



An affiliate of Mercy Health Network

POLICIES AND PROCEDURES

Section: Patient Financial Services Billing and Collection Policy

External Standard/Requirements: IRS 501(c) (3), IRS 501(r), Patient Protection and Affordable Care Act

Subject: Billing and Collections Policy

Page No: 1 of 3

Date Issued: April, 2018

Reviewed:

Revised:

I. POLICY

It is the policy of Mercy Iowa City to implement a billing and collection policy for the patient payment obligations that is fair, consistent and compliant with state and federal regulations.

After the patients receive services, it is the policy of Mercy Iowa City to bill patients and their insurances timely and accurately.

II. PROCEDURE

- A. Mercy Iowa City will bill all third-party payers presented by the patient at time of registration.
- B. For liability insurance, Mercy Iowa City will send a courtesy bill to the insurance company and no other follow up will be done. Mercy Iowa City will send monthly statements to the patient. It is the responsibility of the patient to ensure that Mercy Iowa City is paid by the liability insurance, or the patient is expected to pay the full balance.
- C. If a claim is denied by a payer due to an error made by Mercy Iowa City, Mercy Iowa City will correct the error and resubmit the claim for payment.

- D. If a claim is denied by a payer due to reasons outside of Mercy Iowa City's control, Mercy will facilitate resolution between the insurance and the patient, however, if, after reasonable attempts, resolution is not obtained, Mercy Iowa City may bill the patient.
- E. All patients with outstanding patient balances may contact Mercy Iowa City regarding a payment plan or financial assistance.
- F. Mercy Iowa City offers payment plans and prompt pay discounts. Interest free payment plans can be offered for up to a 12 month repayment term with a minimum monthly payment amount of \$50. A prompt pay discount of 30% if paid in full within 45 days of the first statement date, 20% if paid with 90 days of the first statement date, or 10% if paid within 180 days of the first statement date can be applied.
- G. Mercy Iowa City or a collection agency may take the following collection actions
 1. Send a minimum of three monthly statements for the collection of self-pay balances.
 2. These statements will not be sent if the account is paid in full or the patient qualifies for financial aid.
 3. In the event that these statements are returned, Mercy Iowa City will make attempts to find the correct address and resend the statement. If that is not possible, the account will be referred to a collection agency for further actions.
 4. If a patient disputes his/her services or requests documentation regarding the bill, Mercy Iowa City will respond to such requests in 10 working days. If additional research is necessary, the patient will be notified.
 5. At any time during this process, if a patient indicates an inability to pay, the financial aid process will be discussed.
 6. Prior to placement with the collection agency, Mercy Iowa City will perform a presumptive charity care check as described in the Financial Aid Policy.
- H. Mercy Iowa City may, after the attempts outlined in Section G, were unsuccessful in resolving the debt, place the accounts with a legal collections firm. At this point, Mercy Iowa City may take legal actions, including extraordinary collection actions (ECAs).
 1. Such activity will not take place for a minimum of 120 days from the first statement date.
 2. A patient may still apply for Financial Aid up to 240 days from the first billing statement. Collection activity will cease while the application is reviewed and processed. The patient will be notified via letter of the determination.
 3. Prior to placing accounts with a legal collections firm, patients will be provided a written notice that ECAs may be commenced and also a copy of the plain language summary of the Financial Aid Policy.

4. Mercy Iowa City will authorize the legal collections firm to file any and all judicial actions and carry out wage and bank garnishments on a case by case basis. No blanket authorizations will be granted.
 5. If the patient submits a Financial Aid Application once ECAs have commenced, Mercy Iowa City and its legal collection firm will make its best efforts to hold the ECAs while the application is processed and a determination is made.
- I. Mercy Iowa City will maintain copies of this Billing and Collections Policy on the website: www.mercyiowacity.org. A patient may also contact the business office at 888-832-1896 and a copy of the policy will be mailed to them or visit the hospital cashier or Financial Counselor for copies.

III. DEFINITIONS

Extraordinary Collection Activities (ECA) means the reporting of unpaid debt to credit agencies, taking legal action, and/or garnishment of wages.

Financial Assistance means assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for care provided by Mercy Iowa City.

Presumptive Financial Assistance means the determination of eligibility for Financial Assistance that can be provided by third-party vendors and other publically available information.

Approval Signature

Approval Date