

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 1 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

I. PURPOSE

This Billing and Collections Policy (“**Policy**”) applies to hospitals owned, leased, or operated by University Medical Center, Inc., UofL Health-Louisville, Inc., and UofL Health-Shelbyville, Inc. (collectively, “**UofL Health**”), 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 any of the UofL Health Hospitals (defined below), including but not limited to Extraordinary Collection Actions (defined below). The guiding principles behind this Policy are to treat all patients and Responsible Individuals (defined below) 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 individuals responsible for payment of all or a portion of a patient account are eligible for assistance under the Financial Assistance Policy.

For the purposes of this Policy, UofL Health specifically includes (1) UofL Hospital; (2) Brown Cancer Center; (3) UofL Health-Jewish Hospital; (4) UofL Health-Peace Hospital; (5) UofL Health-Frazier Rehabilitation Institute; (6) UofL Health-Mary & Elizabeth Hospital; and (7) UofL Health-Shelbyville Hospital. Each of these hospitals may be individually referred to as a “**UofL Health Hospital**” or collectively as the “**UofL Health Hospitals.**”

II. DEFINITIONS

Application Period

The period during which UofL Health must accept and process an application for financial assistance under the Financial Assistance Policy (such application referred to as the “**FAA**”). The Application Period begins on the date the care is provided and generally ends on the 240th day after the treating UofL Health Hospital provides the first Post-Discharge Billing Statement (defined below). However, the Application Period will be extended in accordance with the Billing Deadline (defined below) when appropriate. Moreover, if a patient submits an incomplete FAA during the Application Period, the Application Period will be extended, if necessary, to afford the patient a reasonable opportunity to complete the FAA. UofL Health may also consider complete FAAs that are submitted after the expiration of the Application Period.

Billing Deadline

The date after which a UofL Health Hospital or a collection agency may initiate an Extraordinary Collection Action against a Responsible Individual who has failed to submit a complete FAA. The Billing Deadline must be specified in a written notice to the Responsible Individual provided at least 30 days prior to such deadline, but in no instance will the Billing Deadline be earlier than 120 days after the first Post-Discharge Billing Statement.

Completion Deadline

The date after which a UofL Health Hospital or a collection agency may initiate or resume an Extraordinary Collection Action against a Responsible Individual who has submitted an incomplete FAA if that Responsible Individual has not provided the missing information and/or documentation necessary to complete the FAA. The Completion Deadline must be specified in a written notice and must be no earlier

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 2 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

than the latter of (1) 30 days after UofL Health provides the Responsible Individual with this notice or (2) 120 days after the first Post-Discharge Billing Statement.

Extraordinary Collection Action (ECA)

For purposes of this Policy, an **Extraordinary Collection Action** or “**ECA**” includes any action against a Responsible Individual for a bill related to obtaining payment of a Self-Pay Account (defined below) that requires a legal or judicial process; constitutes selling a debt to a third party for collection; or reporting adverse information about the Responsible Individual to consumer credit reporting agencies/credit bureaus. UofL Health does not defer or deny medically necessary care to collect on an existing Self-Pay Account. Examples of actions requiring a legal or judicial process that could be initiated by UofL Health include initiating a suit against an individual; garnishing wages; or enforcing judgment liens. ECAs do not include transferring a Self-Pay Account to a third party for purposes of collection without the use of any ECAs, if such transfer does not constitute a sale of the debt. To ensure reasonable efforts are made to determine FAP-Eligibility even in the instance of a transfer to a third party, UofL Health enters into agreements with third parties that are reasonably designed to prevent the third party from conducting any ECAs in violation of this Policy. The relevant procedures under these agreements are described below in Section E(3)(a).

FAP-Eligible/Eligibility

A Responsible Individual eligible for financial assistance under the UofL Health Financial Assistance Policy without regard to whether the Responsible Individual has applied for assistance. The “**FAP**” is that certain Financial Assistance Policy requiring the UofL Health Hospitals to provide free emergency or other medically necessary to qualifying individuals and is found at <https://uoflhealth.org/financial-assistance/>. Interested individuals can also request that a copy of the FAP and FAA be mailed to them at no charge by contacting:

UofL Health
PO Box 2587
Louisville, KY 40202
(502) 681-1404

Plain Language Summary

A written statement that notifies a Responsible Individual that UofL Health offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under Section 501(r).

