FLOYD CHEROKEE MEDICAL CENTER
POLICY AND PROCEDURE MANUAL
Patient Financial Services

TITLE: Billing and Collections Policy	**Policy No.: P-PFS 101**
PURPOSE: It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes legal compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, Floyd Cherokee Medical Center, Inc. will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires Floyd Cherokee Medical Center, Inc. to make reasonable efforts to determine a patient's eligibility for financial assistance under Floyd Cherokee Medical Center, Inc.'s financial assistance policy before engaging in extraordinary collection actions to obtain payment.	**Developed Date:** 6/2018 **Review Date**: 04/2020 **Revised Date:** **Review Responsibility:** Director Patient Financial Services

POLICY:

After our patients have received services, it is the policy of Floyd Cherokee Medical Center, LLC (Floyd Cherokee) to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, Floyd Cherokee will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with the requirements of Section 501(r) of the Internal Revenue Code of 1986, as amended.

This policy does not apply to collection actions relating to the portion of a bill that is the financial responsibility of a health benefits plan and not the patient under the plan's terms, regardless of whether the plan has made payment to the patient or to Floyd Cherokee.

DEFINITIONS:

Extraordinary Collections Actions (ECAs): Certain collection activities, as defined by the IRS and the Department of Treasury in regulations, that healthcare organizations may take against an individual to obtain payment for care only after reasonable efforts have been made to determine whether the individual is eligible for financial assistance under Floyd Cherokee's Financial Assistance Policy. These actions are further defined in Section II of this policy below and include, among other actions, reporting adverse information to consumer credit bureaus and/or credit reporting agencies, as well as garnishing wages and other actions that require legal or judicial process; provided, however, that an ECA does not include any lien that Floyd Cherokee is entitled to assert under state law on the proceeds of a judgment, settlement or compromise owed to an

individual (or his or her representative) as a result of personal injuries for which Floyd Cherokee provided care.

Financial Assistance Policy: A separate policy that describes Floyd Cherokee's financial assistance program, including the criteria patients must meet in order to be eligible for financial assistance and the process by which individuals may apply for financial assistance.

Reasonable Efforts: The actions Floyd Cherokee will take to determine whether an individual is eligible for financial assistance under Floyd Cherokee's Financial Assistance Policy before initiating any ECA to obtain payment for care, consistent with IRS and Department of Treasury regulations. In general, Reasonable Efforts include providing individuals with written and oral notifications about the Floyd Cherokee's Financial Assistance Policy and Financial Assistance Application processes.

PROCEDURES:

1. Billing Practices

A. Insurance Billing

1. For all insured patients, Floyd Cherokee will bill applicable third-party payers (based on information provided or verified by the patient) in a timely manner.

2. If a claim is denied (or is not processed) by a payer due to an error by or on behalf of Floyd Cherokee, Floyd Cherokee will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.

3. If a claim is denied (or is not processed) by a payer due to factors outside of Floyd Cherokee's control, Floyd Cherokee will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, Floyd Cherokee may bill the patient or take other actions consistent with applicable laws and contractual requirements.

B. Patient Billing

1. All uninsured patients will be billed directly and in a timely manner, and they will receive a statement as part of Floyd Cherokee's normal billing process.

2. For insured patients, after claims have been processed by third-party payers, Floyd Cherokee will bill the patient in a timely manner for the patient's respective liability amounts, as determined by applicable insurance benefits.

3. A patient may request an itemized statement for his or her account at any time.

4. If a patient disputes his or her account and requests documentation regarding the bill, Floyd Cherokee will provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for collection.

5. Floyd Cherokee may approve payment plan arrangements for a patient who indicates he or she may have difficulty paying the balance in a single installment.

a. Patient Financial Services supervisors and directors have the authority to make exceptions to this policy on a case-by-case basis for special circumstances.

b. Floyd Cherokee is not required to accept patient-initiated payment arrangements and may refer accounts to a collection agency as outlined below if the patient is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.

6. In the event that a patient whom Floyd Cherokee has been determined to be eligible for financial assistance under the Financial Assistance Policy has paid more than the amount for which the patient is responsible, Floyd Cherokee will refund the overpayment to the patient in accordance with the Credit Balance/Refunds Policy CA28.

II. Collections Practices

A. General Collection Activities

1. Floyd Cherokee and third parties acting on its behalf may contact patients in writing and by telephone regarding past-due statements.

