



An Affiliate of
MERCYONESM

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

Title: Billing and Collections Policy

Date Issued: April 2018

Revised: 1/28/2019

PURPOSE: To ensure that payers and patients are billed in a timely and accurate manner. To implement a billing and collection policy for patient financial obligations that is fair, consistent and compliant with state and federal regulations.

PROCEDURE:

- A. Mercy Hospital Iowa City (MHIC) will submit claims to all third-party payers when payer information is presented by the patient at time of registration.
 1. If a claim is denied by a payer due to an error made by MHIC, MHIC will be responsible for correcting the error and resubmitting the claim for payment.
 2. If a claim is denied by a payer due to reasons outside of MHIC's control, MHIC will facilitate resolution between the insurance and the patient. However, after reasonable attempts, if a resolution cannot be reached, MHIC shall consider the patient responsible for the account balance and may bill the patient for that balance.
 3. Regarding third-party liability (TPL) insurance: MHIC will submit a courtesy claim to the third-party payer and no other follow up will be performed. MHIC will issue monthly statements to the patient. It shall be the responsibility of the patient to ensure that MHIC receives reimbursement from the TPL insurance, or the patient shall be responsible for payment of the full account balance.

B. Any MHIC patient may contact the Patient Financial Services department regarding payment options.

1. The methods by which a patient may make a payment are listed as follows:
 - a) Payment may be made in person at the Cashier's Window with cash, check or credit/debit/HSA card, Monday through Friday 8am-4pm.
 - b) A payment drop box is available next to the Cashier's Window outside of regular window hours.
 - c) Payment may be made by mail to Mercy Hospital Iowa City, P.O. Box 3130, Iowa City, IA 52244, or by utilizing the payment coupon provided on the patient's billing statement.
 - d) Payment may be made online by going to <http://www.mercyiowacity.org/billing> and clicking "Online Bill Pay for MHIC Services".
 - e) Payment may be made by phone at 319-339-3616 or toll free 1-800-637-2942, ext. 3616.

2. A patient receiving **elective** services (as defined by MHIC's *Elective/Non-elective Procedure Definition for Financial Counselors* policy) at MHIC will be expected to make payment arrangements **prior** to receiving those services. A patient will be responsible for all co-payment, deductible and co-insurance amounts due for elective services at time of service. MHIC employs Financial Counselors who are responsible for communicating with patients regarding their estimated financial obligations for scheduled elective services and procedures. Payment options for patients receiving elective services include:
 - a) A patient may pay an account in full before or at time of service.
 - b) A patient may pay 50% of patient responsibility due at time of service, and pay the remaining 50% within 45 days of discharge date.
 - c) An Uninsured or Self Pay patient who pays in full within 45 days of discharge date will be eligible for a 30% Prompt Pay discount.
 - d) A patient may choose to pay 50% of estimated patient responsibility amount prior to receiving services, and the remaining balance in 3 monthly payments.
 - e) A patient may elect to participate in a payment plan through the ClearBalance program offered at MHIC. The first payment must

- be collected before or at the time of service. The ClearBalance medical loan program offers an interest-free repayment option to patients that does not affect patients' credit scores. A minimum monthly payment amount of \$25 is required, and repayment terms can range from 6-60 months.
- f) An Uninsured or Self Pay patient who is unable to participate in any of the above repayment arrangements must meet with MHIC's on-site Patient Medicaid Advocate to be screened for Iowa Medicaid.
 - g) A patient (insured or uninsured) who is unable to participate in any of the above repayment arrangements and does not qualify for Iowa Medicaid may request to apply for financial assistance through MHIC's internal Financial Assistance Program. However, all other payment options must first be considered and reviewed before a patient can qualify for financial assistance.
3. A patient receiving **emergent** or **non-elective** services (as defined by MHIC's *Elective/Non-elective Procedure Definition for Financial Counselors* policy) at MHIC will not be expected to make payment arrangements prior to receiving those services. Payment options for patients receiving emergent or non-elective services include:
- a) A patient may pay any known co-payment, co-insurance, or deductible amount on account at time of service.
 - b) A Prompt Pay Discount is available to Uninsured or Self Pay patients who pay in full within the following time frames after the first issued statement date: 30% if paid in full within 45 days, 20% if paid in full within 90 days, 10% if paid in full within 180 days.
 - c) A patient may elect to participate in a payment plan through the ClearBalance program offered at MHIC. The ClearBalance medical loan program offers an interest-free repayment option to patients that does not affect their credit scores. A minimum monthly payment amount of \$25 is required, and repayment terms can range from 6-60 months.
 - d) An Uninsured or Self Pay patient may request to meet with MHIC's on-site Patient Medicaid Advocate to be screened for Iowa Medicaid. The Patient Medicaid Advocate is available to meet with patients in person or by phone Monday through Friday, 8am-4:30pm.

- e) A patient (insured or uninsured) who is unable to participate in any of the above repayment arrangements may request to apply for financial assistance through MHIC's internal Financial Assistance Program. However, all other payment options must first be considered and reviewed before a patient can be eligible for financial assistance.
- C. MHIC or an agency acting on MHIC's behalf may take the following collection actions:
1. Issue to the patient a minimum of three monthly statements for the collection of self-pay balances.
 - a) Statements will not be issued if the account is paid in full or the patient qualifies for full financial assistance.
 - b) In the event that statements issued to patients are returned to sender, MHIC or an agency acting on MHIC's behalf will make attempts to determine the correct patient mailing address and reissue the statement. If MHIC or its agencies are unable to identify a current patient address, the account will be referred to a legal collections agency for further collection action.
 2. If a patient chooses to dispute charges for services or requests documentation regarding the billed services, MHIC will respond to such requests within 10 working days. If additional time for researching a request is necessary, the patient will be notified by MHIC or its agencies.
 3. If a patient indicates an inability to pay at any time during the billing and collections cycle, MHIC or its agencies will discuss payment options with the patient, including but not limited to financial assistance.
 4. Prior to placement with a legal collections agency, MHIC will perform a Presumptive Charity eligibility check as described in MHIC's *Financial Assistance Policy*.
- D. MHIC may, if the process outlined in Section C was unsuccessful in resolving patient account responsibility, place the account(s) with a legal collections agency. At this time, MHIC or its agencies 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. MHIC or its agencies include a notice of possible ECAs and a Plain Language Summary of MHIC's financial assistance policy on the reverse side of each billing statement issued to the patient for the minimum of 120 days.

3. A patient may still apply for financial assistance for an account up to 240 days after the first billing statement was issued for that account. If a patient submits a financial assistance application for an account within this timeframe but after ECAs have commenced, MHIC and its legal collection agency will make their best efforts to hold any ECAs while the application is processed and a determination is made.
 4. MHIC will authorize the legal collections agency to file any and all judicial actions and/or to carry out wage and bank garnishments on a case by case basis. Blanket authorizations will **not** be granted.
- E. MHIC will maintain copies of this *Billing and Collections Policy* on MHIC's website: www.mercyiowacity.org. A patient may also obtain a copy of the policy via mail by contacting Patient Financial Services at 319-339-3616 or in person by visiting the hospital Cashier or Financial Counselors at 500 E. Market Street, Iowa City, IA 52245.

DEFINITIONS:

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

Financial Assistance: Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medical care provided by MHIC.

Presumptive Charity: The determination of eligibility for financial assistance that can be provided by third-party vendors and other publically available information without utilizing the traditional financial assistance application process.