Post-Discharge Billing Statement

A billing statement for care is considered to be “post-discharge” if it is issued to the patient after the patient received care—whether inpatient or outpatient—and the patient has left the treating hospital facility. If a UofL Health Hospital aggregates an individuals’ outstanding bills for multiple episodes of care, such UofL Health Hospital cannot initiate any ECA until 120 days after providing the first Post-Discharge Billing Statement for the most recent episode of care included in the aggregation.

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 3 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

Responsible Individual

The patient and/or any other individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual. For purposes of this Policy, any reference to a "Responsible Individual" shall include the singular and the plural.

Revenue Cycle Management

The department within UofL Health, including financial counselors serving at each UofL Health Hospital, that oversees the FAP-Eligibility determination process.

Revenue Cycle VP

The Vice President of the UofL Health Revenue Cycle Management, whose approval is necessary prior to any initiation of an ECA.

Self-Pay Account

That portion of a patient account that is the responsibility of the patient or other Responsible Individual, 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

Billing Practices

Insurance Billing

- For all insured patients, UofL Health 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 payor due to factors outside of UofL Health's control, staff will follow up with the payor and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after reasonable follow-up efforts, UofL Health may bill the patient or take other actions consistent with payor contracts.

Patient Billing

- All uninsured patients/guarantors will be billed directly and timely and will receive a statement as part of the UofL Health Hospital's normal billing process.

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 4 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

- For insured patients, after claims have been processed by all available third-party payors, the applicable UofL Health 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 working days (if possible) and will hold the account for at least 30 days following the request, before referring the account for collection.
- UofL Health may approve a payment plan for patients/guarantors who indicate they may have difficulty paying their balance in a single installment.
- Revenue Cycle Management has the authority to make exceptions to this provision on a case-by-case basis for special circumstances (in accordance with operating procedures).
- UofL Health 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 in accordance with this Policy.

ECAs

- A. Subject to compliance with the provisions of this Policy, UofL Health may authorize only those ECAs identified herein to obtain payment for medical services provided.
- B. All patients will be offered a Plain Language Summary and an FAA as part of their intake process.
- C. At least three separate Post-Discharge Billing Statements for collection of Self-Pay Accounts will be mailed to the last known address of each Responsible Individual; provided, however, that no additional statements need be sent after a Responsible Individual submits a complete FAA or has paid in full. At least 60 days shall have elapsed between the first and last of the required three mailings. While the Responsible Individual is obligated to provide a correct mailing address at the time of service or upon moving, each UofL Health Hospital will take steps to identify and update invalid addresses in order to provide statements to the Responsible Individual in accordance with this Section C. All single patient account statements of Self-Pay Accounts will include but not be limited to:
 1. An accurate summary of the services covered by the statement;
 2. The charges for such services;
 3. The amount required to be paid by the Responsible Individual; and
 4. A conspicuous written notice that notifies and informs the Responsible Individual about the availability of financial assistance under the FAP,

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 5 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

including a phone number to help connect the Responsible Individual to financial counselors and the direct website address where copies of the FAP, the FAA, and the Plain Language Summary may be obtained.

