



SUBJECT: Collection Policy	POLICY: CHA 12
	PAGES: 3
DEPARTMENT: Patient Accounts	EFFECTIVE: 01/2022
	Revised/Reviewed: 1/2022
APPROVED BY: Keri Hindman, Director Business Services	

**Policy Statement**

DCH Health System is committed to treating all patients equitably, with dignity, respect, and compassion. DCH shall pursue its collection policy fairly and consistently in compliance with the Federal Fair Debt Collection Practice and state collection laws. All patients will be treated with dignity and respect in regards to collection activities. DCH will make reasonable efforts to identify patients who may be eligible for financial assistance. This policy shall apply to DCH's collection process and to outside agencies performing collection activities on behalf of DCH.

**PROCESS**

1. **Financial Counseling and/or Payment Plans.** If the patient is uninsured, the patient will be notified at registration of the option for financial counseling and DCH will work with the patient to determine whether the patient is eligible for financial assistance under the Financial Assistance Policy or establish a reasonable payment plan pursuant to the Discount and Payment Plan Policy. For insured patients, the insurance will be billed before any patient responsibility is sent to the patient. If a patient did not provide insurance at the time of registration, we will bill the patient's insurance once we are made aware and pend payment from the insurance company. If the patient does not provide insurance before filing limits to insurance occur, the patient may have out of pocket financial responsibility.
2. **Staff Education.** DCH's registration, billing and third party collection staff will be trained to administer this policy and provide assistance to the patient. Medicare and non-Medicare patients will be treated in a similar manner.
3. **Timeliness.** A bill shall be issued in a timely manner after discharge for uninsured patients and post-insurance payment for services paid by insurance.
4. **Future Services.** A patient shall not be denied future emergency services based on outstanding account balances.
5. **Documentation of Collection Effort.** DCH shall document all collection efforts in the patient's financial record or with the third party collections company including:
  - a. Subsequent billing records;
  - b. Collection letters;
  - c. Correspondence evidencing subsequent attempts at collection;
  - d. Logs or documentation on individual patient accounts of all telephone calls to patients; and

- e. Logs or documentation on individual patient accounts of all personal contacts with patients.

**6. Extraordinary Collection Actions.** As used herein, "Extraordinary Collection Actions" has the meaning given such term in Section 501(r) of the Internal Revenue Code, including (i) deferring, denying, or requiring a payment before providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care, (ii) actions that require legal or judicial process, and (iii) reporting an individual to consumer credit reporting agencies or credit bureaus.

Placing a patient's account with a collection agency is not an Extraordinary Collection Action.

- a. DCH will notify individuals that financial assistance is available at registration and will run any uninsured accounts through presumptive charity at 60 days post discharge. Extraordinary Collection Actions will not be taken before 120 days post discharge and multiple attempts by a non-Extraordinary Collection attempt.
- b. The financial assistance application period begins on the date medical care is provided and ends once primary collection attempts have occurred at 120 days post discharge. DCH will widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible. If a patient submits a complete financial assistance application during the application period, DCH will suspend Extraordinary Collection Actions and make an eligibility determination before resuming Extraordinary Collection Actions. If a patient submits an incomplete financial assistance application, DCH will notify the patient about how to complete the application and give the patient a reasonable opportunity to do so.
- c. Prior to engaging in Extraordinary Collection Actions, DCH's Director of Business Services will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance.

**7. Requirements when a patient is determined to be Eligible for Financial Assistance.**

DCH may notify the patient at registration that free care is available to the patient or may apply the uninsured patient through DCH's presumptive charity program. In order to qualify, the patient must meet 200% of the Federal Poverty Level in our third party system.

**8. Referral to Collection Agency.**

- a. The referral of an account to a collection agency shall be limited to situations where the patient has ignored DCH's offer of financial counseling or has violated the payment plan established to address the individual needs of the patient.
- b. Prior to the engagement of any collection agency, DCH shall ensure that a written agreement is in place. Such agreement shall require the agency to abide by DCH's collection policy. Any agency with which DCH has an agreement must be appropriately bonded and insured. All agencies will meet all HIPAA requirements for handling protected health information.
- c. Collection efforts must allow the patient appropriate time to dispute his or her obligation. A collection agency shall cease collection efforts while a patient's balance is in dispute. All disputed accounts shall undergo an appropriate investigation. Under no circumstances will a collection agency make a report to a consumer credit reporting agency or credit bureau unless (i) all of the requirements for taking Extraordinary Collection Actions have been met with respect to the affected individual, and (ii) if applicable, it is disclosed that the patient has disputed the obligation to DCH.
- d. The agreement with the agency shall provide that DCH will have the right to withdraw any account from the agency at any time and for any reason.

**9. Legal Action.**

- a. DCH recognizes its right to initiate legal action where there is evidence that the patient or responsible third party has income or assets to meet his or her obligation.
- b. If DCH chooses to engage a law firm, DCH shall enter into a written engagement agreement prior to referring any matter to the firm for collection. All firms will meet all HIPAA requirements for handling protected health information.
- c. A lawsuit may be filed against a responsible party only in those situations where there is evidence that the responsible party has or will likely have in the future income or assets to meet his or her debt obligation.
- d. Prior to the filing of any lawsuit, the law firm shall send written notice to the responsible party of its intent to institute legal action to collect the account.
- e. DCH's Director of Business Services shall have final authority to approve any settlement of a lawsuit.

Reviewed: January 2022

Updated: January 2022