



## Billing and Collection Policy

### PURPOSE

Beaufort Memorial Hospital has developed this policy to outline its billing and collection procedures, including its processes for determining a patient's eligibility under Beaufort Memorial Hospital Financial Assistance Policy prior to initiating certain collection activities.

### SCOPE

This policy shall apply to the Hospital, Physician Partners, and collection agencies (Early Out and Primary Agencies) engaged by the Hospital. The Hospital is committed to informing patients of their financial responsibilities and available financial assistance options and communicating with patients regarding outstanding accounts in a manner that treats patients with dignity and respect.

The Hospital will use reasonable efforts to determine a patient's eligibility under its Financial Assistance Policy before engaging in Extraordinary Collection Actions, as described in this policy. Copies of the Financial Assistance Policy, a plain language summary of the Financial Assistance Policy, the Financial Assistance Application and associated instructions are available free of charge upon request by writing to:

Beaufort Memorial Hospital  
Attn: Patient Financial Services  
955 Ribaut Rd  
Beaufort, SC 29902

Copies can also be obtained by inquiring at the emergency room and admission registration areas of the hospital or they can also be downloaded online at [WWW.BMHSC.ORG](http://WWW.BMHSC.ORG) located under Financial Assistance.

### EMERGENCY MEDICAL CARE

Beaufort Memorial Hospital will provide, without discrimination, and in compliance with the Emergency Medical Treatment and Labor Act (EMTALA), care for emergency medical conditions to individuals regardless of whether they are eligible for Financial Assistance, as specified in greater detail in the Hospital's EMTALA policy. A copy of the EMTALA policy is available free of charge upon request by writing to Patient Financial Services at Beaufort Memorial Hospital. The Hospital will not engage in any actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency room patients pay before receiving treatment or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care.



## DEFINITIONS

**Notification Period** – the period beginning on the date care is provided and ending 133 calendar days after the date of the first post-discharge billing statement.

**Covered Services** – emergency and other medically necessary care.

**Extraordinary Collection Actions (ECAs)** – the following actions are deemed to be "extraordinary collection actions" when used to obtain payment for Covered Services:

- reporting adverse information to a credit agency,
- placing a lien on an individual's property,
- foreclosing on an individual's real property,
- attaching or seizing an individual's bank account or other personal property,
- commencing a civil action,
- causing an individual's arrest,
- causing an individual to be subject to a writ of body attachment,
- garnishing wages, or
- sale of debt to a third party.

**Financial Assistance** – reduction of an eligible patient's account balance under the terms of the Financial Assistance Policy.

**Financial Assistance Policy** – written policy describing the Hospital's program for providing free or discounted emergency or other medically necessary care to eligible patients, which includes eligibility criteria, basis for calculating charges, and procedures for applying for Financial Assistance.

**Hospital** – Beaufort Memorial Hospital. References in this policy to "Hospital" shall include its Physician Partners, Extended Business Office and Primary Agencies, where applicable.

**Patient** – the individual receiving medical treatment and/or, in the case of an emancipated minor or other dependent, the parent, legal guardian or other person (guarantor) who is financially responsible for the patient.

**Application Period** – the period beginning on the date care is provided and ending 240 days after the date of the first post-discharge billing statement.



