

| PRAIRIE RIDGE HEALTH, INC. | | |
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| SUBJECT: Collection Principles | SECTION: Board of Directors | POLICY #: |
| [] NEW POLICY [X] REVISED POLICY (Supersedes Policy Dated: 11/00, 10/03, 5/07, 1/09, 1/10, 6/10, 11/13, 3/15, 9/30/16, 9/30/17, 9/30/18, 5/8/19, 10/19, 2/20, 2/21, 2/22, 2/23) | | |
| AUTHORED BY: Melissa Mangan SIGNATURE: TITLE: Vice President of Finance & CFO | APPROVED BY: Jennifer Homman SIGNATURE: TITLE: Chair, Board of Directors APPROVED BY: John Russell SIGNATURE: TITLE: President/CEO | |
| ISSUE DATE: January 12, 2024 | EFFECTIVE DATE: February 1, 2024 | |

Approved by Board of Directors: February 1, 2024

PURPOSE:

To establish guidelines for collecting financial obligations from guarantors. These obligations may include:

- Coinsurance, co-pays, and deductibles specified by the patient’s insurance plan.
- Services and supplies that are excluded from the patient’s insurance coverage.
- Services and supplies provided to patients who are uninsured.

POLICY:

Prairie Ridge Health, Inc. (PRH) employs billing and collection principles which reflect the organization’s mission, vision and values. PRH embraces its responsibility to the communities we serve by establishing sound business practices. PRH collects payment for healthcare services, based on the following principles as outlined by the American Hospital Association (AHA):

- Treat all patients equitably, with dignity, respect and compassion.
- Serve the emergency health care needs of everyone, regardless of a patient’s ability to pay.
- Assist patients who cannot meet their financial obligations.
- PRH regularly updates its written procedures on extraordinary collection actions (ECA) that may be taken, the circumstances under which they may be taken and the level of approval required. These policies may allow point of service collection for current medical care, garnishment of wages, liens on the proceeds of sale of real property including the patient’s primary residence, and assignment to a collection agency.

PROCEDURE:

- The Business Services Manager and the Patient Financial Counselor (PFC) are the identified contact persons to answer questions about PRH’s collection policies and procedures.
- Financial counseling is available to all guarantors and they are advised of this availability in languages commonly used in the community.
- The PFC and all members of the PRH Business Services Office respond promptly to questions and concerns about bills.
- PRH pursues outstanding patient financial obligations fairly and consistently.

- Notices of patient or guarantor deaths and bankruptcies are acted upon in a timely manner. Accounts covered under bankruptcy are identified and standard collection efforts on these accounts are stopped. Claims against an estate are filed timely with the estate executor, meeting all legal requirements.
- All collection efforts are stopped on a patient's account if an application for Community Care, Medicaid or another public aid program is received, until an eligibility determination has been made. If the patient is determined as not qualifying for financial assistance or other funding sources, or the patient fails to provide requested supporting documentation within thirty (30) days, the normal billing and collection process may be resumed.
- Guarantors are adequately informed about PRH's payment expectations, Community Care policy, and other forms of payment assistance as reasonable efforts are made to determine financial assistance eligibility before ECA occur. These reasonable efforts include but are not limited to:
 - Three separate post-discharge statements which include a conspicuous written notice that includes a statement that financial assistance is available, the telephone number to call for financial assistance inquiries, and the direct website address where the financial assistance application and policy may be found. It is the guarantor's responsibility to provide a correct mailing address at registration or upon moving. If a patient does not provide a correct mailing address, it will be assumed that reasonable efforts have been completed.
 - A plain language summary to be included with one post-discharge communication.
 - A final notice that includes the intended ECA, along with a deadline date before ECA can occur. ECA will begin no sooner than thirty (30) days after mailing this final notice or one-hundred and twenty (120) days from the first post-discharge statement, whichever is greater.
 - Prior to the initiation of ECA, an attempt will be made to contact the guarantor by telephone at the last known telephone number, if any, at least once during the reasonable efforts above, to inform the guarantor that financial assistance is available to those that qualify.
- The types of action, including ECA, that either PRH or its collection agencies may take in order to obtain payment of a bill for medical services provided include:
 - Assignment of an account to a collection agency.
 - Garnishment of wages.
 - Liens on proceeds of sale of real property, including the patient's primary residence.
 - Claims on proceeds of settlements or judgements arising from a patient's suit against a third party who caused the patient's injuries.
 - Claims on bankruptcy proceedings.
- Requests for payment from guarantors comply with applicable law, including but not limited to telephone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.
- PRH determines the conditions, if any, under which it will grant extended payment terms for patient financial obligations.
- PRH may refer guarantors to commercial credit sources.
- In general, the PRH Business Services Manager has the final responsibility for determining whether PRH has made reasonable efforts to determine whether an individual is eligible

for Community Care and, therefore, whether PRH or its collection agencies may engage in ECAs against the individual. Patient accounts in excess of \$750.00 require the approval of the Director of Revenue Cycle and amounts in excess of \$3,000.00 require the approval of the Chief Financial Officer prior to ECAs being initiated against the individual.

PRH and its third party collection agencies recognize and abide by the laws governing healthcare billing and collection activities. The major laws governing healthcare are:

- The Fair Debt Collection Practices Act,
- The Fair Credit Reporting Act,
- The Federal Trade Commission Act,
- The Gramm Leach Bliley Act,
- Soldiers' and Sailor' Civil Relief Act of 1940,
- The Health Insurance Portability and Accountability Act of 1996, and regulations promulgated by the U.S. Department of Health and Human Services (HIPAA), and
- Various state laws and regulations, most with consumer protection objectives.

PRH and its third party collection agencies also recognize that the following collection practices are prohibited:

- Actions that are not permitted by law or PRH policy.
- Threats of actions that are not permitted by law or policy.
- Body attachment and other forms of arrest.
- Harassment and written demands for payment.
- Foreclosure on the principal residence of a patient or guarantor while it is owned or occupied by that person or the person's spouse.

REFERENCES:

Collection of Guarantor Financial Obligations
Community Care Plan
Deposit Requirements for Services
Prompt Payment Discounts
Referrals to Collection Agency
Uninsured Discount