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**Owner:** Shannon Hartke: CORP DIR  
PFS  
**Area:** Patient Financial Services  
**References:**  
**Applicability:** Memorial Hospital of  
Carbondale, Herrin Hospital and  
St. Joseph's Memorial Hospital

# Epic HB - Patient Fair Billing and Collections, SY-PF-333

## I. POLICY

Southern Illinois Healthcare (SIH) is dedicated to improving the health and well-being of all people in the communities we serve. This dedication extends to our billing and collection practices. Our compassion includes those who cannot pay part of or all of their hospital bill(s). Our billing, charity and collection practices strive for prompt and accurate payment of health care services through fair and reasonable billing and collection practices while employing responsible standards for collecting debt from our patients.

## II. DEFINITIONS

**AGB** – amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage

**Application Period** – means the period during which SIH must accept and process an application for financial assistance under its HAP in order to have made reasonable efforts to determine whether the individual is HAP-eligible. The Application Period begins on the date the care is provided to the individual and ends on the later of the 240<sup>th</sup> day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after SIH provides the individual with a written notice that sets a deadline after which ECAs may be initiated

**Avadyne Health** – a patient billing and payment center SIH utilizes to bill patients for the amounts of their hospital bill(s) for which they are responsible to pay. Avadyne Health is not a collection agency

**Bad Debt** – a specific amount of money owed on a SIH patient account where all fair and reasonable attempts to collect have been unsuccessful. These accounts are turned over to a Collection Agency. Ideally these patients have an ability to pay for their services, but refuse

**Business Day** – a day on which SIH's corporate office is open for regular business. It is generally 8:00am to 4:30pm Monday through Friday (with the exception of certain holidays)

**Charity Care** – free care provided to patients who qualify for SIH's Healthcare Assistance Program

**Civil union** – a legal relationship between 2 persons, of either the same or opposite sex, established

pursuant to the Illinois Religious Freedom Protection and Civil Union Act

Collection Agency – an agency under contract with SIH to collect money on accounts that are considered bad debt. The agency is required to follow Public Act 094-0885 (Patient Fair Billing Act) and abide by its contract.

CSR - Customer Service Representative

Epic – Electronic Medical Record used to bill or follow-up on patient accounts and scan information received or printed on behalf of a patient

Extraordinary Collection Actions (ECA) – actions taken by SIH against an individual related to obtaining payment of a bill for care covered under SIH’s HAP that require a legal or judicial process or involve selling an individual’s debt to another party or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus

HAP-Eligible Individual – an individual eligible for financial assistance under SIH’s HAP (without regard to whether the individual has applied for assistance under the HAP)

Healthcare Assistance Program (HAP) – A financial assistance program designed to meet the needs of patients that have an inability to pay for their healthcare services that were provided at a SIH facility

Hospital Information System – computer related software used to bill or follow-up on patient accounts and scan information received or printed on behalf of a patient

Insured Self-pay – A patient/guarantor with insurance or third party liability coverage resulting in personal responsibility for non-covered services, deductibles and/or co-insurance

Party to a civil union – a person who has established a civil union pursuant to the Illinois Religious Freedom Protection and Civil Union Act; party to a civil union means, and is included in any definition or use of the terms spouse, family, immediate family, dependent, next of kin, and other terms that denote the spousal relationship

Patient – The individual receiving services from the hospital and any individual who is the guarantor of the payment for such service(s)

Patient Bill – a statement reflecting charges for services provided to the patient

Uninsured Self-pay – a patient/guarantor with no insurance coverage or third party liability involved who is personally responsible to pay for services provided at an SIH facility. This excludes patient responsibility for deductibles, co-insurances and liability balances

### **III. RESPONSIBILITIES**

1. The Corporate Director of Patient Financial Services oversees the overall operations of all patient intake, billing, collection, revenue cycle and healthcare assistance initiatives.
2. The Supervisors, Senior Managers, and other Revenue Cycle Managers and Leaders; support staff assist the Corporate Director of Patient Financial Services.