## PROCEDURE

### General

- The Hospital generally expects patients and third-party payers to satisfy their Hospital liabilities in full.
- Subject to compliance with the provisions of this policy and applicable law, the Hospital reserves the right to take any and all legal actions, including Extraordinary Collection Actions, to obtain payment from the patient or third party payers for unpaid account balances.
- The patient's responsibilities include:
  - A. providing the Hospital with complete and timely insurance and demographic information;
  - B. notifying the hospital of potential third-party sources of payment such as worker's compensation, motor vehicle insurance policy, or personal injury settlement;
  - C. obtaining and maintaining health insurance coverage, if affordable coverage is available to them, and satisfying any applicable co-pays, deductibles and co-insurance;
  - D. understanding and complying with the requirements and limitations of their health insurance coverage, including but not limited to network limitations, referral and pre-authorization requirements, and timely submission of claim forms;
  - E. adhering to any agreed-to alternate payment plans; and
  - F. for patients seeking Financial Assistance, submitting a complete and timely Financial Assistance Application and cooperating as requested in applications for Medicaid or other government programs.
- The Hospital will maintain records to document billing and collection efforts and communications on each patient account.
  - A. For example, see Attachment A for the Physician Partners' Practice Payment Policy they have their patients sign annually. [Such records will be subject to the Hospital's applicable privacy and document retention policies.]
- The Hospital will monitor and review any monies received via Federal Grant Programs at least annually via a Single Audit or other appropriate review mechanism.

### Billing Patients and Third-Party Payers

- The Hospital will make reasonable efforts to collect a patient's insurance and other information and to verify coverage for the services to be provided. This information may be obtained prior to the delivery of non-emergent health care services. The Hospital will defer any attempt to obtain this information during the delivery of EMTALA-level emergency care if the process to obtain this information would delay or interfere with either the medical screening examination or services to stabilize an emergency medical condition.
- The Hospital will bill third party payers in accordance with the requirements of applicable law and the terms of applicable third-party payer contracts. In general, patients are expected to timely pay any account balances that are not paid by a third-party payer. Patients who seek non-emergent health care services may be requested to pay in advance for services that will not be covered by third party payers, including co-payments, deductibles and co-insurance amounts. For example, see Attachment B used by



the Physician Partners to estimate a patient's non-covered portion. If in the Physician Partners' offices, the patient continues to refuse to make a payment or go on an acceptable payment arrangement then they will not be rescheduled for non-urgent visits.

- Patient Financial Services may, on a case-by-case basis, approve payment plan arrangements for patients who indicate they may have difficulty paying their account balance in a single installment. See Attachment C for our monthly payment guidelines.
- When a patient does not qualify for Financial Assistance, Patient Financial Services may in its discretion apply other discounts, including for example discounts to encourage prompt payment or to recognize unique cases of financial hardship. Such discounts are not part of the Financial Assistance Policy and may not be combined with Financial Assistance discounts.

## Generally Billed Amounts

- The hospital will bill all accounts regardless of payer status from the charge master so that all accounts are billed at the same fee schedule.
- Self-Pay accounts will receive a 40% uninsured self-pay discount at the time of billing. Patients who choose to pay their bill in full at the time of service will receive an additional 20% discount.
- If approved under the terms of our charity care policy, will apply a charity care adjustment upon final billing. Qualifying individuals will not be charged more than amounts generally billed for emergency and other medically necessary care.

## Collections and Reasonable Efforts to Determine Eligibility for Financial Assistance

1. The Hospital will not refer any account to a collection agency or initiate ECAs during the Notification Period and will first make reasonable efforts to determine whether a patient is eligible for Financial Assistance.
2. A plain language summary of the Financial Assistance Policy will be distributed as part of the main hospital's intake or discharge process. The notification period will begin the day the account is final billed and remain in accounts receivable status for 133 days.
3. *Financial Assistance Application Submitted During the Notification Period.* If the patient completes a Financial Assistance Application during the Notification Period and the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in writing of its eligibility determination and may initiate ECAs after the Notification Period has lapsed.
4. *Financial Assistance Application Submitted After the Notification Period.* If a patient completes a Financial Assistance Application after the Notification Period but before the end of the Application Period, any ECAs that have been initiated will be suspended until the Hospital has processed the application. If the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in writing of its eligibility determination and may resume ECAs.



