

JSMC	Policy Title:	Billing and Collections Policy	
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FINANCE	PFS Director	CFO	5

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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 compliance, patient satisfaction, and efficiency. Using billing statements, written correspondence, and phone calls, Jennie Stuart Medical Center 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 Jennie Stuart Medical Center to make reasonable efforts to determine a patient's eligibility for financial assistance under Jennie Stuart Medical Center's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

POLICY: After patients have received services, it is the policy of Jennie Stuart Medical Center to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with the IRS and Treasury's 501(r) final rule under the authority of the Affordable Care Act.

DEFINITIONS:

Extraordinary Collection Actions (ECAs): A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care *after* reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions are further defined in Section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.

Financial Assistance Policy (FAP): A separate policy that describes Jennie Stuart Medical Center's financial assistance program—including the criteria patients must

meet to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.

Reasonable Efforts: A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under Jennie Stuart Medical Center's financial assistance policy. In general, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and/or oral notifications about the FAP and application processes.

PROCEDURE:

I. Billing Practices

a. Insurance Billing

- i. For all insured patients, Jennie Stuart Medical Center will bill applicable third-party payers based on information provided by or verified by the patient in a timely manner.
- ii. If a claim is denied or not processed by a payer due to factors outside of Jennie Stuart Medical Center's control, staff will follow-up with payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, Jennie Stuart Medical Center may bill the patient or take other actions consistent with current regulations and industry standards.

b. Patient Billing

- i. All uninsured patients will be billed directly and timely, and they will receive a statement as part of the organization's normal billing process.
- ii. For insured patients, after claims have been processed by third-party payers Jennie Stuart will bill the patient in a timely manner for their respective liability amounts as determined by their insurance benefits.
- iii. All patients may request an itemized statement for their accounts at any time.
- iv. If a patient disputes his/her account and requests documentation regarding the bill, staff will provide the requested documentation in writing within 10 days if possible and will hold the account for at least 30 days before continuing collection efforts.
- v. Jennie Stuart Medical Center may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment. Members of the Finance Division have the authority to make exceptions to this policy on a case-by-case basis for special circumstances. Jennie Stuart Medical Center 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

payment arrangements deemed appropriate by Jennie Stuart Medical Center per our policy and procedure or has defaulted on an established payment plan.

II. Collection Practices

- a. In compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Billing and Collection Policy, Jennie Stuart Medical Center may engage in collection activities, including extraordinary collection actions (ECAs) to collect outstanding patient balances.
 - i. General collection activities may include follow-up calls on statements.
 - ii. Patient balances may be referred to a third party for collection at the discretion of Jennie Stuart Medical Center. Jennie Stuart Medical Center will maintain ownership of any debt referred to debt collection agencies, and patient accounts will be referred for collection only with the following:
 1. There is reasonable bases to believe the patient owes the debt.
 2. All third-party payers have been properly billed, and the remaining debt is the financial responsibility of the patient. Jennie Stuart Medical Center shall not bill a patient for any amount that an insurance company is obligated to pay.
 3. Jennie Stuart Medical Center will not refer accounts for collections while a claim on the account is still pending insurance payment. However, Jennie Stuart may classify certain claims as "denied" if such claims are stuck in "pending" status for an unreasonable length of time despite efforts to facilitate resolution.
 4. Jennie Stuart will not refer accounts for collection where the claim was denied due to a Jennie Stuart error. However, Jennie Stuart may still refer the patient liability portion of such claims for collection if unpaid.
 5. Jennie Stuart will not refer accounts for collection where the patient has initially applied for financial assistance or other Jennie Stuart sponsored program and Jennie Stuart has not yet notified the patient of its determination (provided the patient has complied with the timeline and information requests delineated during the application process).

III. Reasonable Efforts and Extraordinary Collection Actions (ECAs)

- a. Before engaging in ECAs to obtain payment for care, Jennie Stuart must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy.

- i. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
 - ii. However at least 30 days before initiating ECAs to obtain payment, Jennie Stuart shall do the following:
 - 1. Provide the individual with a written notice that indicates the availability of financial assistance, lists potential ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice)
 - 2. Provide a plain-language summary of the FAP along with the notice described above.
 - 3. Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process.
 - b. After making reasonable efforts to determine financial assistance eligibility as outlined above, Jennie Stuart may take any of the following ECAs to obtain payment for care.
 - i. Report adverse information to credit reporting agencies and/or credit bureaus.
 - ii. Garnish wages
 - c. If a patient has an outstanding balance for previously provided care Jennie Stuart may engage in the ECA of deferring, denying or requiring payment before providing additional medically necessary (but non-emergent) care only when the following steps are taken:
 - i. Jennie Stuart provides the patient with an FAP application and a plain language summary of the FAP.
 - ii. Jennie Stuart provides a written notice indicating the availability of financial assistance and specifying any deadline after which a completed application for assistance for the previous care episode will no longer be accepted. This deadline must be at least 30 days after the notice date or 240 days after the first post-discharge billing statement for prior care- whichever is later.
 - iii. Jennie Stuart makes a reasonable effort to orally notify the individual about the financial assistance policy and explain how to receive assistance with the application process.
 - iv. Jennie Stuart processes on an expedited basis any FAP applications for previous care received within the stated deadline.
 - d. The CFO/Compliance Office is ultimately responsible for determining whether Jennie Stuart and its business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance. This body also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy.
- IV. Financial Assistance
 - a. All billed patients will have the opportunity to contact Jennie Stuart regarding financial assistance for their accounts, payment plan options

and other applicable programs.

- i. Jennie Stuart Medical Center's Financial Assistance Policy and Application is available free of charge online at jenniestuarthealth.org. Request a copy in person at any registration desk or the Financial Counselor's office at 320 W. 18th Street, Hopkinsville KY 42240. Copies of the policy and application can also be requested by calling the financial counseling department at 270-887-0332 or mailing a request to Jennie Stuart P.O. Box 2400, Hopkinsville KY 42241. Attention Financial Counselor.
- ii. Individuals with question regarding Jennie Stuart's financial assistance policy may contact the financial counseling office by phone at 270-887-0332 or in person at 32 W. 18th Street, Hopkinsville, KY 42240.

V. Customer Service

- a. During the billing and collection process Jennie Stuart will provide quality customer service by implementing the following guidelines:
 - i. Jennie Stuart will enforce a zero-tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees.
 - ii. Jennie Stuart will maintain a streamlined process for patient questions and/or disputes, which will include phone numbers patients may call and a prominent business office address to which they may write. This information will remain listed on all patient bills and collection statements sent.
 - iii. After receiving a communication from a patient (by phone or in writing) Jennie Stuart staff will return phone calls to the patients as promptly as possible (but no more than 2 business days after the message was received) and will respond to written correspondence within 10 days.
 - iv. Jennie Stuart will maintain a log of patient complaints (oral and written) that will be available for audit.