

TITLE	Billing and Collecting Patient Balances		
NUMBER	NH-LD-FM-111.5	Last Revised/Reviewed Effective Date:	Jan19
TJC FUNCTIONS	LD-FM		
APPLIES TO	Novant Health: Hospitals, NHMG, Freestanding Imaging Centers, Freestanding Surgery Centers, Rehabilitation Centers, Pharmacy Services, Corporate Departments and Entities (Corp Depts., NMG SouthPark Services-CRNA) NH UVA: HAMC, PWMC, Caton Merchant House, Cancer Center, NHMG		

I. SCOPE / PURPOSE

To provide guidance for the process of billing and collecting patient balances within Novant Health.

The Novant Health (“NH”) mission statement, “improving the health of communities’ one person at a time” reflects the Novant Health not-for-profit heritage and social accountability to the communities in which we are located. The purpose of this policy is to explain the time frame and process by which reimbursement is requested by Novant Health or other authorized party to either third party payers or patients.

II. POLICY

A. Payment for Services.

It is the policy of NH to provide medically emergent or medically urgent services, including without limitation services required under NH’s EMTALA Policy, as applicable, to anyone regardless of that person’s ability to pay or eligibility for financial assistance under Novant Health’s Charity Policy.

For those patients not covered by a third party payer, the facility and or clinic is committed to working with the patient to ensure that the patient is evaluated for eligibility by any federal, state, or local entities or whether the patient meets the criteria for NH’s charity care or other financial assistance programs or any community/third party programs.

For those patients who are covered by third party insurance(s), the facility and or clinic will provide billing and collection efforts in a timely manner. Novant Health will file the patient’s insurance as long as NH is contracted with the payer and if the proper information is provided at the time of service. The patient’s responsibility is to pay their portion owed to the facility at the time of service.

In the event of non-payment, NH may take the following actions: refer the account to an outside agency for collection or report the delinquent account to a credit agency, only as set forth in this Policy. No legal or judicial action shall be taken against a patient for non-payment, including without limitation placing a lien on property, foreclosing on property, seizing a bank account or other personal

property, commencing a civil action, garnishing wages or causing an arrest or subjection to a writ of body attachment. Further, NH does not defer or deny, or require payment before providing, medically necessary care because of an individual's nonpayment of one or more bills for previously provided care covered under the NH's Charity Care Policy.

B. Reasonable Efforts to Determine Eligibility for Charity Care.

NH and/or NH contracted third party vendors will not engage in Extraordinary Collection Actions ("ECAs") before making reasonable efforts to determine a patient's eligibility for financial assistance under Novant Health's Charity Care Policy.

Reasonable efforts include the taking the steps outlined below in Sections II.B.1, II.B.2, II.B.3 and II.B.4.

1. *Prior to Commencing ECAs.* At least 30 days' prior to commencing ECAs, which may not be commenced prior to expiration of the Notification Period, NH will do the following:
 - (a) Provide patients with written notice that (1) indicates that financial assistance under the Charity Care Policy is available for eligible individuals;(2) identifies the ECA that NH intends to initiate to obtain payment; and (3) states a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date the written notice is provided; AND
 - (b) Provide patients with a Plain Language Summary with the above written notification; AND
 - (c) Make reasonable efforts to orally notify the patient about its Charity Care Policy and how the patient may obtain assistance with the application process.

2. *Submission of an Incomplete Application.* If a patient submits an incomplete application during the Application Period, Novant Health will do the following:
 - (a) Suspend any ECAs to obtain payment for the care and does not initiate or take further action on any previously-initiated ECA until NH determines whether the individual is eligible for charity care; AND
 - (b) Provide the patient with a written notice that describes the additional information and/or documentation required under the Charity Care Policy or application that must be submitted to complete the application and includes the contact information, including telephone number and physical location, of the NH office or department that can provide information about the Charity Care Policy and can provide assistance with the application process, or if NH does not provide assistance with the application process, at least one nonprofit or governmental agency that can provide such assistance; AND
 - (c) Otherwise meets the requirements of Section II.B.3 of this Policy if a completed application is received during the Application Period.

3. *Submission of a Complete Application.* If a patient submits a complete application during the Application Period, NH will do the following:
 - (a) Suspend any ECAs to obtain payment for the care and does not initiate

