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CREDIT AND COLLECTIONS POLICY – PATIENT ACCOUNTS – BALLAD HEALTH

I. PURPOSE:

To outline general guidelines that allows for a fair and equitable system for credit and collection of payments from patients served by Ballad Health. All billing and collections activities under this policy are structured to remain in conformance with all applicable federal and state laws and regulations.

II. SCOPE:

Applies to each hospital, physician clinic, or other healthcare provider delivering Covered Services in each facility wholly or majority owned and operated by Ballad Health from time to time (each, a "Covered Entity", refer to current list in Part III below). This list shall be maintained, updated at least quarerly.

III. FACILITIES/ENTITITES:

Ballad Health Corporate

Tennessee: BRMC, FWCH, GCH, HCH, HCMH, HVMC, IPCH, JCCH, JCMC, SSH, UCH, WPH, Niswonger Children's Hospital, New Leaf, Greeneville Community Hospital Psychiatric

Virginia: DCH, JMH, LPH, MVRH, NCH, RCH, SCCH, Clearview Psychiatric Unit, Green Oak Behavioral Health (Geriatric Behavioral Health Inpatient Program – DCH), Ridgeview Pavilion, Mountain View Regional Skilled/Long Term Care Unit, Norton Community Physicians Services (NCPS), Abingdon Physician Partners (APP)

Ballad Health Medical Associates

Blue Ridge Medical Management Corporation

Holston Valley Imaging Center

Mountain States Physicians Group, Inc. (MSPG)

Nolichucky Management Services

Sleep Services

Wellmont Cardiology Services

WPS Providers, Inc.

IV. DEFINITIONS:

A. **Self-pay portion:** The amount owed by Uninsured Patients, or the applicable deductible, co-payments, and/or coinsurance required of Insured Patients, after

considering any discounts under the FAP.

1. **Self-pay** refers to any individual that is not currently covered by a health insurance plan or whose healthcare plan excludes services.

B. **Non-emergent:** If the procedure being ordered is on the established non-emergent classification table or the diagnosis code supporting the order is on the non-emergent code list, the encounter would be deemed non-emergent.

C. **Amounts Generally Billed (AGB):** The Usual and Customary Charges for Covered Services provided to Uninsured and Underinsured Patients, and to FAP-Eligible Individuals, multiplied by the Applicable AGB Percentage for such services.

D. **Applicable AGB Percentage:** Means (1) until the first full fiscal year in which BH has a single charge master list for all hospitals, (a) for each former WHS Hospital, the lowest Hospital-Specific AGB Percentage computed at any former WHS Hospital, and (b) for each former MSHA Hospital, the lowest Hospital-Specific AGB Percentage computed for any former MSHA Hospital; and (2) thereafter, the lowest Hospital-Specific AGB Percentage for any Hospital. Refer to Exhibit A of the FAP for an illustration of the application of these amounts. The Applicable AGB Percentage will be updated on an annual basis.

E. **Covered Services**: Those inpatient and outpatient services provided by a Covered Entity to a patient which are medically necessary, determined in accordance with (as applicable for such patient) (i) the standards of Ballad Health's Medicare fiscal intermediary, Medicaid regulations, and/or payor contract, or (ii) if (i) is not applicable, the definition set forth in Section IV. I below.

F. **FAP:** The Ballad Health Financial Assistance Policy in effect from time to time.

G. **FAP-Eligible Individual**: An Uninsured, Underinsured or Insured Patient who may be eligible for financial assistance under the FAP without regard to whether the individual has applied for financial assistance.

H. **Insured Patient**: A patient who has health insurance coverage for the applicable services provided to them.

I. **Medically Necessary** means those services required to identify or treat an illness or injury that is either diagnosed or reasonably suspected to be medically necessary taking into account the most appropriate level of care.

1. In order to be Medically Necessary, a service must:
    1. Be required to treat an illness or injury;
    2. Be consistent with the diagnosis and treatment of the Patient's conditions;
    3. Be in accordance with the standards of good medical practice;
    4. Not be for the convenience of the Patient or the Patient's physician; and
    5. Be that level of care most appropriate for the Patient as determined by the Patient's medical condition and not the Patient's financial situation.
2. Emergent Services are deemed to be Medically Necessary.
3. Services listed in 42 CFR §411.15, "Particular services excluded from

coverage", are not included in the definition of Medically Necessary services.

