
BILLING AND COLLECTION POLICY

Process Statement

It is the policy of LifeScape under the umbrella of our children's specialty hospital services (aka Children's Care Hospital and School) to pursue collection of patient balances from patients who have the ability to pay for services. LifeScape will make reasonable efforts to identify patients who may be eligible for financial assistance. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and with LifeScape's mission. For those patients unable to pay all or a portion of their bill, the applicable Financial Assistance Policy will be followed.

Process

Collection agencies and law firms may be enlisted after all reasonable collection payment options have been exhausted. Outside agencies may help resolve accounts where patients are uncooperative in making payment, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for financial assistance. Collection agencies will uphold the confidentiality and individual dignity of each patient. All agencies will comply with all applicable laws including HIPAA requirements for handling protected health information.

This policy establishes reasonable procedures regarding collection of patient accounts, including actions that may be taken by LifeScape or contracted external collection agencies.

Extraordinary Collection Actions

Actions that LifeScape may take, or authorize a collection agency to take, related to obtaining payment of a bill for medical care includes the following:

1. Actions that require legal or judicial process include but not limited to:
 - a. Commencing a civil action or lawsuit against the patient or responsible individual;
 - b. Garnishing an individual's wages after securing a court judgment;
 - c. Attaching or seizing an individual's bank account, other personal property, or other judgment enforcement action permissible under state law after securing judgment;
 - d. Placing a lien on an individual's property after securing a judgment provided that placing a lien against an individual's personal injury recovery, settlement, compromise or judgment is not considered an extraordinary collection action (ECA.)

Placing a patient's account with a collection agency is not an extraordinary collection action.

Reasonable Efforts to Identify Patients Eligible for Financial Assistance

LifeScape will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing ECAs to obtain payment for the care provided by the hospital by doing the following:

1. Provide written notice to the individual indicating that financial assistance is available to eligible individuals, indicating that LifeScape intends to initiate or have a third-party initiate to obtain payment for care, and provides a deadline after which ECAs may be pursued and which is no later than 30 days after the date of written notice;
2. Provide the individual a Plain Language Summary of the Financial Assistance Policy with this written notice; and,
3. Make reasonable efforts to orally notify individuals about the Financial Assistance Policy.

Notification Period

ECAs for hospital services will not commence for a period of 120 days after the date of first post-discharge billing statement for the applicable medically necessary or emergency medical care.

Financial Assistance Application Period

The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement or 30 days after the hospital or authorized third-party provides written notice of ECAs the hospital plans to initiate, whichever is later. LifeScape will widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process is set forth in the Financial Assistance Policy.

If a patient submits a complete hospital financial assistance application during the application period, LifeScape will suspend ECAs and make an eligibility determination before resuming ECA activity.

Identification of Reasonable Efforts Taken

Prior to engaging in ECAs LifeScape's Revenue Cycle staff will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance.

Financial Expectations

Consistent with this Policy and the Financial Assistance Policy, LifeScape will clearly communicate with patients regarding financial expectations as early in the billing process as possible.

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- Patients may be required to pay estimated co-pay and deductibles prior to services (except in the Emergency Department and other emergent situations).
- Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third-party payers.
- If the patient has a previous bad debt or outstanding balance and if arrangements cannot be made for resolving the patient's outstanding balance, future, non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services.

Insurance Collections

LifeScape will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known primary health plans or insurance payers clearly identified by the patient.

LifeScape shall not refer to any bill to a third-party collection agency or attorney for collection activity while a claim for payment of services is pending with a contracted payer. LifeScape may refer a bill to a third-party collection agency following an initial denial of the claim. Patients must sign an authorization allowing LifeScape to bill the patient's health plan, insurance company, or any other third-party payer, and must cooperate with LifeScape in a reasonable manner by providing requested information to facilitate proper billing to a patient's health plan or insurance company.

LifeScape will make every reasonable attempt to collect from all known payers.

Self-Pay Balance Resolution

LifeScape will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. Financial assistance will be offered to patients whose income and assets will not allow full payment of services within a reasonable time.

- The phone number and address shall be listed on all patient bills and collection notices sent by LifeScape.
- LifeScape will consider reasonable payment plans.
- If a patient has additional self-pay balances owed, LifeScape will require the patient's current payment plan, based on the patient's ability to pay.

Collection Agency

- Third-party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for financial assistance.
- Collection agency staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet all HIPAA requirements for handling protected health information.
- When reviewing the account for referral to a collection agency, the responsible person will confirm that:
 - There is a reasonable basis to believe that the patient owes the debt.
 - All known payers have been properly billed and that any remaining debt is the financial responsibility of the patient.
 - The patient has been given a reasonable opportunity to submit an application for Financial Assistance.
- If a patient submits a complete application for Financial Assistance after an account has been referred for collection activity, LifeScape will suspend ECAs until the patient's application has been processed and notify the patient of LifeScape's determination.

Legal Action

Person Responsible: Director of Outpatient/RMS – 6/16/16
CEO/COO Approval: 6/28/16
Board Approval: 6/29/2016
Effective: 6/29/2016
Replaces: New



LifeScape may pursue legal action against patients who keep insurance payments or settlement proceeds related to the medical services, patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make that determination.

Legal follow-up and commencing a lawsuit is appropriate and permitted subject to the following:

- Authorization to take legal action against a patient for the collection of medical debt will be provided on a case by case basis.
- Legal action will not be filed against any particular patient to collect medical debt until LifeScape determines that:
 - There is a reasonable basis to believe that the patient owes the debt.
 - All known payers have been properly billed.
 - The patient has been given a reasonable opportunity to submit an application for Financial Assistance.