

Excelsa Health Westmoreland Hospital
ADMINISTRATIVE POLICY AND PROTOCOL MANUAL

TITLE: Billing & Collection Policy
RESPONSIBILITY: Business Office

No. 4 – I – 801
Commencement Date: 7/1/2016

Related Policies and Protocols:
Patient Financial Assistance Policy (PFAP)

Review Dates:
Revise Dates: 06/1/2017

I. Objective:

It is the policy of Excelsa Health (EH), encompassing Westmoreland Hospital, Latrobe Hospital, and Frick Hospital, to collect on self-pay balances, including balances after insurance from those who have the ability to pay. EH will make reasonable efforts to identify patients who may need to apply for the EH Patient Financial Assistance Program (PFAP). These efforts will be made in accordance with the IRS 501(r) regulations. After reasonable efforts have been exhausted, EH may utilize a third party collection agency to assist in the collection of outstanding debt owed.

This policy applies to all Excelsa Health hospital facilities, encompassing Frick Hospital, Latrobe Hospital, and Westmoreland Hospital. This policy is not applicable to Excelsa Health Medical Group (EHMG) which has its own Financial Assistance policy. Nor does it apply to any independent physician practices, such as Radiologists and/or Pathologists.

II. Definitions:

- A. Extraordinary Collection Activity -** Activities are defined as any action related to obtaining payment of a bill that involves:
1. Legal Process
 2. Selling Debt
 3. Reporting adverse information to credit bureaus
 4. Commencing a civil action
 5. Garnishments
 6. Liens, attaching or seizing bank account or other personal property
 7. Causing an individual arrest (warrant)

- B. Amount Generally Billed (AGB) –** A limitation on charges for patients who are eligible for the Patient Financial Assistance program.

Patients found to be eligible for financial assistance will not be charged more for emergency or medically necessary care than the amount we generally receive from patients having Commercial Insurance or Medicare coverage.

III. Guidelines:

A. Financial Expectations

Excelsa Health will communicate with the patient in regard to balances owed and financial expectations. Excelsa Health expects the following:

1. The patient should know and understand their insurance. They have the responsibility to provide documentation to the insurance companies as needed in order to aid in the insurance process

2. In the event the patient is receiving services for an elective, non-emergent procedure, the patient may be asked to meet their financial obligation prior to their visit.
3. Patients are responsible for paying self-pay balances and patient responsibility amounts identified by their insurance. If the patient is unable to pay the balance in full, he or she is responsible for contacting Excelsa Health to establish an approved payment plan.
4. Excelsa Health will approve a payment plan for up to four months. If the patient is unable to pay balances in full over the four month time period, Excelsa Health has partnered with CarePayment to extend payment options up to 25 months.

B. Financial Assistance Application Period and Process

The complete application period for applying for PFAP is 240 days from the date that Excelsa Health provides the first post-discharge billing statement.

1. Patients who do not have insurance upon admission will be provided with a Plain Language Summary which outlines the PFAP along with the PFAP application and Medical Assistance application
2. For the first 120 days, the patient will receive a minimum of five notifications from Excelsa Health or associated vendors. This can be a combination of statements and/or letters. Current vendors include:
 - a. CMC
 - b. CarePayment
3. After 120 days, the account may be placed with a third-party collection agency to assist with recouping the debt. Current third-party collection agency is CBCS.
4. The patient will have an additional 120 days after the account is placed to complete the PFAP process
 - a. Once the application is received, a determination will be made within 45 days. The patient will be required to provide all documentation within those 45 days.

C. Efforts to Notify Patient of the Patient Financial Assistance Program

Excelsa Health will make reasonable efforts to notify patients of the PFAP procedure including the following:

1. Provide self-pay patients with a packet which includes the Plain Language Summary, Medicaid Application, and Patient Financial Assistance application upon discharge or to any patient upon request.
2. Provide contact information on patient statements for those who need assistance paying their bill.
3. Provide the Plain Language Summary, the Billing and Collection Policy, the Patient Financial Assistance and Discount Policy, and the PFAP application on the Excelsa Health website.
4. Provide signage that paper copies of the Patient Financial Assistance and Discount Policy are available upon request.
5. Using a third-party income verification services to assess all self-pay and self-pay-after-insurance accounts for possible Presumptive Eligibility.