J. **Underinsured Patient:** Any patient enrolled in a health plan that does not meet the "Minimum Essential Coverage" standard as defined under the Affordable Care Act in existence as of July 1, 2017.

K. **Uninsured Discount:** A reduction of gross charges down to the applicable AGB will be applied for all Medically Necessary services for Uninsured or Underinsured Patients.

L. **Uninsured Patient:** A patient without the benefit of health insurance or government programs who may be billed for Covered Services provided to them, and who is not otherwise excluded from this policy listed in VI. E. e. below.

M. **Usual and Customary Charges:** The rates for Covered Services set forth in the charge master for the applicable Covered Entity at the time the Covered Services are rendered.

V. POLICY:

A. Treat all patients equally - with dignity and respect.

B. Evaluate all requests for financial assistance using established general guidelines while allowing for unique financial circumstances.

C. Respond promptly to patient inquiries regarding their bills and requests for financial assistance.

D. Ensure outside collection agencies follow facility/entity billing and collection guidelines.

E. Follow a strong collection program that enables Ballad Health to communicate financial responsibility to the patient prior to service.

F. Patients receiving services at Ballad Health facilities will be treated under the payment arrangement and financial options outlined in this policy and in coordination with Ballad Health's Financial Assistance Policy (FAP) where applicable.

G. Ballad Health recognizes its obligation to provide quality health care to those who are unable to pay.

H. In addition, Ballad Health provides assistance to help Underinsured and Uninsured Patients determine sources of payment for medical bills and to help patients determine eligibility for programs such as TennCare or Medicaid.

I. In no event shall the amount owed by an Uninsured or Underinsured Patient for Covered Services exceed the lesser of AGB or applicable state law.

VI. PROCEDURE:

A. **Insurance:**

1. All patients are required to submit coverage information prior to a service being rendered.

2. In the event an insurance, government, or third party payor is liable for any portion of the bill, Ballad Health will seek full reimbursement from the payor

for all charges incurred by the patient despite any financial assistance granted pursuant to the FAP.

3. Ballad Health will bill insurance carriers, after verification of benefits, as dictated by contracts. If the payer denies payment of the service/procedure due to non-coverage per the patient's benefit plan or if the patient has exceeded their maximum benefits, the service will qualify for the Uninsured Discount.
4. In certain situations, a patient may request insurance to not be filed. In these cases, the patient may be required to pay in full prior to services being rendered. In addition to payment prior to the service, the patient will be required to sign a "Notice of Non-Coverage" form. The Uninsured Discount will not be applied.

B. **Pre-Admissions:**

1. Ballad Health will pre-admit patients when possible.
2. The method of payment will be verified prior to a patient's admission.

C. **Non-Emergent Services:**

1. Not applicable in the physician clinics.
2. Patients scheduled for non-emergent services at any facility of a Covered Entity will be evaluated and informed of financial liability prior to admission.
3. The patient will be required to pay, or agree to payment arrangements on the full estimated amount in accordance with this Credit and Collection Policy after application of the FAP. The first payment is due prior to services being rendered.
4. If satisfactory payment arrangements cannot be reached with the patient prior to the scheduled procedure, the procedure will be postponed until acceptable payment arrangements can be established.
5. Exceptions to the policy for non-emergent services may be made on a case-by-case basis. The referring physician may initiate an appeal by contacting the applicable facility's Chief Medical Officer.

D. **Emergent Services:**

1. Ballad Health will perform emergent services for any patient regardless of their ability to pay.

E. **Patient Financial Options:**

1. Financial Counselors are available to discuss financial assistance with patients and their families, as needed. Refer to the FAP for further details on financial assistance.
2. The following pre-service discount options are available:
    a. For Covered Entities other than physician clinics:
        i. A pre-service discount of ten percent (10%) (not to exceed $500) may be offered to patients for Covered Services if they agree to pay their estimated amount (per below) in full prior to services

being rendered.

