

**BOCA RATON REGIONAL HOSPITAL**

**POLICY #: 40180102**

**BUSINESS OFFICE POLICY MANUAL**

**FUNCTION: Finance**

**POLICY TITLE: Collection Policy for Patient Due Balances**

**EFFECTIVE DATE: 7/1/2016**

**LAST REVIEW DATE:**

**LAST REVISED DATE: 4/25/2016**

**NEXT REVIEW DATE: 4/25/2019**

**RESPONSIBLE PARTY: Business Office Exec Director**

**REFERENCES/SOURCE DOCUMENT:**

**PURPOSE:**

To ensure uniform, compliant, efficient and financially sound processing of patient due balances after all appropriate third party funding sources have been exhausted.

**SCOPE:**

This policy governs the collection practices of Boca Raton Regional Hospital (BRRH) Patient Financial Services (PFS). This policy relates to the facility, institutional or technical components of the bill and does not relate to any balances resulting from professional fee billing.

**POLICY:**

As described herein, BRRH will not engage in any extraordinary collection actions against an individual to obtain payment for care before reasonable efforts have been made to determine whether the individual is eligible for assistance for the care under its Financial Assistance Policy (FAP).

BRRH representatives and collection agents of BRRH will pursue a professional, courteous and compassionate approach to requesting payment from patients or responsible parties for services rendered.

## 1. Definitions

“AGB” means amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage.

“Application Period” means the period during which BRRH must accept and process an application for financial assistance under its FAP submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends not prior to the latter of the 240th day after the date that the first post-discharge billing statement for which the care is provided or at least 30 days after BRRH provides the individual with a written notice that sets a deadline after which ECAs may be initiated.

“BDP1” means primary bad debt collection partner.

“BDP2” means secondary bad debt collection partner.

“BRRH” means Boca Raton Regional Hospital.

“PEDSV” means presumptive eligibility demographic data screening vendor partner

“ECAs” mean extraordinary collection actions – a list of collection activities as defined by the Internal Revenue Service and the U.S. Treasury that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions include reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.

“EOP” means early-out self-pay (non-bad debt) collection business partner.

“FAP” means BRRH’s Financial Assistance Policy.

“FAP-Eligible Individual” means an individual eligible for financial assistance under BRRH’s Financial Assistance Policy.

“PFS” means Patient Financial Services.

### I. BRRH Collection Process

- a. **Early Out Self-Pay Collection Efforts:** Within 5 days of identification of the patient’s responsible portion of the balance, i.e. after all sources of insurance and other funding have been exhausted, the account will transfer to BRRH’s EOP for follow-up collection efforts.

The account will remain with the EOP for at least 120 days. The EOP will send collection statements to the account's guarantor every 21 days to a maximum of 120 days, requesting payment and advising of financial assistance. The EOP will make outgoing collection telephone calls during the 120 day period.

All accounts will be processed uniformly by the EOP without regard to the primary, secondary or other insurance carrier present on the account. The EOP may uniformly vary collection actions based on the size of an account's balance.

The EOP will establish and monitor monthly payment arrangements upon request by the respective guarantor.

The EOP will provide patients/guarantors with an application for BRRH's financial assistance program and/or plain language summary of the policy upon request.

The EOP will process returned mail appropriately using industry standard and legally permissible skip tracing techniques.

Accounts having a balance of less than \$10.00 will be closed and returned by the EOP to BRRH from 60 - 70 days following initial referral to the EOP provided at least one statement had been sent on all accounts having a balance > \$0.99. These accounts if not paid will then be written off the Accounts Receivable by BRRH via automated scripting to administrative write-off code A0021.

If the balance due on the account is greater than \$10.00, and it has been between 120 days and 130 days from initial account assignment to the EOP, and if no monthly payment arrangements have been established and/or made, the EOP will close and return the account to BRRH.

