

HOULTON REGIONAL HOSPITAL

Policy Title: Billing and Collections Policy

Updated: April 2018

Purpose: To establish a consistent and fair procedure to collect patient balances, including those that have become delinquent.

Policy: It is the goal of Houlton Regional Hospital (HRH or the Hospital) to bill insurers and patients for medical services in a timely and accurate manner. HRH will use a series of billing statements and the services of collection agencies in this process. We will aim to comply with Section 501(r) of the Internal Revenue Code and other applicable State regulations.

Definitions:

Amounts Generally Billed (AGB) – the charge billed to an assistance eligible individual using the rate that a Medicare patient would be billed for the same service. This is the amount that would be billed after all discounts and payments are processed on the account. Refer also to our FAP.

Extraordinary Collection Actions (ECAs) – these are collection actions taken by the Hospital or an authorized contractor or agent of the Hospital, against an individual to obtain payment for care covered under our FAP. Examples of these are as follows: Selling the debt to a third party; reporting to a credit bureau; requiring a prepayment due to past payment history; actions that require a legal process, such as garnishing wages or placing a lien; and other actions as described in 26 C.F.R. Section 1.501(r)-6(b).

Financial Assistance Policy (FAP) – the Hospital's separate policy describing the criteria and guidelines for obtaining free or discounted care at HRH.

Procedure:

- I. ***Billing*** – Patient is registered on the date of service and HRH staff verify demographic and insurance information. Five (5) days after services are rendered, a claim will be dropped to the insurance carrier on the account for the services. HRH will make all reasonable efforts to collect from an insurance carrier before a statement is sent to the patient. If the patient is uninsured or registered as self-pay, we will use reasonable efforts to verify assistance eligibility before a billing statement is sent. (see also our FAP).
- II. ***Account Activities*** – Patient will be sent four (4) billing notices, with the final notice being mailed at ninety (90) days past due. They will also have two (2) phone call attempts from E Management Associates, which is our billing statement vendor. The final notice at day 90 will inform the patient that the account will be sent to a collection agency in 30 days if payment or another arrangement is not made.
- III. ***Payment Options*** – Patients are extended a 5% prompt payment discount on their initial billing statement. HRH also extends payment plan or contract plans to patients, based on limits approved by our Board of Directors. Patients are encouraged to speak with our Patient Financial Services department about these options. They can be reached at (207

521-2619. If patients do not stay current with their payment plan arrangement, their account will be referred to collections (see next point IV).

- IV. ***Collections*** – If an outstanding balance remains at day 120, the patient account will be referred to our outside collection agency, Advanced Collection Services (ACS). All questions regarding their payment plan options or collection practices, should be directed to ACS at PO Box 7103, Lewiston, ME 04243 or (800) 640-0545. At this point in time, ECAs may be utilized to collect on patient accounts and patients are notified of this fact.
- V. ***Financial Assistance*** – if at any time before day 241 in the collection cycle a patient is determined to be eligible for financial assistance, the proper discounts will be applied to the account as outlined in our FAP, any ECAs will be reversed, and patient payments greater than \$5 will be refunded to them.