1) Insured patient – Estimated patient responsibility based upon insurance benefits to include deductible, coinsurance, copayment or non-covered service.

2) Uninsured patient or Underinsured Patient – Estimated patient responsibility based upon the greater of AGB or uninsured discount.

ii. For physician clinics, a 10% discount will be offered if the patient's account balance (per below) is paid in full on the date the services were rendered.

1) Insured patient – Estimated patient responsibility based upon insurance benefits to include deductible, coinsurance, copayment or non-covered service.

2) Uninsured or Underinsured Patient – Estimated patient responsibility based upon AGB:

Discounts will not be given on balances less than fifty dollars ($50).

iii. Account must not be with a collection agency.

b. Catastrophic High Dollar Accounts

i. In special circumstances, a discount in excess of the established discounting rates can be granted.

1) When determining this discount, many factors will be taken into consideration, including cost of care rendered, Medicare Inpatient Diagnosis Related Group (DRG), if applicable, and the Applicable AGB Percentage. Discount options related to Uninsured or Underinsured Patients should be at a minimum the greater discount of AGB or applicable state law. Ballad Health has the discretion to offer a greater discount.

2) This offer requires the approval of the Ballad Health Chief Financial Officer.

c. Ballad Health will accept all non-contracted and out-of-network payers and will make all attempts to work with these payers regarding appropriate reimbursement and billing to their members, consistent with the out-of-network provisions of Addendum 1 to the Terms of Certification issued to Ballad Health on January 31, 2018, as amended from time to time.

i. In the event the patient is Underinsured, the total of payer payments and the patient's out-of-pocket amount owed shall not exceed the lesser of AGB or applicable state law.

ii. If the payer deems the services as non-covered, the patient is deemed to be Uninsured and the greater discount of AGB or state law shall apply.

d. Payment Arrangements:

i. Payment arrangements are available within the following guidelines:

1) Arrangements can be set up for a maximum of eighteen (18) months.

2) A minimum monthly payment of fifty dollars ($50) is required.

ii. Account must not be with a collection agency.

e. Package Pricing and Cosmetic Services:

i. All patient portions must be collected in full prior to procedure.

ii. Patient must sign the "Notice of Non-Coverage" form.

1) No additional discount, including prompt pay discounts, will be given for elective self-pay procedures.

f. Exceptions to section V, E, may be given on a case-by-case basis with the approval of the Ballad Health Chief Financial Officer.

F. **Billing Collections and Extraordinary Collection Actions**

1. Ballad Health reserves the right to seek collection for hospital services using generally acceptable collection efforts, including Extraordinary Collection Actions (ECAs).

2. ECAs include referring unpaid balances to a collection agency, placing a lien or foreclosure on an individual's property. Ballad Health will not engage in ECAs before making a reasonable effort to determine if the patient is eligible for financial assistance under the FAP.

a. Reasonable efforts to determine whether a patient is eligible for financial assistance include:

i. Notifying the patient of the FAP and financial assistance documents, including the plain language summary and Application for Financial Assistance (AFA).

ii. Notifying the patient of an incomplete AFA.

iii. Determination of financial assistance eligibility on the completed AFA with supporting documentation.

b. Ballad Health will notify the patient of its financial assistance determination in writing.

i. If the patient is not eligible for financial assistance, Ballad Health will not initiate ECAs until one hundred twenty (120) days after the date of first post-discharge statement.

c. Ballad Health will give notice to the patient thirty (30) days before initiating ECAs.

i. Ballad Health will accept an AFA up to 240 days after the first billing statement. Ballad Health will cease any ECAs during the

determination of financial assistance eligibility based on the completed AFA and supporting documentation.

G. **Financial Assistance**

1. Refer to the Financial Assistance Policy for detailed information on the Ballad Health guidelines for receiving financial assistance, including the AFA application process and department contact information.

LINKS:

Financial Assistance Policy – Ballad Health, PFS-400-003-BH

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Executive Chair/President Chief Executive Officer Date
Ballad Health