



Policy and Procedure Manual:
Benefis Hospitals, Inc.
Benefis Community Hospitals, Inc.

Policy Code #
Title: Benefis Health System Billing and
Collection Policy

Effective Date: 12/01/2018
Supersedes:
01/01/16

Approved by:

Hospital Boards of Directors

Date

Patty Harris

12/01/18

Date

Director, Revenue Cycle Services

I. Purpose:

Benefis Health System, Inc. and its affiliates (collectively, “Benefis”) are not-for-profit, tax-exempt entities with a charitable mission of providing healthcare care services to residents of the State of Montana. The purpose of this Billing and Collection Policy is to ensure that, in connection with Benefis’s efforts to bill and collect for healthcare services rendered, all patients are treated fairly and reasonably and given sufficient opportunity to apply for financial assistance (see the Benefis Health System Financial Assistance Policy) or make other payment arrangements. This Policy applies to each hospital facility owned or operated by a Benefis affiliate, including without limitation Benefis Hospitals, Inc. in Great Falls, Montana, and Benefis Community Hospitals, Inc. (Teton Medical Center) in Choteau, Montana (in each case, the “Hospital”). This policy also applies to professional services provided by Benefis Medical Group physicians and certain other physicians or providers that are billed by the Hospital(s).

II. Overview:

This policy describes certain discounts that may be available to patients with respect to self-pay balances. This policy also sets forth the actions that the Hospital may undertake in the event of non-payment of any patient balance for Hospital services. This policy also sets forth the measures that the Hospital will undertake to ensure that reasonable efforts are made to determine whether a patient is eligible for financial assistance under the

Benefis Health System Financial Assistance Policy, prior to commencing any extraordinary collection actions in an effort to collect the account.

For purposes of this policy, references to “patient” mean either the patient or his or her guarantor, *i.e.*, the person having financial responsibility for payment of the account balance.

III. Definitions:

- A. Application Period - The period during which the Hospital must accept and process an application for financial assistance pursuant to the Benefis Health System Financial Assistance Policy. Copies of the Financial Assistance Policy and the Financial Assistance Application are available at <http://www.benefis.org/bhs/billing-insurance.aspx>. The Application Period begins on the date that the healthcare services are provided and ends on the 240th day after the Hospital provides the first post-discharge Billing Statement for the care.
- B. Billing Statement - Any notice mailed or delivered to the patient requesting payment. The notice can be the first post-discharge Billing Statement for the care, any routine monthly Billing Statement thereafter, or a Pre-Collection Letter.
- C. Extraordinary Collection Action (ECA) - Any action against the patient related to obtaining payment of a patient balance, where such action requires a legal or judicial process. By way of example, ECAs include most types of liens, foreclosure on real estate, attachment or seizure of bank accounts or personal property, commencing a civil action, causing arrest or a writ of body attachment, or garnishment of wages or other income. The term ECA also includes the reporting of a patient debt to a credit bureau or agency. However, ECAs do not include liens asserted by the Hospital on the proceeds of a personal injury judgment, settlement or compromise, nor the filing of a claim in a bankruptcy proceeding.
- D. Financial Service Representatives - Personnel in the Hospital’s Patient Financial Services Office who educate patients regarding the Hospital’s financial policies, including but not limited to the Financial Assistance Policy and the terms of this Self Pay Billing and Collection Policy.
- E. Notification Period - The time period during which the Hospital must notify the patient about the availability of financial assistance. The Notification Period begins on the first date care is provided to the patient and ends on the 120th day after the Hospital provides the first post-discharge Billing Statement for the care.
- F. Patient Balance - Any balance on an account that is not paid by insurance, governmental payor, or other third-party payment source.
- G. Plain-Language Summary - The written summary of the Benefis Health System

Financial Assistance Policy, a copy of which is attached to the Policy and available at <http://www.benefis.org/bhs/billing-insurance.aspx>. The Plain-Language Summary will be publicized as described in the Financial Assistance Policy.