5. *Incomplete Financial Assistance Application Submitted During the Application Period.* If a patient files an incomplete Financial Assistance Application during the Application Period, the Hospital will suspend any ECAs and will send the patient written notice describing the additional information needed and giving the patient a reasonable opportunity to respond (at least 30 days or until the end of the Application Period, whichever is later). If the patient does not provide the required information by the indicated response date, the Hospital may resume ECAs.
6. Patients found eligible for Financial Assistance will be refunded payments in excess of the amount determined to be owed by the patient, and the Hospital will take reasonably available measures to reverse any ECAs taken against the individual.
7. This program would only apply to services rendered at Beaufort Memorial Hospital as defined above. It *does not* apply to services rendered by any independent physicians or practitioners that are not employed by Beaufort Memorial Hospital. This includes, but is not limited to, Anesthesiologists, Radiologists, Pathologists, Psychiatrists and Teleconsultants. No individual who is eligible for financial assistance will be charged more than amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.

## Medical Indigent Support / Catastrophic

- a. Financial support is also provided for medically indigent patients. Medical indigence occurs when a person is unable to pay some or all of their medical bills because their medical expenses exceed a certain percentage of their Family or household income (for example, due to catastrophic costs or conditions).
- b. Catastrophic costs or conditions occur when there is a loss of employment, death of primary wage earner, excessive medical expenses or other unfortunate events.
- c. Medical indigence/catastrophic circumstances will be evaluated on a case-by-case basis that includes a review of the patient's income, expenses and assets. If an insured patient claims catastrophic circumstances and applies for financial assistance, medical expenses for an episode of care that exceed 25% of Income will qualify the insured patient's co-pays and deductibles for catastrophic charity care assistance.
- d. Discounts for medically indigent care for the uninsured will not be less than BMH's average contractual adjustment amount for Medicare for the services provided or an amount to bring the patients catastrophic medical expense to income ratio back to 25%.
- e. Medically indigent and catastrophic financial assistance > \$50,000 will require CFO approval.
- f. This program would only apply to services rendered at Beaufort Memorial Hospital. It *does not* apply to services rendered by any independent physicians or practitioners that are not employed by Beaufort Memorial Hospital. This includes, but is not limited to, Anesthesiologists, Radiologists, Pathologists, Psychiatrists and Tele-consultants. No individual who is eligible for financial assistance will be charged more than amounts generally billed for emergency or other medically necessary care to individuals who have insurance covering such care.



**ATTACHMENT A**

(see attachment of Physician Partners Practice Payment Policy)

**ATTACHMENT B**

(see attachment of Physician Partners Insurance Allowables and Self Pay Price List)

**ATTACHMENT C - see attachment at bottom of this policy.**

Attachment C - BEAUFORT MEMORIAL PAYMENT PLAN POLICY

- No payment plan should be set up for less than \$25 / month.
- The shorter the plan the better.
- The first payment is made when the payment plan is established.
- If the patient cannot meet the guidelines below, they must complete a hospital FAA application and provide it's required documentation for review and approval of an extended payment plan.
- All exceptions to these guidelines must be approved by the Director Revenue Cycle, unless they are within 10% of the monthly payment amount below:

**Balance & Length of Plan**

\$1.00 - \$100 = Pay today

\$100.01 - \$300 = up to 3 months

\$300.01 - \$600 = up to 6 months

\$600.01 - \$1,000 = up to 9 months

\$1,000.00 – \$1,800 = up to 12 months

\$1,800.01 - \$4,800 = up to 24 months

> \$4,800.00 up to 36 months

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*The policies and procedures set forth in this policy library do not establish a standard to be followed in every case. It is impossible to anticipate all possible situations that may exist and to prepare policies for each. These policies should be considered guidelines with the understanding that departures from them may be required at times. Accordingly, it is recognized that those individuals employed in providing healthcare are expected to use their own judgment in determining what is in the best interests of the patient based on the circumstances existing at the time. If this policy contains reference to clinical literature, the literature cited is only intended to support the reasoning for adoption of certain guidelines contained herein. It is not an endorsement of any article or text as authoritative. Beaufort Memorial Hospital specifically recognizes there may be articles or texts containing other opinions on point that may be helpful and valid which would support other care or actions, given a particular set of circumstances. No literature is ever intended to replace the education, training and experience or exercise of judgment of the healthcare providers.*