POLICY TITLE: Patient Financial Services: Billing and Collections Policy for Self-Pay Accounts

DEPARTMENT: Finance

PURPOSE:

This policy, together with the Hospital’s Financial Assistance Policy (FAP) for Uninsured and Underinsured Hospital Patients is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, Section 501(r) of the Internal Revenue Code of 1986, as amended, Section 1.501(r) of the Internal Revenue Service’s regulations promulgated thereunder and the New York Public Health Law. This policy establishes the actions that may be taken in the event of nonpayment for Covered Services provided by Mount Sinai South Nassau and the Oceanside Counseling Center (the “Hospital”), including collection actions and reporting to credit agencies. The guiding principles behind this policy are to treat all patients equally with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed. This policy covers billing and collection for self-pay accounts for both uninsured patients and patients with insurance, including co-payments, co-insurance and deductibles.

DEFINITIONS:

Amounts Generally Billed (AGB) means the amounts generally billed for Covered Services provided to individuals who have insurance covering such care, reduced to the current Medicare rate using the prospective method. The prospective method means using the billing and coding process the Hospital would use if the FAP–Eligible Individual (as defined) were a Medicare fee-for-service beneficiary and setting AGB for the care at the amount the hospital determines would be the total amount Medicare would allow for the care (including both the amount that would be reimbursed by Medicare and the amount the beneficiary would be personally responsible for paying in the form of co-payments, co-insurance, and deductibles).

Application Period means the period during which the Hospital must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the 240th day after the Hospital provides the first post-discharge billing statement.

Billing Deadline means the date after which the Hospital may initiate an ECA (as defined) against a Responsible Individual who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual provided at least 30 days prior to such deadline.

Completion Deadline means the date after which the Hospital may initiate or resume an ECA against an individual who has submitted an incomplete FAP if that individual has not provided...
the missing information and/or documentation necessary to complete the application. The Completion Deadline must be specified in a written notice and must be no earlier than the later of (1) 30 days after the Hospital provides the individual with notice of incomplete documentation; or (2) the last day of the Application Period.

Covered Services means Emergency Medical Care or other Medically Necessary services (as defined below) provided to the Hospital’s inpatients and outpatients. Patients who reside in New York State who need emergency services can receive care and qualify for a discount if they meet certain income levels as described in the FAP (as defined below). Patients who reside in Nassau County, Suffolk County and the five Counties comprising New York City can qualify for a discount on non-emergency, Medically Necessary services if they meet certain income levels described in the FAP.

Emergent Condition means a medical condition that has resulted from the sudden onset of a health condition with acute symptoms of sufficient severity (including severe pain) which, in the absence of immediate medical attention, are reasonably likely to place the patient’s health in serious jeopardy, result in serious impairment to bodily functions or result in serious dysfunction of any bodily organ or part.

Emergency Medical Care means medical care required to be provided for Emergent Conditions pursuant to the Emergency Medical Treatment and Labor Act, section 1867 of the Social Security Act (42 U.S.C. 1395dd) to individuals, regardless of their eligibility for Financial Assistance under this policy. More specifically, Emergency Medical Care refers to services required to be provided under Subchapter G of Chapter IV of Title 42 of the Code of Federal Regulations and Treas. Reg. § 1.501(r)-4(c) (or any successor regulations), to the extent such regulations are applicable to SNCH.

Extraordinary Collection Action (ECA) means any action against an individual related to obtaining payment of a Self-Pay Account (as defined) such as selling an individual’s debt to another party; reporting adverse information about the Responsible Individual to consumer credit reporting agencies or credit bureaus; deferring or denying or requiring a payment before providing medically necessary care because of an individual’s nonpayment of one or more bills for previous care covered under the Hospital’s FAP; or other actions that require a legal or judicial process including:

- Placing a lien on an individual's property (other than a lien that the Hospital is entitled to assert under state law on the proceeds of a judgment, settlement, or compromise owed to an individual (or his or her representative) as a result of personal injuries for which the Hospital provided care);
- Foreclosing on an individual's real property;
- Attaching or seizing an individual's bank account or any other personal property;
- Commencing a civil action against an individual;
- Causing an individual's arrest;
• Causing an individual to be subject to a writ of body attachment; and

• Garnishing an individual's wages.

FAP-Eligible Individual means a Responsible Individual eligible for financial assistance under the FAP without regard to whether the individual has applied for financial assistance.

Financial Assistance Policy (FAP) means the Hospital’s Financial Assistance Program for Uninsured/Underinsured Patients which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy.

Medically Necessary means those services necessary to prevent, diagnose, correct or cure conditions in a person that cause acute suffering; endanger life; result in illness or infirmity; interfere with his/her capacity for normal activity; or threaten some significant handicap.

Notification Period means the period during which the Hospital must notify an Responsible Individual (as defined below) about FAP eligibility prior to commencing an ECA (as defined below). The Hospital must make reasonable efforts to determine a patient’s eligibility under the FAP. The Notification Period begins on the first date care is provided to the Responsible Individual and ends the later of the 120th day after the Hospital provides the individual with the first post-discharge billing statement for the Covered Services or 30 days after the date of notification.

Plain Language Summary (“PLS”) means a clear, concise and easy to understand written statement that the Hospital uses to notify a patient and/or applicable Responsible Individuals that the Hospital offers financial assistance under the FAP for Covered Services provided by the Hospital.

Patient Financial Services (PFS) means the operating unit of the Hospital responsible for billing and collecting Self-Pay Accounts.

