**Naples Community Hospital**

**BILLING AND COLLECTION POLICY**

* **PURPOSE AND OBJECTIVE**:

This Policy sets forth the actions that may be taken with respect to billing and collection of charges for services and items provided to patients of Naples Community Hospital (NCH), including the billing and collection actions of vendors who perform services for NCH.

This Policy also describes the process and time frames applicable to collection actions by NCH, including the requisite Reasonable Efforts that must be taken by a Hospital to determine whether an individual is eligible for financial assistance under the Naples Community Hospital’s [Financial Assistance program](https://nchmd.org/wp-content/uploads/2021/05/Policy-14-Financial-Assistance-revised-0121.docx) before engaging in any Extraordinary Collection Action against the individual.

This Policy is intended to satisfy the requirements in Section 501(r) of the Internal Revenue Code, which imposes certain requirements on the Hospitals regarding billing and collection activities with respect to patients who qualify for financial assistance under the Hospital’s Financial Assistance Policy (FAP).

* **DEFINITIONS:**
* **Application Period**: The period during which NCH must accept and process a Financial Assistance Application (as defined in the FAP). The Application Period begins on the date that the first post-discharge billing statement is provided for the care and ends on the 240th day thereafter. (In certain circumstances, as described in this Policy, NCH may be required to accept and process a Financial Assistance Application after the end of the Application Period.)
* **Financial Assistance Policy (“FAP”)**: The NCH Financial Assistance Policy established to identify and provide financial assistance to patients who need help paying their hospital bills.
* **Extraordinary Collection Actions (“ECAs”)**: Certain types of collection activities, as defined by the Internal Revenue Service and the U.S. Department of Treasury in regulations, that a Hospital may take against an individual to obtain payment for care only after Reasonable Efforts have been made to determine whether the individual is eligible for financial assistance under the Hospital’s Financial Assistance Policy. ECAs include:
* Selling an individual’s debt to another party (with some exceptions specified in regulations).
* Reporting adverse information about the individual to a consumer credit reporting agency or credit bureau.
* Actions that require legal or judicial process, including but not limited to: placing a lien on an individual’s property (with the exceptions set forth below), foreclosing on an individual’s real property, commencing a civil action against an individual, causing an individual’s arrest, causing an individual to be subject to a writ of body attachment, and garnishing an individual’s wages.

ECAs do not include:

* Placing a lien on the proceeds of a judgment, settlement or compromise owed to an individual (or his or her representative) as a result of personal injuries for which the Hospital provided care.
* Referring a patient’s account to a collection agency so that the collection agency may write letters, place phone calls or engage in other collection activities not identified as an ECA in the list above.
* Filing a claim in a bankruptcy proceeding.
* **Notification Period**: The period during which NCH must make Reasonable Efforts to notify the patient about the FAP and the potential availability of financial assistance under the FAP. The Notification Period begins on the date the first post-discharge billing statement is provided for the care and ends on the 120th day thereafter.
* **Reasonable Efforts**: The actions NCH must take to determine whether an individual is eligible for financial assistance under the Financial Assistance Policy before engaging in any ECA to obtain payment for care, consistent with Internal

Revenue Service and U.S. Department of Treasury regulations, and as set forth in detail in Section III.C of this Policy.

* **PROCEDURES**:
* **Billing Practices**
* **Insurance Billing**
* For insured patients, NCH will bill applicable third-party payers, based on information provided or verified by the patient, in a timely manner.
* If a claim is denied or is not processed by a third-party payer due to an error by or on behalf of NCH, it will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
* If a claim is denied (or is not processed) by a payer due to factors outside of NCH’s control, it will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, the facility may bill the patient or take other actions consistent with applicable laws and contractual requirements.
* Liability insurance is not covered by these Insurance billing provisions.
* Patients must sign an authorization allowing NCH to bill the patient’s health plan, insurance company or other third party payer and must cooperate with NCH in a reasonable and timely manner by providing requested information to facilitate accurate billing to their insurance.
* NCH will make every reasonable effort to collect from all known payers with whom NCH has a contract and non-contracted payers for services provided to assist patients in resolving their bills.
* **Patient Billing**
* Uninsured patients will be billed directly and in a timely manner, and they will receive a statement as part of NCH’s normal billing process.
* For insured patients, after claims have been processed by third-party payers, NCH will bill the patients in a timely manner for the patients’ respective liability amounts, as determined by applicable insurance benefits.
* A patient may request an itemized statement for his or her account at any time via telephone, written or email request.
* If a patient disputes his or her account and requests documentation regarding the bill, NCH will provide the requested documentation in writing within 30 days (if possible).
* A patient who requests a payment plan to repay their debt, will be referred to the Extended Business Office managed by Accounts Receivable Management Services (ARMS).
* NCH employees may pay their self-pay balances owed thru a payroll deduction which is managed by the Business Office. NCH offers a variety of ways for individuals to pay amounts owed and accept cash, VISA, MasterCard, Discover, American Express and personal checks. Additional payment options are available based on personal circumstances and will be coordinated on an individual basis. Individuals may contact a Customer Service Representative at (239) 624-6400 for further information.
* NCH is not required to accept a patient-initiated payment arrangement and, subject to the other provisions of this Policy, may refer an account to a collection agency if the patient is unwilling to make acceptable payment arrangements or has defaulted on an established payment plan.
* **Notices Required on All Billing Statements**