2. Floyd Cherokee may refer patient balances to a third party for collection on Floyd Cherokee's behalf. Floyd Cherokee will maintain ownership of any debt referred to collection agencies, and patient accounts may be referred for collection only when:

   a. There is a reasonable basis to believe the patient owes the debt.

   b. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. Floyd Cherokee shall not bill a patient for any amount that an insurance company is obligated to pay.

   c. Floyd Cherokee will not refer accounts for collection while a claim on the account is still pending third-party payer payment. However, Floyd Cherokee may classify certain claims as "denied" if such claims are stuck in "pending" mode for an unreasonable length of time despite efforts to facilitate resolution.

   d. Floyd Cherokee will not refer accounts for collection where the claim was denied by a third-party payer due to a Floyd Cherokee's error. However, Floyd Cherokee may still refer the patient liability portion of such claims for collection if unpaid, consistent with applicable law and contractual requirements.

   e. Floyd Cherokee will not refer accounts for collection when the patient has applied for financial assistance under the Financial Assistance Policy and Floyd Cherokee has not yet notified the patient of its determination regarding the patient's eligibility (provided that the patient has complied with all applicable requirements set forth in the Financial Assistance Policy, including, without limitation those regarding applicable application deadlines and responding to information requests).

B. Reasonable Efforts and Extraordinary Collection Actions

1. Before engaging in ECAs to obtain payment for care, Floyd Cherokee must make Reasonable Efforts to determine whether an individual is eligible for financial assistance under the Financial Assistance Policy:

a. An ECA may be initiated only after at least 240 days have passed since the first post-discharge statement was provided, subject to the additional requirements described in Section II.B.1.b, below.

b. At least 30 days before initiating one or more ECAs to obtain payment, Floyd Cherokee shall (or shall require a third party acting on its behalf to) do the following:

   i. Provide the individual with a written notice that indicates the availability of financial assistance for eligible individuals under Floyd Cherokee's Financial Assistance Policy, identifies the ECAs that Floyd Cherokee (or another authorized party) intends to initiate to obtain payment for care, and states a deadline after which such ECAs may be initiated (which deadline shall be no earlier than 30 days after the date the written notice is provided);

   ii. Provide the individual with a plain language summary of the Financial Assistance Policy with the written notice described in Section II.B.1.b.i, above; and

   iii. Make a reasonable effort to orally notify the individual about Floyd Cherokee's Financial Assistance Policy and how the individual may obtain assistance with the Financial Assistance Policy Application process.

2. After making Reasonable Efforts to determine eligibility for financial assistance in accordance with the requirements described above, Floyd Cherokee or its authorized business partners may initiate any one or more of the following ECAs to obtain payment for care:

   a. Report adverse information about the individual to consumer credit reporting agencies and/or credit bureaus;

   b. Take action to foreclose on the individual's property;

   c. Garnish the individual's wages; or

   d. Place a lien on the individual's property.

3. If a patient has an outstanding balance for previously provided care, Floyd Cherokee may engage defer, deny or require payment before providing additional medically necessary (but non-emergent) care only after all of the following steps have been taken:

   a. Floyd Cherokee provides the patient with a Financial Assistance Application, a plain language summary of the Financial Assistance Policy, and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline after which Floyd Cherokee will no longer accept and process a Financial Assistance Application submitted (or, if applicable, completed) by the individual for the previously provided care at issue. This deadline must be at least 30 days after the date the written notice is provided date, or 240 days after the date of the first post-discharge billing statement for the previously provided care, whichever is later.

   b. Floyd Cherokee makes a reasonable effort to orally notify the individual about the Financial Assistance Policy and about how the individual may obtain assistance with the Financial Assistance Application process.

c. Floyd Cherokee processes on an expedited basis any Financial Assistance Application for the previously provided care received within the stated deadline.

III. Financial Assistance

All billed patients will have the opportunity to contact Floyd Cherokee regarding financial assistance for their accounts, payment plan options, and other applicable programs.

Floyd Cherokee's Financial Assistance Policy is available free of charge. Individuals may request a copy:

- In person at the main registration area located inside Floyd Medical Center at 304 Turner McCall Blvd, Rome GA 30165; or

- By calling the Financial Counseling Department at 706-509-6945.