ADM1.1.91 - Patient Financial Services – Hospital Financial Assistance, Billing & Collection

Dates Previously Reviewed/Revised: N/A **Newly Reviewed By:** F&A 9/2012, BOT 9/2012, HPRC 1/2015, BOT 6/2019 **Approval Date:** 6/2019 **Effective Date:** 7/2019	**Owner:** Director, Patient Financial Services
Approver Title: Chief Financial Officer On file _____ Approval Signature	

Scope: This policy applies to hospital services provided at Anne Arundel Medical Center (hospital) and Pathways only. Other providers, including all physicians who deliver emergency and medically necessary care at AAMC, are not covered by this policy.

Policy Statement: To promote access to all for medically necessary services regardless of an individual's ability to pay, to provide a method of documenting uncompensated care and to ensure fair treatment of all applicants and applications.

Purpose:

- To assure the hospital communicates patient responsibility amounts in a fair and consistent manner.
- To provide opportunity to resolve questions regarding charges or insurance benefits paid.
- To assure the hospital meets the requirements of Maryland standards for hospital billing and collection practices.
- To provide opportunity to resolve questions regarding charges or insurance benefits paid.
- To define the hospital's decision-making process for referral for collection or legal action.
- To assure the hospital meets the requirements of Maryland standards for hospital billing and collection practices.

Definitions: None

Policy/Procedure:

Hospital Financial Assistance Communications:

- The Financial Assistance Signage is conspicuously displayed in English & Spanish in the Emergency Department, Cashiering & Financial Counseling.
- Financial Assistance Policy as well as a printable Uniform Financial Assistance application is posted on the AAMC website.
- The Financial Assistance Policy is included in each patient guide located in the inpatient rooms.

- Registration staff and Financial Coordinators are trained on how to refer patients for financial assistance.

- The financial assistance application is available at all registration points – but in particular the Emergency Department.

- A brochure "What you need to know About Paying for Your Health Services" is available at every patient access point. The brochure was developed by Patient Financial Services with guidance from Public Relations. This brochure includes information regarding financial assistance/contact points and is available in English/Spanish. Also, it is posted on AAMC's website.

- It is mandatory that all inpatients receive the "What you need to know about paying for your health services" brochure as part of the admission packet.

- Informational "business cards" are available through the patient access/registration staff to provide to the uninsured or any individual concerned about paying their hospital bill directing them to the hospital Financial Counseling office for assistance.

- Hospital Patient Financial Service staff receive extensive training on the revenue cycle and are incentivized to obtain AAHAM Technical (CRCS) certification to demonstrate their expertise in billing and revenue cycle requirements.

Financial Assistance:

- A patient's payment for reduced-cost care shall not exceed the amount generally billed (AGB) as determined by the Health Services Cost Review Commission's (HSCRC) approved rates.

- PROVIDERS NOT COVERED BY FINANCIAL ASSISTANCE POLICY
  Unless otherwise specified, the Anne Arundel Medical Center Financial Assistance Policy does not apply to physicians or certain other medical providers who care for you while you are in the hospital. This includes emergency room doctors, anesthesiologists, radiologists, hospitalists, pathologists, and other providers. These doctors will bill you separately from the hospital bill. This policy does not create an obligation for the hospital to pay for the services of these physicians or other medical providers. The public may obtain a copy of this list by printing from the link below or contacting the AAMC Financial Counseling office.
  Providers excluded from the Anne Arundel Medical Center Financial Assistance policy (PDF)

- PROVIDERS COVERED BY FINANCIAL ASSISTANCE POLICY
  This policy applies to services provided by Anne Arundel Medical Center (facility charges) only. Medical professionals who care for you in the hospital will bill you separately for their services (professional charges). Each of these medical professionals has their own policy and their bills are not covered by this Financial Assistance Policy.

- Patients may apply for Financial Assistance by the methods listed below.