### **IV. EQUIPMENT/MATERIALS**

1. Epic
2. Hospital Information System

3. Conditions of Admission and Treatment Form
4. UB04 Billing Form
5. 1500 Billing Form
6. Electronic Billing
7. Assurance Billing Editor
8. Healthcare Assistance Application

## V. PROCEDURE

1. A party to a civil union is entitled to the same legal obligations, responsibilities, protections, and benefits as are afforded or recognized by the law of Illinois to spouses, whether they derive from statute, administrative rule, policy, common law, or any sources of civil or criminal law.
2. Patients are given a fair and reasonable opportunity to discuss and assess the accuracy of their bill(s).
3. Patients are provided sufficient billing information to determine the accuracy of their bill(s) for which they may be financially responsible.
4. Patients are provided information regarding the financial assistance options available to qualified patients.
5. SIH offers patients the opportunity to enter into a reasonable payment plan for their hospital bill(s).
6. Patients have an obligation to pay for the hospital service(s) they receive.
7. SIH:
  1. Treats all patients with dignity, respect and compassion
  2. Serves the emergency healthcare needs of everyone, regardless of their ability to pay
  3. Strives to not allow patient fear of their financial obligation prevent them from receiving essential healthcare services
  4. Adopts Healthcare Assistance policies consistent with the mission and values of the corporation and take into account each individual's ability to pay for his or her care and the corporation's financial ability to provide the care
  5. Adopts Healthcare Assistance policies that recognize the difference between a patient that has resources and refuses to pay and a patient that does not have resources and cannot pay
  6. Adopts Healthcare Assistance policies that are clear, understandable and communicated in a dignified manner and in languages appropriate to the communities we serve
  7. Implements hospital debt collection practices that reflect the mission and values of SIH while abiding by all applicable state and federal requirements and require adherence to these policies by external billing and collection agencies
  8. Acknowledges Healthcare Assistance policies do not eliminate personal responsibility. Eligible patients may or may not access public or private insurance options to qualify for

SIH's HAP. However, all patients are expected to pay for their care based on ability to pay.

9. Provides financial counseling to patients on an "as needed" basis

8. Collection Actions:

1. It is the policy of SIH not to engage in ECAs against an individual to obtain payment for care before making reasonable efforts to determine whether the individual is eligible for assistance under its HAP.

2. Subject to the guidelines set forth herein, SIH patient accounts may be subject to the following collection actions:

A. Adverse Credit Reporting

3. SIH takes the following actions at least 30 days before first initiating one or more of the above ECAs to obtain payment for care:

A. Provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identifies the ECA(s) that SIH (or other authorized party) intends to initiate to obtain payment for the care, and states 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.

B. Provide the individual with a plain language summary of the HAP with the written notice described above.

C. Make a reasonable effort to orally notify the individual about SIH's HAP and about how the individual may obtain assistance with the HAP application process.

4. If SIH aggregates an individual's outstanding bills for multiple episodes of care before initiating the ECAs to obtain payment for those bills, it refrains 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.

9. Determining Financial Assistance Eligibility:

1. SIH makes reasonable efforts to determine whether individuals are eligible for financial assistance as follows:

A. Notify individuals about the HAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date SIH provides the first post-discharge billing statement for the care.

B. In the case of an individual who submits an incomplete HAP application during the Application Period, notify the individual about how to complete the HAP allocation and give the individual a reasonable opportunity to do so as described herein; and

C. In the case of an individual who submits a complete HAP allocation during the Application Period, determine whether the individual is HAP-eligible for the care and otherwise meets the requirements described herein.

2. SIH processes HAP application in accordance with the provisions set forth below.

10. Processing HAP applications:

1. Submission of complete HAP application.
  - A. If an individual submits a complete HAP application during the Application period, SIH:
    1. Suspend any ECAs against the individual (with respect to charges to which the HAP application under review relates).
    2. Make a determination as to whether the individual is HAP-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.
    3. If SIH determines the individual is HAP-eligible, SIH:
      - a. Provide the individual with a billing statement that indicates the amount the individual owes for the care as a HAP-eligible individual (assuming 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.
      - b. Take all reasonable available measures to reverse any ECA (with the exception of a sale of debt) taken against the individual to obtain payment for the care.
  - B. If, upon receiving a complete HAP application from an individual who SIH believes may qualify for Medicaid, SIH postpones determining whether the individual is HAP-eligible for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.
2. Submission of Incomplete HAP application.
  - A. If an individual submits an incomplete HAP application during the Application Period, SIH:
    1. Suspends any ECAs against the individual (with respect to charges to which the HAP application under review relates).
      - a. Provides the individual with a written notice that describes the additional information and/or documentation required under the HAP or HAP application form that the individual must submit to SIH to complete his/her HAP application and includes SIH contact information with the notice.
    2. If an individual who has submitted an incomplete HAP application during the Application Period subsequently completes the HAP 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 is considered to have submitted a complete HAP application during the Application Period.