Responsible Individual means the patient and any other individual having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual.

Self-Pay Account means that portion of a patient account that is the individual responsibility of the patient or other Responsible Individual, net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductibles), and net of any reduction or write off made with respect to such patient account after application of Financial Assistance Program.

Single Patient Account means one consolidated statement for Self-Pay Accounts for all Hospital facility visits.

POLICY STATEMENT:

• Subject to compliance with the provisions of this policy, the Hospital may take any and all legal actions, including ECAs, to obtain payment for medical services provided.
• The Hospital will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient’s debt, before reasonable efforts are made to determine whether a Responsible Individual is eligible for assistance under the FAP.

PROCEDURES:

• All patients will be offered the PLS and an application form for financial assistance under the FAP during the intake and discharge process from the Hospital.

• A conspicuous notice regarding availability of financial assistance must be included on each Single Patient Account statement.

• The PLS must be included with any billing statement regarding potential ECAs.

• At least three separate Single Patient Account statements for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual prior to the end of the Notification Period; provided, however, that no additional Single Patient Account statements need be sent after a Responsible Individual submits a complete application for financial assistance under the FAP. At least 120 days shall have elapsed between the first and last of the required three mailings. All Single Patient Account statements of Self-Pay Accounts will include:

  1. An accurate summary of the hospital services covered by the statement;
  2. The charges for such services; and
  3. The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement).

• Detailed itemizations for hospital charges will be provided upon request.

• At least one of the Single Patient Account statements sent during the Notification Period will include written notice that informs the Responsible Individual about the ECAs that may be taken if the Responsible Individual does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline (i.e., the last day of the Notification Period). Such statement must be provided to the Responsible Individual at least 30 days before the deadline specified in the statement, if commencing ECAs.

• A letter indicating intent to transfer the Single Patient Account to a collection agency shall be mailed to the last known address of each Responsible Individual at least 30 days prior to the transfer of a Self-Pay Account to a collection agency or the initiation of any ECA. A reasonable effort to orally notify the Responsible Individuals by telephone at the last known telephone number must also be made. During all conversations, the Responsible Individual will be informed about the financial assistance that may be available under the FAP.
ECAs may be commenced as follows:

1. If all Responsible Individuals fail to apply for financial assistance under the FAP by the last day of the Notification Period, and the Responsible Individuals have received the 30-day written notice described above, then the Hospital may initiate ECAs.
2. If all Responsible Individuals apply for financial assistance under the FAP, and PFS determines definitively that the Responsible Individuals are ineligible for any financial assistance under the FAP (including because the patient was not uninsured), the Hospital may initiate ECAs.
3. If any Responsible Individual submits an incomplete application for financial assistance under the FAP prior to the end of the Application Period, then ECAs may not be initiated until after each of the following steps has been completed:
   a. The Financial Assistance Department provides the Responsible Individual within a reasonable time (i.e., no less than 30 days) with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the PLS.
   b. PFS provides the Responsible Individual with at least 30 days’ prior written notice of the ECAs that the Hospital may initiate against the Responsible Individual if the FAP application is not completed or payment is not made; provided, however, that the deadline for completion or payment may not be set prior to the end of the Application Period.
   c. If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and Patient Access determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, the Hospital may initiate ECAs.
   d. If the Responsible Individual who has submitted the incomplete application fails to complete the application by the deadline set in the notice provided pursuant to 3.b above, then ECAs may be initiated.
   e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual, at any time prior to the end of the Application Period, the Hospital will suspend ECAs while such financial assistance application is pending.

- Any Responsible Individual, or representative thereof, who contacts the Hospital for information concerning any possible financial assistance, shall be provided with information concerning the Financial Assistance Program under the FAP.
- All collection agencies must follow the Hospital’s Financial Assistance Policy and provide information to patients on how to apply for financial assistance.
- Collection actions are prohibited against Responsible Individuals who were Medicaid eligible at the time the Covered Services were provided.
- Sending an account to collection for those individuals who have submitted applications with eligibility determinations still pending is prohibited.
• After the commencement of ECAs is permitted, external collection agencies shall be authorized to file litigation, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior written approval of PFS shall be required before any legal action may be initiated and prior approval of PFS shall be required before collection agencies may use any means of collection that involves physical detention or arrest of any Responsible Individual.

• Collection agencies are prohibited from forcing the sale of or foreclosure on a Responsible Individual’s primary residence.

• Patients who are able, but unwilling, to pay for Hospital services are considered uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for assistance under the Financial Assistance Program and who fail to pay the balance when due, after application of the appropriate discount, are considered uncollectible bad debts for the amount of such balance and will be referred to outside agencies for collection.

• Copies of this policy are available free of charge to the public. Copies of the policy are available in the Emergency Room, Financial Assistance Department, Admitting, and other outpatient registration areas that are located on facility campuses and at other public places. This policy is available on the Hospital’s internet and may be requested by mail. The policy is published in English and Spanish.

• If the Hospital refers or sells patient debts to another party during the Application Period, the written agreement with such party must obligate such party to:

  1. Refrain from engaging in ECAs until the Billing Deadline;
  2. Suspend any ECAs if the individual submits a FAP application during the Application Period;
  3. If the Responsible Individual is determined to be FAP-eligible, ensure that the individual does not pay and is not obligated to pay more than required, and to reverse any ECA previously taken; and
  4. Obtain similar provisions in a written agreement if such party refers or sells the debt to yet another party.

REPLACES: None

APPROVALS: