

Southeastern Ohio Regional Medical Center

DEPARTMENT: Patient Financial Services
PREPARED BY: Patient Access Management

SUBJECT	REVISED/REVIEWED	EFFECTIVE
Bad Debt Collection Policy	January 2021	April 1, 2005

PURPOSE:

This policy ensures that Southeastern Ohio Regional Medical Center and any contracted Collection Agencies, meet the requirements of applicable federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by SEORMC, including collection actions and reporting to credit agencies. The guiding principles behind this policy are to treat all patients and guarantors equally with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed and to ensure that reasonable efforts are made to determine whether the patient or guarantor responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance policies.

PROCEDURE:

- Accounts with outstanding balances aged no less than 120 days from the first billing statement, which have exhausted all reasonable efforts to notify the patient/guarantor of available Financial Assistance, are sent to the collection agency. This process is automated.
- The agency mails a letter as required by law on each account.
- Payments arrangements maybe set up for up to 180 days.
 - Agency must reconfirm payments every 180 days. The payment amount may increase, decrease, or remain the same; regardless, it is only a temporary arrangement.
- SEORMC or its contracted Agencies do not engage in any extraordinary collection activities before making reasonable efforts to determine whether a patient is eligible for financial assistance during the 120-day notification period. However, the patient/guarantor has up to the 240th day after the first billing statement to apply for financial assistance. If the patient/guarantor applies within that time the agency will suspend collection activities until a determination is made on their eligibility for financial assistance. Extraordinary collections activities could include:
 - Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
 - Place a lien on an individual's property;
 - Attach or seize an individual's bank account;
 - Garnish an individual's wages.
 - Refusing to provide medically necessary care due to the patient's failure to pay for previously provided care. Note that SEORMC will not refuse to provide emergency

care and will comply with its obligations under the law with respect to emergency care, including EMTALA.

- SEORMC's expectation is that patients with account balances will cooperate and work with SEORMC in order to determine a patient's eligibility for financial assistance or Medicaid (or other insurance) or agreeing to a payment plan, as applicable. A patient's failure to provide such cooperation and/or make required payments on account balances may result in SEORMC refusing to provide elective (i.e. not medically necessary) care until the patient's account balance is current and such refusal to provide elective care shall not constitute an extraordinary collection activity.

Payment Size Guidelines:

- The collection agency will always request payment in full as the first option.
- When a payment plan is requested by the guarantor, the agency will request three equal payments.
 - If three equal payments cannot be made the agency will explain a minimum payment of \$40.00 is expected.
 - Agency may accept less depending on the current ability to pay; and again everything is on a temporary basis.
- If payments of \$5.00 or less per month are being made, the agency does not send monthly reminder letters.
 - Instead the account will be reviewed and set up for contact (by phone or letter) every 90 days.
- The agency recognizes that each guarantor is an individual and as such every situation is unique. The goal being to ethically and reasonably recover as much of the outstanding balance as soon as possible.
- The agency will close and return accounts according to the contracted time line without activity with the exception of Medicare accounts, which will be closed and returned after one year of no activity.

Legal Action

- If patient/guarantor fails to cooperate with the collection agency, ignores all attempts to contact, and fails to resolve the outstanding balance, the account may be placed in the legal department within the collection agency.
- Once in the legal department, the collection agency will pursue all means necessary within the court system to resolve the account balance. See ECAs noted above.

- The agency may not pursue legal action without the signed consent of SEORMC, until a minimum of 240 days has passed since the initial billing statement, and before making reasonable efforts to determine whether a patient is eligible for Financial Assistance.