11. Anti-Abuse Rule and Presumptive Eligibility.

1. SIH does not base its determination that an individual is not HAP-eligible on information that SIH has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
2. SIH does not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the HAP, or receive the information described above, in order to determine that the individual is not HAP-eligible.

12. Bill information includes:

1. Date(s) healthcare services were provided to the patient.
2. Brief description of the hospital services provided.
3. Amount owed for hospital services.
4. Contact information for addressing billing inquiries.
5. A statement regarding how a patient may apply for consideration under HAP.
6. A statement that the patient may request an itemized bill. Upon receiving this request, an itemized statement of charges for the services is provided.

13. Bill Inquiries:

1. SIH provides a process for patients to inquire about or dispute a bill.
  - A. All hospital bills and collection notices provide a phone number and address allowing the patient to inquire about or dispute a bill.
  - B. Patients may call 618-457-5200 ext 67720 or toll free at 800-457-1393 to inquire or dispute a hospital bill.
  - C. Patients may send a written billing inquiry/dispute to: Southern Illinois Healthcare, Attn: Patient Financial Services, 1239 E. Main St. Carbondale, IL 62902-3988.
  - D. Hospital response:
    1. Telephone Inquiry:
      - a. SIH responds as promptly as possible, but returns calls no later than 2 business days after the patient call is made.
    2. Written Inquiry:
      - a. SIH responds within 10 business days of receipt of patient correspondence concerning an inquiry/dispute.

14. SIH follows a two-cycle review of bill inquiries resulting in disputed bills.

1. The first cycle includes:
  - A. Suspension of all billing efforts upon receipt of written or oral notice that the patient disputes the bill (patients must include in their claim why they believe the bill is in error, such as remaining liability by a third-party payor, a pending HAP application or lack of documentation).

1. The patient or representative is told if an audit is completed this could result in charges being removed or added, which could result in a higher balance due from the patient.
- B. CSR receives the written or oral notice and will set the appropriate billing indicator in Epic requesting a review by the Nurse Auditor.
- C. The nurse auditor audits the patient account for appropriate documentation for all disputed charges or services.
- D. The Nurse Auditor sends a billing indicator in Epic to CSR with the results of the audit review.
- E. CSR contacts the patient and communicates the audit results within 5 days of receipt. The CSR documents the contact in the patient account notes.
- F. If the patient continues to dispute other charges, this is referred back to the Nurse Auditor
- G. The patient is obligated to pay the bill (as corrected, if applicable), or establish a payment plan with SIH or Avadyne Health. (Providing reasonable verification, if requested, that the patient is unable to pay the entire debt in a single payment). Alternatively, the patient may dispute SIH's determination, which triggers a second review cycle.
2. The second cycle includes:
  - A. The Nurse Auditor performs a good faith review of the remaining disputed portion of the prior response and provides a response to the patient within 14 days, indicating whether any further modifications to the patient's account are made.
  - B. After SIH's response, the patient can either pay the entire debt or make arrangements to pay under a payment plan.

15. Pursuing Collection Action:

1. SIH and its agents may pursue collection action against a patient only when the following conditions are met:
  - A. SIH has given the uninsured patient the opportunity to:
    1. Assess the accuracy of the bill.
    2. Apply for financial assistance in accordance with this Patient Fair Billing and Collection Policy and SIH's HAP policy.
    3. Avail themselves of a reasonable payment plan based upon their account(s) balance or upon the patient's available income and assets, the amount owed and any prior payments.
  - B. If the patient has indicated an inability to pay the full amount of the debt in one payment, SIH or Avadyne Health offers the patient a reasonable payment plan.
    1. SIH or Avadyne Health may require the patient to provide reasonable verification of his or her inability to pay the full amount of the debt in one

payment.

