Methodist HEALTH SYSTEM			FIN 025 MHS
Title: Billing and Collection Policy			
Formulated Date: 1/15/13	**Last Reviewed Date: 7/22/19**	**Last Revision Date: 12/1/2020**	**Effective Date: 1/1/2021**
Department Generating Policy: Finance			**Page 1 of 4**

POLICY:

Methodist Health System (MHS) is committed to assisting all patients meet their financial obligations by applying standard billing and collection practices. MHS will bill patients and their applicable payers on a timely and accurate basis and to provide quality customer service and timely follow-up in a dignified businesslike manner consistent with local, state, and federal laws governing such activities on all outstanding accounts.

PROCEDURE:

1. MHS will request payment of billed charges from uninsured or underinsured patients unless the patient qualifies for financial assistance or other programs as outlined below.

   The ability to pay and eligibility for other funding sources may be taken into consideration at the time service is provided except when the patient meets the requirements of the Emergency Medical Treatment and Labor Act (EMTALA) as defined in Section 1867 of the Social Security Act (42 U.S.C. 1395dd). This act requires any hospital that accepts payments from Medicare to provide a medical screening exam to determine if any patient who comes to the emergency department has an emergency medical condition and if so provide treatment within the hospital's capabilities to stabilize such condition. The screening and treatment required under EMTALA is to be provided regardless of the patient's citizenship, legal status in the United States or ability to pay for the services. Once EMTALA is met, MHS will follow normal billing and collection practices (*see MHS Policy _PC 033-_Emergency Medical Treatment and Labor Evaluation_ for other specific requirements of EMTALA.*

2. MHS does not engage in Extraordinary Collection Actions (ECAs). The Central Billing Office has the responsibility for determining that MHS has made reasonable efforts to determine whether an individual is eligible for financial assistance and may therefore engage in routine collection processes, which are not ECAs, to collect amounts owed from any patient if financial assistance or other funding sources are not identified.

3. MHS provides a free screening to all uninsured patients for other funding sources (i.e. insurance, third party liability, current governmental programs); patient's potential eligibility is determined for other funding sources such as: Medicaid, Crime Victims, County Indigent, Disability, MHS Financial Assistance Policy, and the ability to pay.

4. Patients who have no other source of funding and do not qualify for financial assistance will qualify for an uninsured discount applied to total charges *(see MHS Policy Fin008-Discount to the Uninsured for specific discounts applied).* The uninsured discount is applied at the time the account is billed to the patient. In addition, the patient may arrange for a payment plan on the balance after the uninsured discount is applied. Flat

rate services defined in the MHS Financial Assistance Policy are excluded from the uninsured discount.

5. Underinsured patients may qualify for the uninsured discount or a payment plan on a portion of their charges, if they have exhausted benefits under any plan available to them or the services are non-covered by their insurance plan.

6. Once a patient qualifies for financial assistance, no further billing and collection actions shall be taken for amounts qualifying under the MHS Financial Assistance Policy. However, the portion of the patient charges not qualifying for financial assistance are subject to the billing and collection actions as outlined below.

ARBITRATION

1. If a patient and/or responsible party dispute an account balance and requests documentation regarding the bill, the CBO will take reasonable steps to provide the requested documentation in writing within 10 days (if possible) and will hold the account for at least 30 days before referring the account for additional collection action.
2. For selected accounts where the patient owes $1,000 or more, MHS may extend an offer to participate in binding arbitration to the patient. Such accounts will be held for at least 30 days to give the patient time to respond before they are referred for further collection activity. MHS will not engage in ECAs as a part of the collection activity. If the patient accepts arbitration, the account will be held until the arbitration is resolved.

PRESUMPTIVE and PRIOR ELIGIBILITY PROCESSES

1. MHS shall make reasonable efforts to determine the financial assistance available if the patient has been determined to qualify for financial assistance under the presumptive eligibility process outlined in the MHS Financial Assistance Policy or if the patient qualifies under eligibility determinations. Otherwise, the Notification Process below should be followed to establish reasonable efforts.
2. For any eligibility determination made under this Policy, if the patient did not qualify for the most generous assistance available (financially indigent), then the patient shall be notified of ways to qualify as financially indigent and be given reasonable amount of time to apply before being sent to a collection agency.

PATIENT NOTIFICATION PROCESS

1. Once a patient account balance is established, MHS will send the first post-discharge billing statement requesting payment for services provided. After sending the initial post-discharge statement, MHS will send at least one additional statement over a 120 day period. Each post-discharge billing statement will notify the patient that financial assistance is available for eligible individuals.
2. The plain language summary informing the patient about the MHS Financial Assistance Policy is provided in the final post-discharge billing statement. This statement will also notify the patient that the account will be assigned to a collection agency. MHS will not engage in ECAs as a part of the collection activity. The final post-discharge statement will be provided to the patient at least 30 days prior to MHS initiating bad debt collection activities.

