of FAP eligibility.
  - c. If the application is incomplete, and the missing information is not provided by 240 days after the first post-discharge billing statement, ECAs may re-commence.
  - d. If determined FAP eligible, the individual will be notified in writing, and any ECA actions previously taken will be reversed
  - e. If determined ineligible for FAP, the individual will be notified in writing of the determination prior to taking ECAs.
  - f. However, at least 30 days before initiating ECAs to obtain payment, BTNRH shall do the following:
    - i. Provide the individual with a written notice that indicates the availability of financial assistance, lists potential ECAs that may be taken to obtain payment for care, and gives a deadline after which ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice)
    - ii. Provide a plain-language summary of the FAP along with the notice described above
    - iii. Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process
2. After making reasonable efforts to determine financial assistance eligibility as outlined above, BTNRH (or its authorized business partners) may take any of the following ECAs to obtain payment for care:
  - a. Report adverse information to credit reporting agencies and/or credit bureaus
  - b. File legal suit
  - c. Garnish wages
  - d. Bank Account Liens
3. If a patient has an outstanding balance for previously provided care, BTNRH may engage in the ECA of deferring, denying, or requiring payment before providing additional medically necessary (but non-emergent) care only when the following steps are taken:
  - a. BTNRH provides the patient with an FAP application and a plain language summary of the FAP
  - b. BTNRH provides a written notice indicating the availability of financial assistance and specifying any deadline after which a completed application for assistance for the previous care episode will no longer be accepted. This deadline must be at least 30 days after the notice date or 240 days after the first post-discharge billing statement for prior care—whichever is later.
  - c. BTNRH makes a reasonable effort to orally notify the individual about the financial assistance policy and explain how to receive assistance with the application process.
  - d. BTNRH processes on an expedited basis any FAP applications for previous care received within the stated deadline
4. BTNRH Patient Financial Services is ultimately responsible for determining whether BTNRH and its business partners have made reasonable efforts to determine whether an

individual is eligible for financial assistance. This body also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy.

### **III. Financial Assistance**

#### **A. All billed patients will have the opportunity to contact BTNRH regarding financial assistance for their accounts, payment plan options, and other applicable programs.**

To apply for financial assistance, patients must submit a complete application (including all necessary supporting documentation) on the hospital's website or to BTNRH Patient Financial Services at 1941 S. 42<sup>nd</sup> St, Ste 380, Omaha NE, 68105, either in person or by mail.

Applications, including Spanish translations, can be accessed at:

- East Surgery Admissions (555 North 30th Street, Omaha, NE 68131) or West Surgery Admissions (14000 Boys Town Hospital Road, Omaha, NE 68010)
- BTNRH Patient Financial Services by mail, if individuals make a request by phone call at 402-280-8100 or by mail send request to 1941 S. 42<sup>nd</sup> St., Ste 380, Omaha NE, 68105.
- Online at <https://www.boystownhospital.org>

### **IV. Customer Service**

#### **A. During the billing and collection process, BTNRH will provide quality customer service by implementing the following guidelines:**

1. BTNRH will enforce a zero tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees.
2. BTNRH will maintain a streamlined process for patient questions and/or disputes, which includes a 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.
3. After receiving a communication from a patient (by phone or in writing), BTNRH 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 days.
4. BTNRH will maintain a log of patient complaints (oral or written) that will be available for audit.