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Author CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 07/01/2017

I. PURPOSE

This policy applies to University of Louisville Medical Center (UMC), together with the Financial Assistance Policy, and 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 ("Section 501(r)"). This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by UMC, including but not limited to Extraordinary Collection Actions. The guiding principles behind this policy are to treat all patients and Responsible Individual(s) equally with dignity and respect, ensure appropriate billing and collection procedures are uniformly followed, and ensure that reasonable efforts are made to determine whether the Individual(s) responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Policy.

II. DEFINITIONS

Plain Language Summary

A written statement that notifies an Individual(s) that UMC offers financial assistance under the Financial Assistance Policy (FAP) for inpatient and outpatient hospital services and contains the information required to be included in such statement under Section 501(r).

Application Period

The period during which UMC 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 the Hospital provides the first post-discharge billing statement.

Billing Deadline

The date after which UMC or collection agency may initiate an Extraordinary Collection Action (ECA) against a Responsible Individual(s) 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(s) provided at least 30 days prior to such deadline, but no earlier than 120 days after the first post-discharge statement.

Completion Deadline

The date after which UMC or collection agency may initiate or resume an ECA against an Individual(s) who has submitted an incomplete FAP if that Individual(s) has not provided the missing information and/or documentation necessary to complete the application or denied application.

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The Completion Deadline must be specified in a written notice and must be no earlier than the later of (1) 30 days after the Hospital provides the Individual(s) with this notice or (2) the last day of the Application Period.

Extraordinary Collection Action (ECA)

Any action against an Individual(s) responsible for a bill related to obtaining payment of a Self-Pay Account that requires a legal or judicial process, together with selling a debt to a third party for collection, reporting adverse information about the Responsible Individual(s) to consumer credit reporting agencies/credit bureaus, or deferring or denying medically necessary care to collect on an existing Self-Pay Account. ECAs do not include transferring a Self-Pay Account to another party for purposes of collection without the use of any ECAs, if such transfer does not constitute a sale of the debt.

FAP-Eligible Individual(s)

A Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the Individual(s) has applied for assistance. Financial Assistance Policy (FAP) means The Hospital’s “Financial Assistance Program for Uninsured Patients” 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.

PFS

Patient Financial Services, the operating unit of UMC responsible for billing and collecting Self-Pay Accounts.

Responsible Individual(s)

The patient and/or any other Individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual(s).

Self-Pay Account

That portion of a patient account that is the responsibility of the patient or other Responsible Individual(s), net of the application of payments made by any available healthcare insurance or other third-party payor (including co-payments, co-insurance, and deductibles), and net of any reduction or write-off made with respect to such patient account after application of an Assistance Program, as applicable.

III. PROCEDURES/GUIDELINES

Location DRIVE:\FOLDER\SUBFOLDER\POLICY NAME POLICY NUMBER

Revisions: List all dates (Example: 00/00/00; 00/00/00)

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Billing Practices

Insurance Billing

- For all insured patients, UMC will bill applicable third-party payors (based on information provided by or verified by the patient/guarantor, or appropriately verified from other sources) in a timely manner.
- If an otherwise valid claim is denied (or not processed) by the payor due to an error by the facility, the patient will not be billed for any amount more than what the patient would have owed had the payer paid the claim.
- If an otherwise valid claim is denied (or not processed) by the payer due to factors outside of the Hospital's control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after reasonable follow-up efforts, the Hospital may bill the patient or take other actions consistent with payer contracts.

Patient Billing

- All uninsured patients/Guarantors will be billed directly and timely, and will receive a statement as part of the Hospital's normal billing process.
- For insured patients, after claims have been processed by all available third-party payers, the Hospital will bill patients/Guarantors in a timely manner for their respective liability amounts as determined by their insurance benefits.
- All patients/Guarantors may request an itemized statement for their accounts at any time. When requested, statements will be provided to the patient/guarantor within two weeks.
- If a patient disputes his or her account and requests documentation regarding the bill, staff will provide the requested documentation in writing within ten days (if possible) and will hold the account for at least 30 days following the request, before referring the account for collection.
- The Hospital may approve a payment plan for patients/Guarantors who indicate they may have difficulty paying their balance in a single installment.
- Revenue Cycle leadership has the authority to make exceptions to this provision on a case-by-case basis for special circumstances (in

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accordance with operating procedures).

- The Hospital is not required to accept patient-initiated payment arrangements and may refer accounts to a third-party collection agency if the patient defaults on an established payment plan.

- A. Subject to compliance with the provisions of this policy, UMC may take all legal actions, including any Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. All patients will be offered a Plain Language Summary and an application form for financial assistance under the FAP as part of the discharge or intake process from the hospital.
- C. At least three separate statements for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual(s); provided, however, that no additional statements need be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP or has paid in full. At least 60 days shall have elapsed between the first and last of the required three mailings. The Responsible Individual(s) is obligated 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 Single Patient Account statements of Self-Pay Accounts will include but not be limited to:
 1. An accurate summary of the hospital services covered by the statement;
 2. The charges for such services;
 3. The amount required to be paid by the Responsible Individual(s).
 4. A conspicuous written notice that notifies and informs the Responsible Individual(s) about the availability of financial assistance under the hospital FAP, including the phone number of the department and direct website address where copies of documents may be obtained.
- D. Prior to initiation of any ECAs, an oral attempt will be made to contact Responsible Individual(s) by phone at the last known phone number, if any, at least once during the series of mailed or emailed statements if the account remains unpaid. During all conversations, the patient or Responsible Individual(s) will be informed about the financial assistance

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that may be available under the FAP.

E. ECAs may be commenced as follows:

1. If any Responsible Individual fails to apply for financial assistance under the FAP within 120 days after the first post-discharge statement, and the Responsible Individual(s) has received a statement with a billing deadline, then Hospital or collection agency may initiate ECAs.
2. If any Responsible Individual(s) 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:
 - a) PFS provides the Responsible Individual(s) with a written notice that describes the additional information or documentation required under the FAP to complete the application for financial assistance.
 - b) PFS provides the Responsible Individual(s) with at least 30 days' prior written notice of the ECAs that the Hospital or collection agency will intends to initiate against the Responsible Individual(s) if the FAP application is not completed or payment is not made; provided, however, that the Completion Deadline for payment may not be set prior to 120 days after the first post-discharge statement.
 - c) If the Responsible Individual(s) who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, the Hospital will inform the Responsible Individual(s) in writing of the denial and the reason for the determination.
 - d) If the Responsible Individual(s) 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 in accordance with the procedures described in this Policy.
 - e) If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, the Hospital will suspend ECAs while such financial assistance application is pending.
 - f) After the commencement of ECAs is permitted as outlined section III. above, collection agencies shall be authorized to report unpaid accounts to credit agencies and to file judicial or legal action, initiate

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garnishment of wages, obtain judgment liens, and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of PFS shall be required before initial lawsuits may be initiated. The Hospital and external collection agencies may also take all legal actions, including but not limited to phone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided. , within compliance regulations of local, state and federal regulations.

IV. POLICY AVAILABILITY

Copies of this policy are available on our website, or by contacting our business office at (502) 587-4540. 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.UlHospital.com/financial-assistance. A paper copy of our FAP, FAP application form, or Collection Policy can be obtained at our facility located at 530 S. Jackson Street, Louisville, KY 40202, admissions and registration areas, and the emergency department.

V. REFERENCES

IRS Rule 501(r)
Section 1867 of the Social Security Act
EMTALA
IRS Notice 2011-52

UNIVERSITY MEDICAL CENTER, INC.

University of Louisville Hospital / James Graham Brown Cancer Center

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