D. New Requirement Regarding Amount Generally Billed (AGB)

Section 501(r) imposes new requirements on 501(c)(3) limiting amounts charged for emergency and other medically necessary care to individuals eligible for assistance under the hospital's financial assistance policy. Excelsa Health utilizes the "look-back" method to determine the Amounts Generally Billed (AGB) for Emergency and other Medically Necessary Care. The AGB percentage applicable as of 1/1/2017 at each of our facilities is as follows:

- Frick Hospital 26.5%
- Latrobe Hospital 33.2%
- Westmoreland Hospital 30.8%

The percentage was calculated using all claims paid by both Commercial insurers and Medicare insurers (both Traditional and Medicare Advantage) for both inpatient and outpatient services having discharge dates from July 1, 2014 to June 30, 2015. Total payment from allowed claims was divided by the total billed charges for such claims.

AGB was calculated using this method for each individual hospital. We have chosen to apply the facility rate most favorable to patients for all of our facilities in 2016. Therefore, the AGB percentage applicable for all facilities will be 27.2%. This will result in a Patient Financial Assistance Adjustment of 72.8% applied to gross charges for those individuals who qualify for Patient Financial Assistance.

Excelsa Health will be deemed to have met the limitation on charge requirements even if it charges more than AGB for emergency or other medically necessary care provided to a PFAP eligible individual if:

1. The charge in excess of AGB was not made or requested as a pre-condition of providing medically necessary care to the PFAP-eligible individual.
2. As of the time the charge, the PFAP-eligible individual had not submitted a completed PFAP application or had not otherwise been determined by the hospital to be PFAP-eligible
3. The individual subsequently submitted a completed PFAP application and is determined to be PFAP eligible for the care, and the hospital facility refunded any amount the individual had paid for the care that exceeded the amount he or she is determined to be personally responsible for as a PFAP eligible individual, unless such amount is less than \$5

E. Collection Agency

Third party debt collection agencies may be utilized by Excelsa Health after all reasonable efforts have been made to either secure payment from the patient, establish an approved payment plan, or engage the patient in the Patient Financial Assistance Program.

Prior to referring an account to a collection agency, Excelsa Health Business Office will confirm the following:

1. The patient does, in fact, owe the debt.
2. All insurance was properly billed and any balance remaining is the responsibility of the patient. If the patient does not respond to requests made by Excelsa Health in regard to confirming insurance information such as coordination of benefit requests, dependent eligibility requests, or accident/injury information, the outstanding balance will be considered self-pay.
3. The patient has not contacted the Excelsa Health office to set up a payment plan and/or request assistance in paying the outstanding debt.
4. All reasonable efforts to secure a PFAP application and applicable documentation were made.

If the patient completes a PFAP application within 120 days of being referred for collection activity, Excelsa Health will notify the collection agency and request a 45 day hold while the account is being processed for Financial Assistance. The patient will be responsible for submitting all requested documentation within those 45 days. Once the PFAP determination has been made, Excelsa Health will notify the collection agency of the determination.

F. Contact Information for Patient Financial Assistance Program

- Phone – 724-689-1750 Option 2
- Address – Excelsa Health Business Office
134 Industrial Park Road
Suite 2400
Greensburg, PA 15601
- Website – Visit the Excelsa Health website at www.excelahealth.org. Toward the bottom of the page, choose Pay My Bill. Across the bottom click on Billing Policies to locate additional information regarding our Billing and Collection Policy, Patient Financial Assistance policy, and Patient Financial Assistance application. The application may also be printed from this website.

G. Extraordinary Collection Activity

Excelsa Health will not engage in any Extraordinary Collection Activities (ECA) in order to collect a debt. Placing an account at a collection agency is not considered an ECA.

V. Cognizant Office:

Consultation regarding clarification and interpretations of this policy, as well as the resolutions of problems and special situations related to this policy and protocol, is available through the Policy Sponsor.

VI. Sponsorships and Authorization:

- A. Policy Sponsor:** Mark Schneider, Controller
- B. Policy Coordinator:** Denise D. Addis, RN, MSN, Director, Value Based Quality
- C. Policy Authority:** Thomas Albanesi, Executive Vice President/Chief Financial Officer

Signature