    - By calling AAMC at 443-481-6500
    - Patients may apply in person at the Financial Advocacy Office which is located in the Ambulatory Care Pavilion on the first floor of AAMC's main campus between 8:30 a.m. and 4:00 p.m., Monday through Friday
    - The Financial Advocacy Office will mail a free copy of AAMC's financial assistance policy and financial assistance application to any patient who requests those documents
    - Patients may apply on the internet at:
      https://www.aahs.org/uploadedFiles/Contents/Hot_Documents/Maryland-State-Uniform-Financial-Assistance-Application.pdf
    - Applications are available in English and en Español

- Determination of Probable Eligibility: Within two business days following a patient's request for financial assistance, application for medical assistance, or both, the hospital must make a determination of probable eligibility.

- Once a request for financial assistance has been approved, dates of service twelve months before the approval and twelve months after the approval shall be included in the adjustment. Service dates outside this twenty-four-month window may be included if approved by a Supervisor, Manager, or Director of the Patient Financial Services Department.

- AAMC provides 100% financial assistance to individuals with household income at or below 200% of the US Poverty guideline but deemed ineligible for any County, State or Federal Medicaid or other funding program.

- AAMC provides 100% financial assistance to individuals enrolled in a means-tested State or Local program. Patients who provide proof of enrollment in one of these programs do not have to complete an application or submit supporting documentation of income to be approved for financial assistance.

- A patient that has qualified for Medical Assistance (Medicaid) is deemed to automatically qualify for financial assistance under this policy. The amount due from a patient on these accounts may be written off to financial assistance with verification of Medicaid eligibility. Standard documentation requirements are waived.

- AAMC provides a sliding fee scale for individuals with household income at or below 330% of the US poverty guideline but deemed ineligible for any County, State or Federal Medicaid or other funding program. The sliding scale provides 80% financial assistance to individuals up to 230% of the poverty guideline; 60% financial assistance to individuals up to 260%; 40% financial assistance to individuals up to 300%; and 20% financial assistance to individuals up to 330%.

- AAMC provides financial assistance not only to the uninsured but to patients with a demonstrated inability to pay their deductibles, copayments and balance after insurance.

- Patients who own liquid assets in excess of $30,000 are not eligible for financial assistance.

- The Medical Center excludes assets such as:

    - Equity in the patient's primary residence
    - The first $15,000 of monetary assets
    - The value of transportation necessary to generate an income
    - Certain retirement benefits such as a 401k where the IRS has granted preferential tax treatment as a retirement account including but not limited to deferred-compensation plans qualified under the Internal Revenue Code, or nonqualified deferred-compensation plans where the patient would pay taxes and/or penalties by cashing in the benefit

- Patients who chose to become voluntary self pay patients do not qualify for Financial Assistance for the amount owed on any account where they have elected to be self-pay.

- For all income levels, AAMC will consider special circumstances such as the amount of the bill compared to income and cumulative impact of all medical bills from Anne Arundel Medical Center. The guidelines in Maryland regulation regarding financial hardship will be followed to determine if a special circumstance is valid.

- AAMC developed an initiative with the Anne Arundel (AA) County Department of Health to help provide free prenatal diagnostic testing for uninsured unregistered immigrants. These individuals are not eligible for any Medicaid program.

- AAMC participates with an AA County specific program (REACH) administered through the AA County Department of Health to provide free care to low income uninsured or under-insured individuals (below 200% of the US Poverty Guideline). These individuals come to AAMC on an elective basis and are prescreened by the local Department of Social Services.

- Diagnostic and Treatment services are provided free of charge to referrals from the AAMC Outreach Free Clinic initiative located in downtown Annapolis.

- Payment plans are interest-free. Payment plans greater than four months will be handled by an external vendor.

Billing:

Patient Statement of Charges:

- A Summary Bill of charges, formally referred to as the Uniform Summary Bill is mailed to every inpatient within 15 days of discharge from the hospital. This contains information on the insurance company billed as well as how to contact the Patient Financial Services office for questions or assistance.

- Uninsured patients receive this Summary as well.

- Each bill for outpatient services includes detail charge information on the first request for payment.

- At any time, the patient may request a copy of their detailed itemized bill.

- The HSCRC required Patient Billing Information sheet data is printed on the Uniform Summary Bill and the back of all patient billing statements.