The EOP will close and return accounts to BRRH upon request sooner than the 120 day standard time-frame. Examples include charges disputed by the patient, discharged bankruptcies, deceased accounts, quality of care complaints, etc.

b. **Bad Debt Self-Pay Agency Collection Efforts:** If the balance due on the account is greater than \$10.00 and it has been between 120 days and 130 days from initial account assignment to the EOP, and if no monthly payment arrangements have been established and/or made, the EOP will close and return the account to BRRH. These accounts will then be screened for Presumptive Charity write-off by PEDSV utilizing the patient's family household size and family household income compared to the FPG. Patients deemed eligible for presumptive financial assistance write-off as a result of the data screening will have the patient due balance written off to "presumptive financial assistance". Patient accounts deemed not eligible for presumptive financial assistance write-off, which are not disputed charges, not claimed as bankruptcy, not out of state Medicaid, no FAU residency clinic and not deceased, will be forwarded electronically to BRRH's BDP1 for additional collection efforts.

The BDP1 will initiate collection calls and collection statements to the guarantor within 14 days of account receipt.

All accounts will be processed uniformly by the BDP1 without regard to the primary, secondary or other insurance carrier present on the account. The BDP1 may uniformly vary collection actions based on the size of an account's balance.

The BDP1 will establish monthly payment arrangements upon request by the respective guarantor.

The BDP1 will provide patients/guarantors with an application for BRRH's financial assistance program and/or plain language summary of the program upon request.

The BDP1 will process returned mail appropriately using industry standard and legally permissible skip tracing techniques.

The BDP1 will close and return accounts to BRRH upon request. Examples include charges disputed by the patient, discharged bankruptcies, deceased accounts, quality of care complaints, etc.

The PFS Director or Revenue Cycle Services Executive Director may approve a settlement request for some amount less than the total outstanding balance as payment in full on a case by case basis.

Accounts having an outstanding balance less than \$1,500.00 where no payment arrangements have been established and/or received will be closed and returned to BRRH PFS 210 - 220 days from initial account placement with the BDP1. No further collection actions will be taken on these lower balance accounts.

If the balance due on the account is greater than or equal to \$1,500.00, and it has been between 210 days and 220 days from initial account assignment to the BDP1, and if no monthly payment arrangements have been established and/or made, the BDP1 will close and return the account to BRRH. These accounts will be forwarded electronically to BRRH's BDP2 for additional collection efforts.

The BDP2 will initiate collection calls and collection statements to the guarantor within 14 days of account receipt.

All accounts will be processed uniformly by the BDP2 without regard to the primary, secondary or other insurance carrier present on the account. The BDP2 may uniformly vary collection actions based on the size of an account's balance.

The BDP2 will report all delinquent accounts having an outstanding balance greater than or equal to \$500.00 to the credit bureau, in accordance with this policy (specifically, in accordance

with the notification provisions set forth in Section IV below). Accounts having a delinquent outstanding balance less than \$500.00 will not be reported to the credit bureau given the relatively small balance of the debt.

The BDP2 will establish monthly payment arrangements upon request by the respective guarantor.

The BDP2 will provide patients/guarantors with an application for BRRH's financial assistance program and/or plain language summary upon request.

The BDP2 will process returned mail appropriately using industry standard and legally permissible skip tracing techniques.

The BDP2 will close and return accounts to BRRH upon request. Examples include charges disputed by the patient, discharged bankruptcies, deceased accounts, quality of care complaints, etc.

The PFS Director or Revenue Cycle Services Executive Director may approve a settlement request for some amount less than the total outstanding balance as payment in full on a case by case basis.

I. **Extraordinary Collection Actions (ECAs)**

- a. BRRH will not engage in ECAs before making reasonable efforts to determine whether a patient is eligible for assistance under BRRH's FAP.
- b. ECAs in which BRRH may engage include reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus, and commencing a civil action against an individual.

I. **Determining Financial Assistance Eligibility Prior to ECA**

- a. BRRH will make reasonable efforts to determine whether individuals are eligible for financial assistance. To that end, BRRH will notify individuals about the FAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date BRRH provides the first post-discharge billing statement for the care.
- b. BRRH will take the following actions at least 30 days before first initiating one or more of the above ECA(s) to obtain payment for care:
  1. Provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identify the ECA(s) that BRRH (or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided.