- H. Pre-Collection Letter - A Billing Statement that is mailed or delivered to the patient by the Hospital at least 30 days prior to the commencement of one or more ECAs against the patient, indicating the Hospital's intent to initiate one or more ECAs to obtain payment of the balance due, and including the other required content described in Section IV.F below.
- I. Prompt-Pay Discount - A 15% discount given to self-pay patients who pay their account balance in full at the time of service, as provided in the Benefis Health System Prompt-Pay Discount Policy. The Prompt-Pay Discount may apply in addition to the 40% Self-Pay Discount if paid at time of service but is not available in cases where the patient qualifies for free or discounted care pursuant to the Benefis Health System Financial Assistance Policy.
- J. Self-Pay Discount - A 40% discount given to patients who have no insurance coverage or other third-party payment source, as provided in the Benefis Health System Self-Pay Discount Policy. The Self-Pay Discount is in addition to any Prompt-Pay Discount that may apply but is not available in cases where the patient obtains free or discounted care pursuant to the Benefis Health System Financial Assistance Policy. An uninsured patient will receive the greater of the 40% Self-Pay Discount or the discount for which the patient qualifies under the Benefis Health System Financial Assistance Policy; if the Financial Assistance discount rate is applied, the discount will be treated (and reported) as financial assistance accordingly.

IV. Policy:

- A. The Hospital will cause all Billing Statements to include:
 - (i) A summary of the healthcare services provided by the Hospital;
 - (ii) A summary of the charges for such services, with a statement that a detailed itemization of charges will be provided upon request; and
 - (iii) The amount required to be paid by the patient.
- B. All patients who have no insurance coverage or other third-party payment source will automatically be granted the Self-Pay Discount. **The Self-Pay Discount will be reversed if the patient is later determined to qualify for financial assistance under the Benefis Health System Financial Assistance Policy (as provided above, the patient will receive whichever discount is higher; if the Financial Assistance discount rate is applied, the discount will be treated as financial assistance).**

- C. The Hospital will accommodate patients through the establishment of payment plans for patient balances due. Patient must establish a payment plan with the facility within the following guidelines:
- **Benefis will offer payment plans up to 12 months interest free.**
 - **If patient or guarantor needs a longer term to pay, we will refer them to our bank loan option which charges a nominal interest rate for a longer-term plan, up to 48 months.**
- D. Subject to compliance with the provisions of this policy, the Hospital may take any and all legal actions, including Extraordinary Collection Actions (ECA), to obtain payment for healthcare services provided.
- E. The Hospital will not engage in any ECAs, either directly or by any debt collection agency or other representative, before reasonable efforts are made to determine whether the patient is eligible for assistance under the Benefis Health System Financial Assistance Policy. The Benefis Health System CFO or his/her designee retains final authority to determine whether the Hospital has taken reasonable efforts to determine whether an individual is eligible for financial assistance and may therefore engage in ECAs against the individual. To that end:
- (i) The Hospital will not engage in any ECAs during the Notification Period.
 - (ii) The Hospital will publicize the availability of financial assistance through the methods specified in the Benefis Health System Financial Assistance Policy, including through:
 - Posting of signage in Hospital facilities;
 - Posting the Financial Assistance Policy, the Financial Assistance Application, and Plain-Language Summary on the Hospital's website;
 - Including the Plain-Language Summary in patient registration materials and inpatient handbooks; and
 - Including the Plain-Language Summary in materials offered to each patient as part of the intake or discharge process.
 - (iii) The Hospital will ensure that the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas. The Hospital will periodically take other measures to publicize the existence of the

Financial Assistance Policy throughout its primary and secondary service areas, in a manner reasonably calculated to reach those most likely to require financial assistance.

- (iv) During the Notification Period, the Hospital will provide each patient with at least three Billing Statements (although no further Billing Statements need be sent, once the patient submits a Financial Assistance Application), each of which includes a conspicuous statement regarding the availability of financial assistance, including:
 - A phone number for information about the Financial Assistance Policy and the application process; and
 - A website address where the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are available.
 - (v) If any patient contacts the Hospital for information regarding possible financial assistance, the Hospital will provide such patient, at no cost, with a copy of the Financial Assistance Policy, the Financial Assistance Application, and the Plain-Language Summary. In addition, the Hospital will ensure that the patient is referred to a Financial Service Representative for further explanation and assistance as needed.
- F. In the event that the Hospital intends to undertake one or more ECAs, the Hospital will mail or deliver to the patient a Pre-Collection Letter at least 30 days prior to commencement of the ECA(s). The Pre-Collection Letter will include all of the following:
- (i) A statement that the Hospital intends to initiate one or more ECAs (identifying the specific ECAs to be undertaken) to obtain payment of the balance due;
 - (ii) A date (which must be at least 30 days following the date of the Pre-Collection Letter) by which payment must be made in order to avoid the specified ECAs;
 - (iii) A conspicuous statement that financial assistance is available pursuant to the Benefis Health System Financial Assistance Policy; and
 - (iv) A copy of the Plain-Language Summary.

