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#### **PURPOSE:**

This policy applies to Ray County Memorial Hospital (“RCMH”) and, together with our Financial Assistance Policy (FAP), is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by RCMH, including but not limited to Extraordinary Collection Actions (ECA). The guiding principles behind this policy are:

- to treat all patients and Responsible Individuals equally, with dignity and respect
- to ensure appropriate billing and collection procedures are uniformly followed
- to ensure that reasonable efforts are made to determine whether the Individual Responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Policy

#### **DEFINITION:**

**Plain Language Summary** means a written statement that notifies a Responsible Individual that RCMH offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP.


**Application Period** means the period during which RCMH 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 240th day after RCMH provides the first post-discharge billing statement.

**Billing Deadline** means the date after which RCMH may initiate an ECA against a Responsible Individual who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual. The written notice must be provided to the Responsible Individual at least 30 days prior to such deadline, but no earlier than 120 days.

**Completion Deadline** means the date after which RCMH may initiate or resume an ECA against a Responsible Individual who has submitted an incomplete FAP, 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 the later of:

- 30 days after RCMH provides the Individual with this notice
- (or) the last day of the Application Period

**Extraordinary Collection Action (ECA)** means any action against a Responsible Individual related to obtaining payment owed to RCMH that requires a legal or judicial process or reporting

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adverse information about the Responsible Individual to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring of an account to another party for purposes of collection without the use of any ECAs.

**FAP-Eligible Individual** means a Responsible Individual who is eligible for financial assistance under the FAP without regard to whether the Individual has applied for assistance.

**Financial Assistance Policy (FAP)** means RCMH's Financial Assistance Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth the financial assistance program.


**Responsible Individual** means the patient and any other Individual(s) having financial responsibility for an account. There may be more than one Responsible Individual(s).

**Private-Pay Account** means that portion of a patient account that is the responsibility of the patient or other Responsible Individual(s). It is the net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductibles) and net of any reduction or write off made to that account after application of the FAP.

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#### PROCEDURE:

- The Patient Accounts Collector will instruct RCMH's billing services provider to follow up on private-pay accounts in a timely manner, with the goal of securing payment in full within 120 days of the initial billing.
- Absent payment in full, the goal is to have an acceptable plan in place between RCMH and the Responsible Individual that will result in payment in full.
- All contact between anyone representing RCMH and any Responsible Individual will be made in a professional, courteous manner.
- If the Responsible Individual does not make payment in full or enter into an acceptable plan to pay the account within 120 days of the initial billing, RCMH will initiate collection activities.
- If the Responsible Individual does not honor the terms of an agreed upon plan, or is inconsistent in adhering to the stipulations in the plan, RCMH will initiate collection activities.
- After collection activities have been initiated by RCMH, if the Responsible Individual pays the account in full in one payment, the total amount to be paid to RCMH by the Responsible Individual will be discounted by 10% of the outstanding balance.

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### III. POLICY

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


B. RCMH will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the debt, before reasonable efforts are made to determine whether a Responsible Individual is eligible for assistance under the FAP.

C. All patients will be offered a Plain Language Summary and an application form for financial assistance under the FAP as part of the discharge and intake processes from RCMH.

D. At least three separate statements for collection of Private-Pay Accounts shall be mailed or emailed to the last known address of each Responsible Individual. No additional statements will be sent, however, after a Responsible Individual submits a complete application for financial assistance under the FAP. At least 60 days shall have elapsed between the first and last of the required three mailings. It is the Responsible Individual's 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. All patient account statements of Private-Pay Accounts will include but not be limited to:

- An accurate summary of the hospital services covered by the statement
- The charges for such services
- The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement)
- A conspicuous written notice that notifies and informs the Responsible Individual about the availability of Financial Assistance under the hospital FAP including the telephone number of the department and direct website address where copies of documents may be obtained


E. At least one of the statements mailed or emailed will include written notice that informs the Responsible Individual about the ECAs that will be taken if the Responsible Individual does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline. Such statement must be provided to the Responsible Individual at least 30 days before the deadline specified in the statement. A Plain Language Summary will accompany this statement. It is the Responsible Individual's 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.

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F. Responsible Individual's likelihood to pay will be scored based on the assessment of the Responsible Individual's ability and willingness to pay and the dollar amount of the Private-Pay account. Prior to initiation of any ECAs, an attempt will be made to contact Responsible Individuals with a higher likelihood to pay by telephone at the last known telephone number at least once during the series of mailed or emailed statements if the account remains unpaid. During all conversations, the patient or Responsible Individual will be informed about the financial assistance that may be available under the FAP.


G. ECAs may be commenced as follows:

- If a Responsible Individual fails to apply for financial assistance under the FAP by 120 days after the first post-discharge statement, and the Responsible Parties have received the 30-day statement described in Section III.E above, then RCMH may initiate ECAs
- If a Responsible Individual has applied for financial assistance under the FAP in the last six (6) months, and the Patient Accounts Collector determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, RCMH may initiate ECAs
- If a Responsible Individual submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed:
  - Patient Accounts Collector provides the Responsible Individual with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance and will include a copy of the Plain Language Summary.
  - At least 30 days prior to the initiation of ECAs, the Patient Accounts Collector provides the Responsible Individual with written notice of the ECAs that RCMH may initiate against the Responsible Individual if the FAP application is not completed or payment is not made. The deadline for completion or payment may not be set prior to 120 days after the first post discharge statement.
  - If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance and Patient Accounts Collector determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, RCMH may initiate ECAs.
  - If the Responsible Individual who has submitted the incomplete application fails to complete the application by the Completion Deadline set in the notice provided, then ECAs may be initiated.
  - If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual at any time prior to the Application

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Deadline, RCMH will suspend ECAs while such financial assistance application is pending.

H. After the commencement of ECAs is permitted, external collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file litigation, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection. Prior approval of Patient Accounts Collector shall be required before initial lawsuits may be initiated. RCMH and external collection agencies may also take any and all legal other actions including but not limited to telephone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.

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#### IV. POLICY AVAILABILITY

Contact our Patient Accounts Collector's Office at 816.470.5432 for information regarding eligibility or the programs that may be available to you, to request a copy of the FAP, FAP application form, or Collection Policy to be mailed to you, or if you need a copy of the FAP, FAP application form, or Collection Policy translated to Spanish. Full disclosure of the FAP, FAP application form, or Collection Policy may be found at [www.raycountyhospital.com](http://www.raycountyhospital.com). A paper copy of our FAP, FAP application form, or Collection Policy can be obtained at our facility located at 904 Wollard Blvd., Richmond, Missouri, 64085 in the front lobby, the Business Office, the admissions and registration areas, and the Emergency Department.