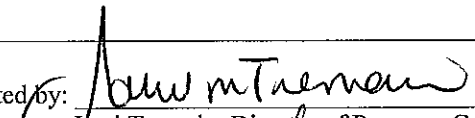
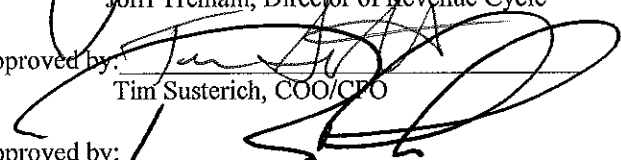
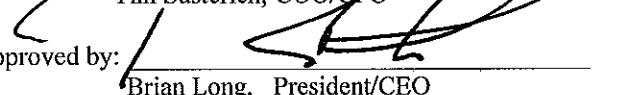




Title or Subject : Billing and Collection policy	
Scope of Involvement: Patient Financial Services, Finance	
Policy Number: 103.09a	Initiated by:  Jorri Tremain, Director of Revenue Cycle  Approved by:  Tim Susterich, COO/CFO  Approved by:  Brian Long, President/CEO
Supersedes policy no.: 103.09	
Date effective: 1/1/2016	
Reviewed on: _____	

**POLICY STATEMENT:**

Memorial Healthcare is committed to providing fair and consistent financial collections practices.

**PURPOSE:**

Memorial Healthcare will conduct activities to collect past due accounts in accordance with the procedures set forth in this policy. This policy has been created to establish standards and a philosophy of fair practices consistent with Memorial Healthcare's mission and values. While Memorial is free to establish more generous collection procedures, the standards set forth herein represent the most aggressive standard allowed for collection activities within Memorial Healthcare.

**PROCEDURE:**

1. Memorial Healthcare may pursue collection activities for health care services provided to patients only in a manner consistent with this policy.
2. Insurance will be billed as a convenience to our patients. However, billing insurance does not relieve patients of their responsibility for payment of the charges incurred.
3. Whenever possible, insurances with a co-pay or deductible will be collected when services are rendered.
4. Balances on hospital bills that are not covered by insurance are due and payable upon receipt of the first billing. Patients unable to pay the bill in full after two statements will be referred to CarePayment. This will allow patients to make payments up to 25 months, interest free. A patient may ask to be removed from CarePayment at anytime, and the account(s) will be closed and returned to Memorial, however balances will be expected to be paid in full immediately. Any balances not paid will follow our normal collection process.
5. Uninsured and underinsured patients who are unable to pay will be given consideration for coverage under Memorial Healthcare's Financial Assistance Policy (103.01p). In addition, patients may be proactively screened for presumptive financial assistance through credit reporting mechanisms prior to being referred to Care Payment for an extended payment plan.

6. Any hospital bill incurred as the result of accident or other cause involving a dispute as to the liability between a patient and others does not involve the hospital unless Medicare or Medicaid dictate otherwise. The hospital will look to the patient for payment in the same manner as for bills resulting from any other type of service.
7. Whenever a patient has questions about charges, insurance payments, collection information or payment arrangements, Memorial's Patient Financial Services Department will assist in whatever way possible to provide the information or solve the problem.
8. Memorial Healthcare may conduct activities to collect payment for health care services themselves or through a collection agency or agent. Such agency or agent must agree contractually to take no action that is inconsistent with this policy.
9. Patients will receive a minimum of three statements over a period of 120 days. Patients will receive a final notice of the hospital financial assistance policy as well as Extraordinary collection activity that could be initiated due to nonpayment at least 30 days prior to the account being referred for collection activity.
10. Accounts will not have any Extraordinary Collection activity placed against them for at least 120 days from the date of first billing.
11. Patients may request to complete a Financial Assistance application up to 240 days from date of first billing. Any Extraordinary Collection Activities that have been initiated must be reversed until a final determination of the application is complete.
12. Accounts will be considered bad debt for financial reporting purposes once they are sent to collection agency to begin collection activity. These accounts will be reclassified from Active Accounts receivable to Bad Debt Receivables at this time.

#### Permissible Collection Activities:

The following activities to collect an unpaid account may be pursued by Memorial Healthcare or by a collection agency engaged on their behalf.

1. Following write-off of the account as a bad debt, the account may be sent to a collection agency for collection actions.
2. The collection agency may communicate with debtors and their representatives in compliance with the Fair Debt Collection Practices Act and the Telephone Consumer Protection Act to seek payment and to obtain additional information.
3. The collection agency may pursue legal action for individuals who have the means to pay but are unwilling to pay, if consistent with the policy.
4. The collection agency may pursue garnishment of wages.
5. The collection agency may report patient debt to credit agencies.

#### Impermissible Collection Activities:

Memorial Healthcare shall not place a lien on property or pursue action against a debtor's person, such as bench warrants, body attachments or seizing of bank accounts or personal property. Memorial Healthcare recognizes that a court of law may impose a bench warrant or other similar action against a defendant for failure to comply with a court's order or for other violations of law related to collection effort.

Agreement with Collection Agency:

Any agreement with a collection agency must contain the following provisions:

1. The agreement must require the collection agency to abide by the terms of this policy and to abide by the Fair Debt Collection Practices Act and Telephone Consumer Protection Act.
2. The agreement with the collection agency may permit the collection agency to take the following actions on any account sent to it without additional authorization from Memorial Healthcare:
  - a. The collection agency may act as agent for Memorial Healthcare to conduct correspondence of a routine nature (such as inquiries and reports with respect to status of the account) on behalf of Memorial Healthcare with an attorney, HMO, insurer, carrier or other representative of the patient.

Reviewed/Approved:

Finance Committee \_\_\_\_\_  
Board \_\_\_\_\_

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