NCH will provide all patients who receive care from the Hospital and who are billed for that care with a conspicuous written notice on each billing statement that informs the recipient about the availability of financial assistance under the Hospital’s FAP and includes the telephone number of the Hospital Business Office that can provide information about the FAP and the FAP application process, and the direct website address where copies of the FAP, the Financial Assistance Application, and a plain language summary of the FAP may be obtained.

* **Collection Practices**
* **General Collection Activities**
* NCH and third parties acting on its behalf may contact individuals in writing and by telephone regarding past-due statements.
* NCH may refer an individual’s overdue account to a third party
* (collection agency) for further collection efforts on NCH’s behalf. NCH may refer an individual’s account for collection only when:
* There is a reasonable basis to believe the individual owes the debt.
* All third-party payers provided by the patient or thru insurance discovery have been properly billed, and the remaining debt is the financial responsibility of the individual.
* NCH will not refer an account for collection while a claim on the account is still pending third-party payer payment. NCH may classify a claim as “denied,” if the claim remains in “pending” mode for an unreasonable length of time despite efforts to facilitate resolution.
* NCH will not refer an account for collection where the claim was denied by a third-party payer due to the Hospital’s billing error. NCH may still refer the patient liability portion of any such claim for collection if unpaid, however, consistent with applicable law and contractual requirements.
* NCH will not refer an account for collection when the individual has applied for financial assistance under the Financial Assistance Policy and the Business Office has not yet notified the individual of its determination regarding the individual’s eligibility for financial assistance (provided that the individual has complied with all applicable requirements set forth in the Financial Assistance Policy, including, without limitation, those regarding application deadlines and requiring cooperation and responses to information requests).

**Legal Action**

NCH may pursue legal action against patients who keep insurance payments or settlement proceeds related to medical services, patients who refuse to pay 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 under the following guidelines:

Authorization to take legal action against a patient for the collection of a medical debt will be provided on a case by case basis.

Legal action will not be pursued against a patient until NCH determines that:

There is reasonable basis to believe the patient owes the debt.

All known payers have been accurately billed.

The patient has been given a reasonable opportunity to submit an application for financial assistance if the facts and circumstances suggest the patient pay be eligible for financial assistance including that the patient is uninsured.

* **Responsibility of Patient Financial Business Office**

NCH may not engage in an ECA against an individual for at least 120 days from the date the Hospital provides to the individual the first post-discharge billing statement for the care. In addition, use of any ECA to collect a debt owed by an individual to NCH is strictly prohibited unless reasonable efforts have been made to determine if the individual is eligible for financial assistance under the FAP.

The Patient Financial Business Office shall have final authority and responsibility for determining that Reasonable Efforts have been made to determine whether an individual is eligible for financial assistance under the FAP. Before an account may be referred to a collection agency, the Patient Financial Services Department must have determined that Reasonable Efforts have been made to assess the individual’s eligibility for financial assistance.

* **Reasonable Efforts: After an ECA Has Been Initiated**

This Section specifies the actions that must be taken in various situations *after* an ECA has been initiated against an individual in order for NCH to have made Reasonable Efforts to determine if the patient is eligible for financial assistance under the FAP.