- D. Prior to initiation of any ECAs, an oral attempt will be made to contact the Responsible Individual by phone at the last known phone number, if any, at least once during the series of mailed or emailed Post-Discharge Billing Statements if the account remains unpaid. During all conversations, the patient or Responsible Individual will be informed that financial assistance may be available under the FAP.
- E. Each UofL Health Hospital will make a reasonable effort to determine if a Responsible Individual is FAP-Eligible prior to engaging in any ECA by following the below-described processes:
1. If a Responsible Individual submits an FAA during the Application Period, then:
 - a) In the instance of a complete FAA:
 - The UofL Health Hospital will not initiate, and will suspend any previously-initiated ECAs, while such FAA is being considered.
 - Financial counselors will make a determination as to FAP-Eligibility and provide written notification of such determination (including its basis) to the Responsible Individual.
 - If the Responsible Individual is deemed to be FAP-Eligible, then the UofL Health Hospital will provide the Responsible Individual with a written notification that nothing more is owed. The UofL Health Hospital will also take all reasonably available measures to reverse any ECAs taken against such individual and to ensure that the Responsible Individual does not pay more than what is owed following such FAP-Eligibility determination, including, if appropriate, issuing refunds.
 - b) In the instance of an incomplete FAA:
 - The UofL Health Hospital will not initiate, and will suspend any previously-initiated ECAs, to afford the Responsible Individual a reasonable opportunity to complete the FAA.
 - A financial counselor will provide the Responsible Individual with a written notice describing the additional information or documentation required under the FAP to complete the FAA. Such notice will also include the phone number and physical

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 6 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

location for financial counselors who are available at the UofL Health Hospital to provide information about and assistance with the FAA.

- The Responsible Individual will be provided with at least 30 days' prior written notice of the Completion Deadline; provided, however, that the Completion Deadline may not be set prior to 120 days after the first Post-Discharge Billing Statement. If such Completion Deadline has expired and the Responsible Individual has not submitted a complete FAA, then ECAs may be authorized.
 - If, at any time during the Application Period, a Responsible Individual submits a complete FAA, then the procedures identified in Section E(1)(a) will apply. Moreover, UofL Health may, in its discretion, consider complete FAAs that are received after the Application Period has ended.
2. Presumptive Eligibility: Pursuant to the FAP, a Responsible Individual may be presumed to be FAP-Eligible without completing and submitting an FAA. Any determination based on presumptive eligibility necessarily provides the most generous assistance available since the only financial assistance available under the FAP is free emergency and medically necessary care. Consequently, no further steps are necessary to notify the Responsible Individual as to the availability of financial assistance following such presumptive determination.
 3. No ECAs shall be initiated prior to the Billing Deadline.
 - a) UofL Health may transfer—but not sell—Self-Pay Accounts to third parties for collection purposes without violating this Policy once a Self-Pay Account is classified as a “bad debt” account. Following such transfer, no third party shall engage in ECAs without first seeking and receiving approval from the Vice President of Revenue Cycle, which would only be granted in accordance with the above-described procedures. UofL Health will continue to accept FAAs in accordance with this Policy from a Responsible Individual whose account is transferred to a third-party vendor. If a Responsible Individual is thereafter determined to be FAP-Eligible, UofL Health will inform the third party of such determination and ensure that the third party does not pursue ECAs any further.
 - b) Once the Vice President of Revenue Cycle has reviewed all of the relevant information (including details specific to the issued Post-Discharge Billing Statements and follow-up attempts to contact the Responsible Individual), the Vice President of Revenue Cycle will make a determination as to whether ECAs are appropriate in accordance with this Policy.

Subject BILLING AND COLLECTION (501 R) POLICY	No. 000 - 0000	Page Page 7 of 7
Author VP REVENUE CYCLE on behalf of CHIEF FINANCIAL OFFICER	ADMINISTRATIVE POLICY	Effective Date 7/1/2020

- UofL Health shall issue a written notice containing a Billing Deadline that also informs the Responsible Individual that financial assistance is available; provides a Plain Language Summary; and identifies the authorized ECA(s) should the Responsible Individual not submit a complete FAA prior to the Billing Deadline.
- Following such determination by the Revenue Cycle VP and the issuance of a written notice with a Billing Deadline, UofL Health may authorize the ECAs identified herein and 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

Full disclosure of the FAP, FAP application form, or this Policy may be found for free at <https://uoflhealth.org/financial-assistance/>. For information regarding eligibility or the programs that may be available to you; to request that a copy of the FAP, FAP application form, or this Policy be mailed to you; or if you need a copy of the FAP, FAP application form, or this Policy translated to Spanish please call (502) 681-1404. A paper copy of our FAP, FAP application form, or this Policy can be obtained at any of our facilities' admissions and registration areas, and the emergency departments.

V. REFERENCES

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