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Scope:
Renown Health and its affiliated entities, including Renown Regional Medical Center, Renown South Meadows Medical Center, and Rehabilitation Hospital, adopt the following policy and procedure
Policy Statement:
To establish a standard for the Billing and Collections for Self-Pay Accounts
Definition of Terms:
<ol style="list-style-type: none"> <u>Application Period</u> means the period during which Renown 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 245th day after Renown provides the first billing statement. <u>Billing Deadline</u> means the date after which Renown may initiate an Extraordinary Collection Action against the Guarantor .The Billing Deadline must be specified in a written notice to the Guarantor provided at least 30 days prior to such deadline, but no earlier than the last day of Application Period. <u>Completion Deadline</u> means the date after which Renown may initiate or resume an ECA against an individual who has submitted an incomplete Financial Assistance Application 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 30 days after Renown provides the individual with the notice; or the last day of the Application Period. <u>Extraordinary Collection Action (ECA)</u> means any action against an individual related to obtaining payment of a Self-Pay Account that requires legal or judicial process or involves selling of Self-Pay Account to another party or reporting adverse information about the Guarantor to consumer credit reporting agencies or credit bureaus. Additional examples

These Policies and Procedures are guidance for the Organization. The Organization recognizes there may be specific facts and/or circumstances that warrant a departure from a specific policy provision. Nothing herein is intended to override an employee’s ability to use good judgment in such circumstances.

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of ECAs include: placing a lien on an individual's property, commencing a civil action against an individual or garnishing an individual's wages. ECAs do not include an action to perfect the statutory lien on claims of liability or transfer of a Self-Pay Account to another party for purposes of collection without the use of ECAs, or the filing of a claim in any bankruptcy proceeding. Additional information regarding this definition can be found in IRS guidelines 1.501(r) - 6 Billing and collection.

5. Reasonable Efforts mean that Renown will notify the individual about the FAP before initiating ECAs and will refrain from initiating ECAs for at least 120 days from the date of the first post discharge billing statement. Additional information regarding this definition can be found in IRS guidelines 1.501(r) - 6 Billing and collection.
6. FAP-Eligible Individual means a Guarantor eligible for financial assistance under the FAP without regard to whether the individual has applied for assistance.
7. Financial Assistance Program (FAP) means Renown's Financial Assistance Program for uninsured patients and underinsured patients, which includes eligibility criteria, the basis for calculating Financial Assistance, the method for applying, and approval.
8. Guarantor(s) means the patient and any other individual(s) responsibility for the Self-Pay Account. There may be more than one Guarantor(s).
9. Self-Pay Account means that portion of a patients account that is the individual(s) responsibility of the patient or other Guarantor(s). This amount is net of payments made by any available healthcare insurance or other third party payer (including co-payments, co-insurance and deductibles), and net of any discount offered through the FAP.
10. Fair Debt Collection Practices Act (FDCPA) are federal regulations used for collection activity guidance <http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm>.
11. Hospital-Specific Amounts Generally Billed (AGB): For each Hospital, a percentage derived by dividing the sum all claims for Medically Necessary services provided at such Hospital paid during the Relevant Period by Medicare-fee-for-service and all private insurances as primary payers, together with any associated portions of these claims paid by Medicare beneficiaries or insured individuals in the form of co-payments, co-insurance, or deductibles, by Usual and Customary Charges for Medically necessary Services. (Total reimbursement ÷ Total Charges = Hospital Specific AGB Percentage) See Treasury Regulation 1-501r5(b)(1)9B
12. Self-Pay Discounts means discounts applied to uninsured patients excluding package or same day self-pay discounts.
13. Payment Arrangements means the option to pay for an outstanding balance over time. This applies to uninsured and insured self-pay patient balances.

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Procedure:

1. Subject to compliance with the provisions of this policy, Renown may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.

2. Billing Cycle: At least four separate statements for collection of the Self-Pay Account shall be mailed or emailed to the last known address of the Guarantor. At least 120 days shall have elapsed between the first and the required four mailings.
 - a) It is the Guarantor obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.
 - b) Detailed itemizations of hospital based services are mailed out 7 days after discharge. Patients have the ability to obtain a free itemized statement upon request.
 - c) On the fourth Patient Account statement the patient will receive final notice that informs the Guarantor that credit bureau reporting and legal action may be taken. Further collection activity will be taken, if the Guarantor does make appropriate payment arrangements or apply for the FAP.

3. Payment Arrangements: Renown Health's goal is to work with patients and make reasonable Payment Arrangements, interest free, for times frames of 2 years or less. Any Payment Arrangement that exceeds 2 years needs to be approved by the Director or designee.

4. Self-Pay Discounts apply to all uninsured self-pay patients. They will receive a 30% discount off of gross charges. Additional prompt pay discount of 10% is given if the balance is paid in full at time of service. Balances greater than \$5,000 may be eligible for additional discounts based on Guarantor's ability to pay.

5. Renown will not engage in ECA's, either directly or by any debt collection agency or other third party to which the Renown has referred the patient's debt, before reasonable efforts are made to determine whether a Guarantor(s) is eligible under FAP as outlined in the FAP policy (Renown.SPC.6.). ECAs may be commenced as follows if an account has not been paid within the Billing cycle:
 - a) If the Guarantor fails to apply for FAP.
 - b) If the Guarantor applies for FAP, and Patient Financial Assistance determines they are ineligible for any assistance under the FAP.
 - c) If the Guarantor submits an incomplete application for financial assistance and is non-cooperative in providing information by the FAP due date.

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- d) Patients who are able, but unwilling to pay for service are considered uncollectible bad debts and will be referred to outside agencies for collections.
6. Collection Agencies: Renown Health Collection agencies will send notification to patients notifying them that credit bureau report will be occurring and that legal action may be taken.
- a) All collection agencies will follow the regulatory compliance of The Fair Debt Collection Practices Act (FDCPA)
<https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/fair-debt-collection-practices-act-text>
 - b) Renown may pursue legal action for uncooperative patients to obtain payment of services rendered when an asset investigation indicates that the patient has the ability to pay but refuses. Accounts eligible for legal action will be reviewed and approved by the Self Pay Call Center Manager or above.
 - c) Once approved Renown Health collection agencies will send a certified letter to a patients notifying them of our intent to pursue legal actions at least 15 days prior to filing, unless we have previously documented that we do not have a valid address for the patient.
 - d) Renown Health will never take or cause the sale of the patients primary residence. Renown may place a lien on a Guarantor's residence so that upon the sale of the residence the Guarantor's obligation will be paid.
7. Any overpayments received on accounts approved for FAP will be refunded or transferred to any other outstanding balance.
8. Each Self Pay Call Center Customer Service Representative will be responsible for reading and understanding the guidelines from the Fair Debt Collection Practices Act, specifically 804 through 807. <http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm>

References:

The Fair Debt Collection Practices Act (FDCPA)

<http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm>

Renown Health Financial Assistance Program Policy (RHN.ADM.126)

<https://www.renown.org/interact/paying-for-your-care/financial-assistance-program/>