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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:**

All team members, Physicians, volunteers, students, independent contractors and vendors at the following facilities/entities:

Ballad Health Corporate

Tennessee: FWCH, HCH, HVMC, IPMC, JCCH, JCMC, LMH, SSH, UCMH, WPH, Bristol Regional Medical Center (BRMC), Hawkins County Memorial Hospital, Inc., Madison House, Niswonger Children’s Hospital, New Leaf, Takoma Regional Hospital, Inc., Unicoi County Nursing Home, Wexford House

Virginia: DCH, JMH, LPH, MVRMC, NCH, RCMC, SCCH, Clearview Psychiatric Unit, Francis Marion Manor Health & Rehabilitation, Green Oak Behavioral Health (Geriatric Behavioral Health Inpatient Program – DCH), Norton Community Physicians Services (NCPS), Community Home Care (CHC), Abingdon Physician Partners (APP)

Blue Ridge Medical Management Corporation (BRMMC)

Holston Valley Imaging Center

Sleep Services

Wellmont Cardiology Services

Wellmont Medical Associates

WPS Providers, Inc.

**III. DEFINITIONS:**

- A. **Self-pay portion:** The amount owed by patients without insurance or deductible, co-payments, and/or coinsurance required of patients with insurance coverage.
  - 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. **Bad Debt:** Uncollected patient financial liabilities that have not been resolved at the end of the patient billing cycle and for which there is no documented inability to pay.
- D. **Amounts Generally Billed (AGB):** The amount generally billed to a Ballad Health patient/guarantor who has insurance coverage as defined in IRS Section 501(r)(S) for all not-for-profit facilities.
- E. **Underinsured:** 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 or a patient with some level of governmental or commercial insurance but the portion of the charges the insured patient is personally responsible for, i.e. co-pays, co-insurance, and deductibles exceeds their financial ability to pay in full. Non-covered services are not included.
- F. **Uninsured discount:** A discount off gross charges will be applied for all medically necessary services for patients identified as having no insurance coverage or no insurance coverage for a medically necessary procedure.

#### **IV. 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. Patients without health insurance will receive a discount on their Ballad Health accounts.

#### **V. PROCEDURE:**

- A. **Insurance:**

1. All patients are required to submit coverage information prior to a service being rendered.
2. Ballad Health will bill insurance carriers, after verification of benefits, as dictated by contracts. If the insurance denies payment of the service/procedure due to non-covered or if the patient has exceeded their maximum benefits, the service will qualify for the uninsured discount.
3. 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 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 will be evaluated and informed of financial liability prior to admission.
3. The patient will be required to pay (according to Credit and Collection Policy) or agree to payment arrangements on the full estimated amount in which the first payment is made prior to services being rendered.
4. If satisfactory payments 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 facility 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 Ballad Health Financial Assistance Policy (FAP) for further details on financial assistance.
2. The following payment options are available:
  - a. Pre-Service Discounts
    - i. A pre-service discount of ten percent (10%) may be offered to patients if they agree to pay their estimated amount due or deposit amount in full prior to services being rendered. A maximum amount of five hundred dollars (\$500) will be allowed.
    - ii. At Ballad Health physician offices, a ten percent (10%) discount

may be offered if account is paid in full.

- 1) Discounts will not be given on balances less than twenty-five dollars (\$25)
- 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 amounts generally billed (AGB) percent.
    - 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.
  - 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, include 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 Collections Actions (ECAs)**

1. Ballad Health reserves the right to seek collection for hospital services using generally acceptable collection efforts, including Extraordinary Collections 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.
  - a. Reasonable efforts to determine whether a patient is eligible for

financial assistance include:

- i. Notifying the patient of the Financial Assistance Policy (FAP) and financial assistance documents, including the plain language summary and Application for Financial Assistance
  - ii. Notifying the patient of incomplete Applications for Financial Assistance
  - iii. Determination of financial assistance eligibility on applications with complete documentation and AFA
- b. Ballad Health will notify the patient of 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 Applications for Financial Assistance up to 240 days after the first billing statement. Ballad Health will cease any ECAs during the determination of financial assistance eligibility based on 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 application process and department contact information.

**LINKS:**

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

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Executive Chair/President Chief Executive Officer  
Ballad Health

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Date