3. In the event MHS merges multiple outstanding bills for patient care, the first post-discharge billing statement will be defined by the most recent patient care episode.
4. MHS may place phone calls to patients asking for payment in full. Each time the patient is called the patient may be informed of the MHS Financial Assistance Policy and how to apply. If payment in full is not possible and the patient does not qualify for financial assistance, then a payment plan may be offered. At least 30 days prior to initiating bad debt collections, MHS will make a reasonable effort to orally notify the individual about the MHS financial assistance policy and how to obtain assistance with the application process.
5. MHS may enter into a debt sale if there is a legally binding written agreement with the purchaser of the debt and the following three 501(r) elements are met:
    a. The purchaser must agree not to engage in any ECA to obtain payment of the debt.
    b. The purchaser must agree not to charge interest on the debt.
    c. The debt must be returnable to or recallable by MHS upon determination by MHS or the purchaser that the individual is eligible for Financial Assistance.
    d. If the individual is determined to be FAP-eligible and the debt is not returned to or recalled by the hospital facility, the purchaser must adhere to procedures specified in the agreement. The agreement must ensure that the individual does not pay, and has no obligation to pay, the debt purchaser and the hospital facility together more than he or she is personally responsible for paying as a FAP-eligible individual.
6. MHS may file a "lien" against any potential third party proceeds or coverage paid by a third party in cases where services were provided as a result of an accident in which a third party may be liable. MHS will not file any liens directly against any patient or their property.
7. In cases where a patient submits an incomplete financial assistance application, MHS will notify the individual about how to complete the financial assistance application. If an individual submits an incomplete financial assistance application during the first 240 days beginning from the first post-discharge billing statement, MHS will suspend collection activities that are in place and provide the patient with a written notice that describes the additional information and/or documentation needed to finalize the financial assistance application including appropriate MHS contact information.
8. MHS will accept complete financial assistance applications, process, and qualify individuals as appropriate for financial assistance throughout the billing and collection efforts up to 240 days from the first post-discharge billing statement.
9. Complete financial assistance applications received during the first 240 days beginning from the first post-discharge billing statement will initiate the suspension of any collection activities that are in place while MHS makes a determination as to whether the patient is eligible for financial assistance. Once the determination is made on eligibility MHS will notify the patient in writing of the determination and the reason for the determination. Any payments made prior to the application approval will not be refunded.
10. If the patient is determined to be eligible for assistance at less than 100% of the amount owed, MHS will provide the patient with a billing statement that indicates the amount the individual owes after the partial financial assistance adjustment is applied. This statement will include how the patient may receive information regarding the financial assistance process or the applied adjustment.

11. Once eligibility for financial assistance is determined, MHS will take reasonably available measures to stop collection activity against the individual to obtain payment for care.
12. A financial assistance classification may be recommended by the MHS Director of Patient Accounts or Director of Patient Access and will be approved by the VP of Central Billing Office or the SVP of Revenue Cycle.
13. A written copy of this Billing and Collection Policy as well as the MHS Financial Assistance Policy, the summary FAP and the Application for FAP can be obtained by downloading it from the MHS website at: https://www.methodisthealthsystem.org/patients-visitors/financial-assistance/ or in person at 4040 North Central Expressway, Dallas, TX 75204 or calling 214-947-6300 or toll free 866-364-9344.
14. Methodist Hospitals of Dallas d/b/a Methodist Health System (MHS) adopts the billing and collection policy and procedure for, d/b/a Methodist Charlton Medical Center (MCMC), d/b/a Methodist Dallas Medical Center (MDMC), d/b/a Methodist Mansfield Medical Center (MMMC), d/b/a Methodist Midlothian Medical Center (MLMC), d/b/a Methodist Richardson Medical Center (MRMC), and d/b/a Methodist Southlake Medical Center (MSMC).

DEFINITIONS:

Extraordinary Collection Actions (ECAs) include the following:

1. Sale of an individual's debt where 501(r) guidelines are not met for the sale of a debt (see item #5 above for details when a debt sale would not be considered a debt sale) .

2. Reporting information regarding an individual to consumer credit reporting agencies or credit bureaus

3. Deferring or denying medically emergent care because of non-payment of current or previous bills

4. Actions that require a legal or judicial process, such as: liens on individual property, foreclosure on real property, seizure of a bank account or personal property, civil court actions, arrest, or garnishment.

This does not include liens placed on proceeds of a judgment, settlement, or compromise owed to an individual receiving health care services due to personal injury.

RELATED DOCUMENTS

Discount to the Uninsured-MHS Policy Fin008

Financial Assistance Policy-MHS Policy Fin006

Emergency Medical Treatment and Labor Evaluation- MHS Policy PC033

The office responsible for this policy is the Corporate Finance Office. Questions about this Memorandum or suggestions for improvement should be directed to the MHS Executive Vice-President/Chief Financial Officer.