2. Provide the individual with a plain language summary of the FAP with the written notice described above.
3. Make a reasonable effort to orally notify the individual about BRRH's FAP and about how the individual may obtain assistance with the FAP application process.
  - a. If BRRH aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECA(s) until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.
  - b. If BRRH defers or denies, or requires a payment before providing, non-emergent medically necessary care to an individual with one or more outstanding bills for previously provided care, BRRH will provide the individual with a FAP application form and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline, if any, after which BRRH will no longer accept and process a FAP application submitted (or, if applicable, completed) by the individual for the previously-provided care. The deadline will be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date that the first post-discharge billing statement for the previously-provided care was provided. BRRH will also provide the individual with a plain language summary of the FAP with the written notice, and make a reasonable effort to orally notify the individual about BRRH's FAP and about how the individual may obtain assistance with the FAP application process. If a FAP application is timely received by BRRH, it will process the application on an expedited basis.

#### **I. Processing FAP Applications**

BRRH will process FAP applications in accordance with the provisions set forth below.

##### **a. Submission of Complete FAP Application:**

1. If an individual submits a complete FAP application during the Application Period, BRRH will—
  - a. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
  - b. Make a determination as to whether the individual is FAP-eligible and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination;
  - c. If BRRH determines the individual is FAP-eligible, BRRH will—
    - i. Provide the individual with a statement that indicates the amount the individual owes for the care as a FAP-eligible individual (if the individual is eligible for assistance other than free care) and how that amount was determined and states, or describes how the individual can get information regarding, the AGB for the care.

- ii. Refund to the individual any amount he or she has paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin.)
  - iii. Take all reasonably available measures to reverse any ECA (with the exception of a sale of debt) taken against the individual to obtain payment for the care.
- 2. If, upon receiving a complete FAP application from an individual who BRRH believes may qualify for Medicaid or PBCHD, BRRH may postpone determining whether the individual is FAP-eligible for the care until after the individual's Medicaid or PBCHD application has been completed and submitted and a determination as to the individual's Medicaid or PBCHD eligibility has been made.
  - a. Submission of Incomplete FAP Application
    - 1. If an individual submits an incomplete FAP application during the Application Period, BRRH will—
      - a. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
      - b. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that the individual must submit to BRRH to complete his/her FAP application.
    - 1. If an individual who has submitted an incomplete FAP application during the Application Period subsequently completes the FAP application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the individual will be considered to have submitted a complete FAP application during the Application Period.

#### 1. **Miscellaneous Provisions**

- a. **Anti-Abuse Rule** – BRRH will not base its determination that an individual is not FAP-eligible on information that BRRH has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
- b. **No Waiver of FAP Application** – BRRH will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the FAP, or receive the information described above, in order to determine that the individual is not FAP-eligible.

- c. **Final Authority for Determining FAP Eligibility** – Final authority for determining that BRRH has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual rests with the Executive Director of Revenue Cycle Services and the Director of PFS.
- d. **Agreements with Other Parties** – If BRRH sells or refers an individual’s debt related to care to another party, BRRH will enter into a legally binding written agreement with the party that is reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.
- e. **Providing Documents Electronically** – BRRH may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.

**I. Hospital Contact Information**

Boca Raton Regional Hospital Customer Service  
626 Glades Road  
Boca Raton, FL 33486

Phone 888-629-7686

Phone 561-955-4007

Fax 561-955-3466

Hours of Operation Monday through Friday 8:30 am-4:30 pm

Phones 9:30 am to 4:30 pm

[www.brrh.com](http://www.brrh.com) – Click on “Patient Financial Assistance” under “Quick Links.”

**PROCEDURE:**

The Executive Director of Revenue Cycle Services and the Director of PFS will oversee the successful application of this policy, and will have final authority or responsibility for determining that BRRH has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against an individual.