- or take further action on any previously-initiated ECA until NH determines whether the individual is eligible for charity care; AND
- (b) Make a determination as to whether the patient is eligible for assistance under the Charity Care Policy and will notify the patient in writing of this eligibility determination, including what assistance the patient is eligible for, and the basis for this determination; AND
 - (c) If the patient is eligible for assistance, NH will refund to the patient any amount he or she has paid for the care that exceeds the amount he or she is determined to be responsible for paying under the Charity Care Policy (amounts less than \$5, or such other amount set by notice or other guidance published in the Internal Revenue Bulletin, do not need to be refunded); AND
 - (d) NH will take all reasonably available measures to reverse any ECA (except the sale of debt) taken against the patient to obtain payment for care covered under the Charity Care Policy. An example of this would be to remove from the patient's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.
4. *Presumptive Charity Care Eligibility.* NH may presumptively determine a patient is eligible for free care under its Charity Care Policy based on third-party information or a prior Charity Care eligibility determination.
 5. *Multiple Episodes of Care.* If NH aggregates a patient's outstanding bills for multiple episodes of care, before initiating an ECA to obtain payment for the bills NH will wait until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.
 6. *Medicaid Eligibility.* If, upon receiving a complete application for financial assistance under NH's Charity Care Policy, RCS believes the patient may qualify for Medicaid, the determination of eligibility under NH's Charity Care Policy may be postponed until a Medicaid application has been completed and submitted and a determination as to the patient's Medicaid eligibility has been made.
 7. *Determination of Whether NH has Met the Reasonable Efforts Standard.* Before Novant Health may initiate an ECA, the NH Revenue Cycle Steering Committee, or designee, will review and have the final authority for determining that reasonable efforts have been made, consistent with this Policy, to determine whether an individual is eligible for charity care and whether an ECA may be initiated.
 8. *Contracting with Third Parties.* If NH refers or sells debt to a third party during the Application Period, NH must obtain a written agreement from the third party that includes the following: (i) the party will refrain from ECAs against the patient until NH has met the reasonable efforts standard set forth in Section II.B. above; (ii) the party will suspend any ECA against a patient if the patient submits an application during the Application Period; (iii) if the patient submits an application during the Application Period and NH determines they are eligible for assistance under its Charity Care Policy, then the party will do the following in a timely manner: a) adhere to procedures in

the agreement to ensure that the individual does not pay and has no obligation to pay for care under the Charity Care Policy; b) takes reasonable measures to reverse any ECAs taken against the patient; and c) obtain written agreement from any subcontractors to which the debt was referred or sold that the subcontractor is adhering to the above requirements as well.

C. Billing Statements.

All billing statements must include a conspicuous written notice that notifies and informs patients about the availability of financial assistance under NH's Charity Care Policy and include the telephone number of a NH office or department that can provide information about the Charity Care Policy and application process, and the website address (or URL) where copies of the Charity Care Policy, application form and Plain Language Summary may be obtained.

D. Disputing a Bill.

If a patient has a question about a bill, the patient should call the phone number listed on the bill. A patient or his/her representative may dispute a bill by providing notice of the disputed item(s) and the reason for the dispute to the facility within 35 days of the date on the bill. Notice may be provided by calling the number listed on the bill. The dispute will be resolved by a Revenue Cycle Specialist within 14 business days of the date notice of the dispute was given or the date from a request for any additional information or documentation, whichever is later.

If the dispute is not resolved to the satisfaction of the patient, the patient or his/her representative may appeal such decision by providing notice of the appeal and the basis for the appeal to the facility within 35 days of the date of the decision letter. The appeal will be resolved by the appropriate Vice President of Revenue Cycle within 14 business days of the date notice of the appeal was given or the date from a request for any additional information or documentation, whichever is later.

A patient or his/her representative must exhaust the dispute and appeal process for all bill disputes. Sending in a check for partial payment of a disputed amount with the words "paid in full" on the check, without taking the steps outlined above, will not satisfy the amount owed and Novant Health may still seek payment of the full amount.

This process may vary for location or provider.

E. Requesting Estimate of Charges and Itemized List of Charges.

A patient may obtain an estimate of charges for the 100 most frequently used DRGs the 20 most common outpatient imaging procedures, and the 20 most common outpatient surgical procedures. The request may be made in writing, electronically or by mail, and the information shall be provided within three business days of receipt of the request. The patient may make the request by calling the number listed on the patient bill or sending an email to the address listed on the patient bill.

A patient may request an itemized list of charges detailing in language comprehensible to an ordinary layperson the specific nature of the charges or expenses incurred by the patient. All patient bills that are not itemized shall include

notification to the patient of the right to request, free of charge, an itemized bill. A patient may request an itemized list of charges at any time within three years after the date of discharge or so long as the facility asserts the patient has an obligation to pay the bill.

F. Requesting a Refund.

A patient may inquire about a refund/overpayment by calling the number listed on the patient bill. All overpayments will be refunded to the patient within 45 days of receipt of notice of such overpayment.

G. Copies of this Policy.

A free copy of this Policy may be obtained upon request by calling the number listed on the patient bill; or sending an e-mail to the address listed on the patient bill. Copies of this Policy may also be accessed on Novant Health's website.

H. Compliance with Applicable Law.

All NH facilities and physician offices, as applicable, shall handle debts consistent with the fair billing and collections laws in the state in which the facility or office is located, including without limitation NCGS 131E-91, as applicable.