- C. When the circumstances of the patient suggest the potential for HAP eligibility, the patient is given at least 60 days following the date of discharge or receipt of outpatient care to submit a HAP application.
  - D. The patient has failed to make payments in accordance with a reasonable payment plan previously agreed to with SIH or Avadyne Health.
  - E. The patient informs SIH that he or she has applied for healthcare coverage under Medicaid, KidCare or other government sponsored healthcare program (and there is a reasonable basis to believe the patient will qualify for such program) but the patient's application is denied.
2. SIH does not refer a bill, or portion thereof, to a collection agency without first offering the patient the opportunity to request a reasonable payment plan for the amount personally owed by the patient.
- A. If the patient requests a reasonable payment plan, but fails to agree to a plan, SIH may proceed with collection action against the patient.
3. SIH facilities will not engage in ECA's against an individual before the facility has made reasonable efforts to determine whether the individual may be eligible for HAP.
4. SIH may engage an outside third party collection agency to manage the process of implementing SIH's financial assistance and reasonable payment plan programs and policies so long as such agency is contractually bound:
- A. To comply with the terms of Public Act 094-0885 (Patient Fair Billing Act).
  - B. To comply with Section 501r to verify no ECAs are taking place.
5. If SIH refers or sells an individual's debt related to care to another party, SIH enters into a legally binding written agreement with the party that is reasonable designed to verify that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is HAP-eligible for the care.
16. Collection limitations:
1. SIH does not pursue legal action for non-payment of a hospital bill against patients who have clearly demonstrated they have neither sufficient income nor assets to meet their financial obligations provided the patient has met their responsibilities as listed below.
- A. Patient Responsibilities:
    - 1. To receive the protection and benefits of the Patient Fair Billing Act, a patient responsible for paying a hospital bill must act reasonably and cooperate in good faith with SIH by providing SIH with all of the reasonably requested financial and other relevant information and documentation needed to determine the patient's eligibility under HAP or reasonable payment plan options within 80 days of a request for such information.
    - 2. To receive the protection and benefits of the Patient Fair Billing Act, a patient responsible for paying a hospital bill communicates to SIH any



material change in the patient's financial situation that may affect the patient's ability to abide by the provisions of an agreed upon reasonable payment plan or qualification for HAP within 30 days of the change.

17. Hospital Agents:

1. SIH determines that any external collection agency engaged by SIH to obtain payment of outstanding bills for hospital services agrees in writing to comply with the collections provisions of Public Act 094-0885 (Patient Fair Billing Act).

18. Notification Concerning Out-of-Network Providers:

1. During the admission or as soon as practicable thereafter, SIH makes available to an insured patient a written notice that:
  - A. Discloses Non-Participation with Patient's Health Plan for those patients that have health benefit coverage provided by a company not contracted with SIH.
  - B. Some hospital staff members may not be participating providers in the same insurance plans and networks as the hospital.
  - C. The patient may have a greater financial responsibility for services provided by healthcare professionals at the hospital who are not under contract with the patient's healthcare plan.
  - D. Questions about coverage or benefit levels are directed to the patient's healthcare plan and the patient's certificate of coverage.
  - E. The patient may receive separate bills for services provided by healthcare professionals affiliated with the hospital.

## VI. DOCUMENTATION

1. Collection activities, such as bills, phone calls, inquiries, EOBs, Healthcare Assistance documents and letters are documented in the account notes or scanned into the Hospital Information System.

## VII. CHARGES

N/A

## REPLACES

SY-PF-128 Patient Fair Billing and Collections

### Attachments

No Attachments

## Approval Signatures

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Approver	Date
Deborah Emery: CORP REGULATORY COOR	5/17/2021
Shannon Hartke: CORP DIR PFS	5/17/2021
Chelsea Burke: PFS PATIENT EXPERIENCE SUP	5/17/2021
Terri Robertson: PFS SUPERVISOR	5/17/2021

## Applicability

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Herrin Hospital, Memorial Hospital of Carbondale, Southern Illinois Healthcare Corporate System, St. Joseph's Memorial Hospital

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