Under no circumstances may a Pre-Collection Letter be mailed or delivered to a patient earlier than 30 days prior to the end of the Notification Period. During the 30-day period following the mailing or delivery of the Pre-Collection Letter, the Hospital will continue to make reasonable efforts to orally notify the patient about the availability

of financial assistance.

If an intended ECA will cover charges for multiple episodes of care, the timelines associated with the Notification Period (120 days) and the Application Period (240 days) will be measured with respect to the most recent episode of care at issue (specifically, from the date of the first post-discharge Billing Statement for that care).

G. After the Notification Period has expired, the Hospital may commence one or more ECAs as follows:

- (i) If the patient has not applied for financial assistance under the Benefis Health System Financial Assistance Policy by the last day of the Notification Period, the Hospital may initiate an ECA, but only after the Pre-Collection Letter has been provided and a period of at least 30 days has elapsed thereafter.
- (ii) If the patient has applied for financial assistance but a determination has been made that the patient does not qualify under the Benefis Health System Financial Assistance Policy, the Hospital may initiate one or more ECAs.
- (iii) If a patient submits an incomplete Financial Assistance Application prior to the expiration of the Application Period, then ECAs may not be initiated until the following process has been completed:
 - The Hospital provides the patient with a written notice that describes the additional information or documentation required in order to complete the Financial Assistance Application;
 - The Hospital provides the patient with at least 30 days' prior written notice of the ECAs that the Hospital may initiate against the patient if the Financial Assistance Application is not completed or payment is not made by a specified date; *provided, however*, that the deadline for completion or payment may not be set prior to the end of the Application Period;
 - If the patient then completes the Financial Assistance Application and the Hospital determines definitively that the patient is ineligible for any financial assistance, the Hospital will give the patient an opportunity to establish a payment plan before initiating any ECAs; and
 - If the patient fails to complete the Financial Assistance Application by the specified date provided in the written notice, the Hospital may initiate one or more ECAs.
- (iv) If a Financial Assistance Application (whether complete or incomplete) is submitted by a patient at any time during the Application Period, the Hospital will suspend any ECAs underway for so long as the patient's

Financial Assistance Application is pending.

- H. After the Notification Period has expired, in the event that a patient seeks further medically necessary (but not emergent) care, the Hospital may in its discretion choose to defer or deny such medically necessary care, or require a payment before providing it, based on the individual's nonpayment of one or more bills for previously provided care. In such circumstances, the Hospital shall provide the individual with a Financial Assistance Application and a written notice indicating that financial assistance may be available and stating the deadline (not less than 30 days) by which the individual must submit the Application in order to be considered for assistance. If the individual submits the Application within such time period, the Hospital shall process the Application on an expedited basis.
- I. The Hospital may authorize external collection agencies functioning on its behalf to undertake ECAs consistent with the provisions set forth above and applicable law. However, any ECA proposed to be undertaken by an external collection agency will require the prior approval of the Hospital in each case specifically as to the particular patient and account.
- J. The account balances of patients who are able, but unwilling, to pay for Hospital services are considered uncollectible bad debts; such accounts will be referred to outside agencies for collection. The account balances of patients who qualify for financial assistance under the Benefis Health System Financial Assistance Policy, but who fail to pay the remaining (discounted) balance when due, are considered uncollectible bad debts for the amount of such balances; such accounts will be referred to outside agencies for collection.
- K. The Hospital will provide copies of this Billing and Collection Policy without charge to the public. This policy generally will be posted, publicized, and otherwise available in the same manner as the Benefis Health System Financial Assistance Policy. Benefis will ensure that this Self Pay Billing and Collection Policy is made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas.
- L. If the Hospital refers or sells patient debts to another party during the Application Period, the Hospital will enter into a written agreement with such party that obligates such party to:
 - (i) Refrain from engaging in ECAs until the Notification Period has expired and at least 30 days have passed since the Pre-Collection Letter was mailed or delivered to the patient;
 - (ii) Suspend any ECAs if the patient submits a Financial Assistance Application during the Application Period; and

- (iii) If the patient is determined to be eligible for Financial Assistance, ensure that the patient is not asked or obligated to pay (and does not pay) more than required, and reverse any ECAs previously taken.

V. Other Related Policies/Procedures:

- A. Financial Assistance Policy
- B. Self-Pay Discount Policy
- C. Prompt-Pay Discount Policy

Date of Origin: 07/2014

Date(s) of Revision: 12/2016, _12_/2018

Date of Last Review: _12___/2018

Effective Date: 12/01/2018

References:

Contact Person: Patty Harris