* **If an Individual Submits a Complete Financial Assistance Application During the Application Period and After an ECA Has Been Initiated**

If an individual submits a complete Financial Assistance Application during the Application Period and after one or more ECAs have been initiated against the individual, the Hospital will:

* Suspend (*i.e.,* not initiate or take further action on any previously initiated) ECAs against the individual to obtain payment for the care.
* Determine whether the individual is eligible under the FAP for financial assistance for the care and notify the individual in writing of this eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination.
* **If an Individual Submits an Incomplete Financial Assistance Application During the Application Period and After an ECA Has Been Initiated**

If an individual submits an incomplete Financial Assistance Application during the Application Period and after one or more ECAs have been initiated against the individual, the Hospital will:

* Suspend (*i.e.,* not initiate or take further action on any previously initiated) ECAs against the individual to obtain payment for the care.
* Notify the individual about how to complete the Financial Assistance Application and give the individual a reasonable period of time based on the particular circumstances to do so. The Hospital will provide the individual with a written notice that describes the additional information or documentation required under the FAP or Financial Assistance Application form that must be submitted to complete the Financial Assistance Application,

and includes the contact telephone number and physical location of the Hospital Business Office that can provide information about the FAP and assistance with the Financial Assistance Application process.

* If the individual submits a complete Financial Assistance Application within the reasonable period of time the Hospital will take action to process the application per policy guidelines.
* If the individual fails to respond to requests for additional information or documentation and does not submit a complete Financial Assistance Application within a reasonable period of time, the Hospital may resume ECAs against the individual to obtain payment for the care. If the individual subsequently submits a complete Financial Assistance Application during the Application Period, however, the Hospital will again suspend ECAs against the individual to obtain payment for the care while it determines whether the individual is eligible for financial assistance in accordance with this Policy.
* **Documentation and Recordkeeping**

The Financial Services Department is responsible for maintaining records relating to requests and applications for financial assistance. The Department will maintain copies of notices to patients regarding their eligibility for financial assistance and other records necessary to demonstrate the Hospital’s compliance with this Policy.

* **Use of Collection Agencies**
* **Referral of an Account to a Collection Agency (Without a Sale of Debt) NCH** will not refer an individual’s account to a collection agency until after the Notification Period ends. After the Notification Period, and if an account balance remains unpaid, the account may be referred to a collection agency, provided that the Hospital has entered into a legally binding written agreement with the collection agency that:
* Requires the collection agency to conduct all interactions with individuals in a courteous and respectful manner.
* Requires the collection agency to operate in accordance with the FAP and this Policy.
* Prohibits the collection agency from engaging in any ECA against an individual to obtain payment for the care until reasonable efforts as described in this Policy have been made to determine whether the individual is eligible for financial assistance for the care.
* Provides that if an individual submits a Financial Assistance Application after the referral of the debt but before the end of the Application Period, the collection agency will suspend ECAs to obtain payment for the care as described in this Policy.
* Provides that if an individual submits a Financial Assistance Application after the referral of the debt but before the end of the Application Period and is determined to be eligible for financial assistance for the care, the collection agency will do the following in a timely manner:
* Adhere to procedures specified in the agreement that ensure that the individual does not pay, and has no obligation to pay, the collection agency and the Hospital together more than he or she is required to pay for the care as an individual eligible for financial assistance; and
* If applicable and if the collection agency (rather than the Hospital) has the authority to do so, take all reasonably available measures to reverse any ECA taken against the individual.
* Requires the collection agency, if it refers the debt to yet another party during the Application Period, to obtain a written agreement from that other party that includes all of the elements described above.
* **Sale of Debt**

NCH will not sell an individual’s debt to a third party until after both

(a) the Application Period has ended with respect to the debt and (b) the Hospital has made Reasonable Efforts to determine whether the individual is eligible for financial assistance.

* **HOW TO OBTAIN MORE INFORMATION ABOUT NCH’S FINANCIAL ASSISTANCE POLICY AND BILLING & COLLECTION POLICY**

NCH makes this Billing and Collection Policy, as well as the Financial Assistance Policy, the Financial Assistance Policy Application, and a plain language summary of the Financial Assistance Policy, available on the NCH’S website at https:/[/www.nchmd](https://nchmd.org/patients-and-visitors/billing-info/).org the following languages:

* English
* Spanish
* Creole

In addition, paper copies of this Billing and Collection Policy, as well as the Financial Assistance Policy, the Financial Assistance Application and a plain language summary of the Financial Assistance Policy, are available, upon request and without charge, in the Hospital’s Admissions Offices during normal business hours and at the Hospital Business Office.

NCH’s Customer Service Representatives are available to answer questions about financial assistance and to help patients with completion of the Financial Assistance Application.

* **COORDINATION WITH FINANCIAL ASSISTANCE POLICY AND INTERNAL REVENUE CODE § 501(r)**

This Policy shall be interpreted in a manner consistent with the FAP and with Section 501(r) of the Internal Revenue Code, as amended, and applicable regulations.