- A representative list of services and charges is available to the public on the hospital's website and in written form. The website will be updated quarterly with the most recent average charge per case for each of the services.

- Requests and inquires for current charges for specific procedures/services will be directed to the ACP Financial Coordinator or if applicable the specific department Financial Coordinator. The Coordinator will communicate with the patient and the patient's provider of care to provide the best possible estimate of charges. Using the CPT code, service description and/or other supply/hospitalization time charge estimates are based on, a) review of the charge master for the CPT code/service description, and/or b) review of cost of similar surgical procedures/treatments/hospital stays. The patient will be informed cost quotes are estimates and could vary based on the actual procedure(s) performed, supplies used, hospital stay/OR time & changes in HSCRC rates. If the Coordinator requires guidance or additional information to provide the estimate, he/she will contact the Reimbursement Department. Every effort will be made to respond to the request for charges within 2 business days depending on information needed to fulfill the patient's request.

Patient Balance Billing:

- From the point in which it is known that the patient has a balance for which they are responsible the hospital begins billing the patient to request payment.

- Each patient receives a minimum of 3 requests for payment over a 90-day period.

- Each patient bill includes contact information for financial assistance and states where to call to request a payment plan.

- Each bill informs the patient they may receive bills from physicians or other professionals.

- Short- and Long-term interest free payment plans are available. The hospital considers the balance of the bill and the patient's financial circumstances in determining the appropriate agreement.

- Should the patient contact Patient Financial Services Customer Service unit regarding inability to pay – financial assistance is offered, and the financial assistance screening process begins.

Collection Agency process:

- If there is no indication from the patient or a representative that they cannot pay and no attempt at payment or reasonable payment arrangements is made, the account is referred to a collection agency.

- The collection agency referral would typically occur between 90 – 110 days from the first request to the patient to pay assuming the patient made no attempt to work out payment arrangements or indicated financial need.

- The final statement to the patient communicates the account will be referred to an external agency if the balance is not satisfied.

Collections:

- The Director of Patient Financial Services oversees the hospital's business relationship with the Collection Agency. The Patient Financial Services Department is responsible for determining that reasonable efforts have been made to determine whether an individual is eligible for financial assistance before initiating extraordinary collection actions (ECAs).

Extraordinary Collection Actions (ECAs)	AAMC Permits
Selling an individual's debt to another party	
Reporting adverse information about an individual to credit agencies	
Deferring, or denying, or requiring a payment before providing medically necessary care because of non-payment of one or more bills for previously provided care	
Placing a lien on an individual's property (not executed unless the property is sold)	✓
Foreclosing on an individual's real property	
Attaching or seizing an individual's bank account or other personal property	
Commencing a civil action against an individual	✓
Causing an individual's arrest	
Causing an individual to be subject to a writ of body attachment	
Garnishing an individual's wages	✓

- If a financial assistance application is received within 240 days of the first post-discharge billing statement, and the account is with a collection agency, the agency will be notified to suspend all ECAs until the application and all appeal rights have been processed.

- AAMC does not utilize a credit reporting bureau.

- AAMC does not charge interest to patients.

- The collection agency performs a financial checkpoint before taking the next step to legal action including potential eligibility for financial assistance under this policy.

- AAMC staff reviews each case before being referred for legal action.
- The collection agency is educated on how to make referrals to AAMC's financial counseling department for individuals indicating they have an inability to pay.
- The collection agency will establish payment arrangements in compliance with AAMC's interest free commitment.
- As a last resort, AAMC will file suit for collection of debts.
- If the court makes judgment in the hospitals favor – a formal legal credit mark referred to as a "judgment" is placed on an individual's credit and remains intact for 10 years. Once the full payment is made the patient may request that the judgment reflects as satisfied on the credit rating.
- AAMC will file suit against estates and in some cases, when appropriate, trust funds.
- AAMC does actively enforce a lien against an individual's primary home.

References: Patient Protection and Affordable Care Act statutory section 501 (r)
IRS Notice 2015-46
Department of Treasury, Internal Revenue Service, Additional Requirements for Charitable Hospitals; Volume 77, No. 123, Part II, 26 CFR, Part 1

Cross References: None