EXCLUSIONS: This policy applies to services rendered at all Novant Health facilities and medical group practices. It does not apply to services rendered by any independent physicians or practitioners. This policy also does not apply to services provided within or outside the hospital/facility by physicians or other healthcare providers including but not limited to Anesthesiologists, Radiologists, and/or Pathologists, who are not employed by Novant Health.

III. QUALIFIED PERSONNEL

Revenue Cycle Services Staff

IV. EQUIPMENT

N/A

V. PROCEDURE

This procedure serves as a guideline to assist personnel in accomplishing the goals of the policy. While following these procedural guidelines personnel are expected to exercise judgment within their scope of practice and/or job responsibilities.

N/A

VI. DOCUMENTATION

N/A

VII. DEFINITIONS

Application Period – The period beginning on the date the care is provided and ending on the later of 240 days after the date that the first post-discharge billing statement for the care is provided OR in the case of NH notifying a patient of initiation of an Extraordinary Collection Action, the deadline specified in such written notice.

Charity Care – A low-income uninsured patient who is eligible for Charity Care consideration based on meeting the income eligibility criteria contained in the NH Charity Care Policy. .

Extraordinary Collection Activity – any activity taken by the medical facility against an individual relating to payment of a bill for care covered under the medical facility's charity care policy that requires a legal or judicial process, involves selling an individual's debt to another party, reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus, or deferring or denying, or requiring payment before providing, medically necessary care because of an individual's nonpayment of one of more bills for previously provided care covered under the medical facility's charity care policy. This does not include any lien NH is entitled to assert under state law on the proceeds of a judgment, settlement or compromise owed to a patient (or his or her representative) as a result of personal injuries for which the hospital provided care. .

Family – Includes husband, wife, and any children (including stepchildren) that live in the home and are qualifying dependents for tax purposes.

Income – Annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support. Proof of earnings may be determined by reviewing W-2 pay stubs, tax returns, or other documents deemed necessary to determine charity status.

Inpatient – Person admitted to a Novant Health facility for services, patient generally stays longer than 24hours.

Medically Emergent - Unexpected onset of life threatening or disabling condition which if not treated may result in serious impairment or loss of life or limb.

Medically Urgent – Medical Care that is not life threatening but deemed as reasonable, necessary, and/or appropriate, based on evidence-based clinical standards of care

Notification Period – The period beginning on the first date of care and ending 120 days after the first post-discharge billing statement for the care is provided.

NHMG – Novant Health Medical Group

Observation – An outpatient category that allows a patient to remain at a Novant Health facility up to 24hours without being transferred to an inpatient status.

Outpatient – Person receiving treatment/care at a Novant Health facility and returns home on the same date of service.

Plain Language Summary – A written statement that notifies an individual that the NH facility offers financial assistance under Charity Care Policy and provides the following additional information in language that is clear, concise, and easy to understand: (i) a brief description of the eligibility requirements and assistance offered under the Charity Care Policy; (ii) a brief summary of how to apply for assistance under the Charity care Policy; (iii) the direct website address (or URL) and physical locations where the individual can obtain copies of the Charity Care Policy and application form; (iv)

instructions on how the individual can obtain a free copy of the Charity Care Policy and application form; (v) the contact information, including telephone number and physical location, of the facility office or department that can provide information about the Charity Care Policy and either the office or department that can provide assistance with the application of a nonprofit or governmental agency that can provide assistance; (vi) a statement of the availability of translations of the Charity Care Policy, application and Plain Language summary in other languages, if applicable; and (vii) a statement that a Charity Care eligible individual may not be charged more than the amount generally billed to individuals with insurance covering the same emergency care or other medically necessary care. **RCS – Revenue Cycle Services**

VIII. RELATED DOCUMENTS

- Collection Requisition; Physician Letter; Catastrophic Settlement; Uninsured Discount; Payment Plan; Admissions; Charges and Financial Counseling
- [Charity Care - NH-LD-FM-111.1](#)

IX. REFERENCES

N/A

X. SUBMITTED BY

Novant Health Billing and Collections of Patient Balances Sub-Committee

XI. KEY WORDS

Billing, Collecting, Collection, Patient Balance, Dismissal, Bad Debt, Insurance Claims, Acute, Billing, Bad Debt, Charges

XII. INITIAL EFFECTIVE DATE	July 2015
DATES REVISIONS EFFECTIVE	01/2016
DATES REVIEWED (No changes)	January 2019
Date Due for Next Review	January 2022

SIGNATURE SHEET

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ACTION	Reviewed

APPROVED BY:

Title	Approved By	Signature	Date
EVP & Chief Financial Officer	Fred Hargett		See electronic approval
VP Revenue Cycle	Melissa Masterton		See electronic approval
SVP Operational Fin & Rev Cycle	Geoff Gardner		See electronic approval

COMMITTEES APPROVED BY:

Committee	Chairperson/Designee	Date
NHMG Clinic Standards/Patient Safety Committee	John Card, MD	12/6/18