



SOUTH CENTRAL REGIONAL MEDICAL CENTER

South Central Regional Medical Center Billing and Collections Policy

Purpose:

This policy is intended to set forth the actions that may be taken in the event of nonpayment by patients of South Central Regional Medical Center (“SCRMC”).

Definitions:

Amounts Generally Billed (“AGB”): For purposes of patients eligible for financial assistance, “AGB” means SCRMC’s gross charges for care provided to the patient multiplied by a percentage of gross charges (“AGB Percentage”). Using the “lookback method,” SCRMC calculates these AGB Percentages by dividing the sum of all claims for emergency and other medical necessary care allowed by Medicaid, Medicare fee-for-service, and all private health insurers paying claims to the SCRMC during the prior 12-month period by the sum of the Associated Gross Charges for those claims. Discounts will be taken off the AGB. For more information, contact Patient Accounts at (601) 399-6103 or (601) 399-6104.

Extraordinary Collection Actions (“ECA”): ECAs are, as defined in 26 C.F.R. 1-501(r)-(6), the following actions taken by a hospital against an individual to obtain payment of a bill for care covered under a hospital’s FAP:

- (1) Selling an individual’s debt to another party unless, prior to the sale, the hospital entered into a legally binding written agreement with the debt purchaser, and the debt purchaser is prohibited from (a) engaging in any ECAs to obtain payment for care, and (b) charging interest on the debt in excess of the rate allowed under Internal Revenue Code § 6621(a)(2) at the time the debt is sold. The debt must also be returnable or recallable to the hospital upon a determination that an individual is eligible for financial assistance. If the individual is not eligible and the debt is not returned or recalled, the purchaser must adhere to procedures in the agreement that ensure that the individual does not pay and has no obligation to pay the debt purchaser and hospital more than he/she is personally responsible for paying as a FAP-eligible individual.
- (2) Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
- (3) Deferring or denying, or requiring payment before providing, medically necessary care due to an individual’s nonpayment of one or more bills for previously provided care covered under the hospital’s FAP.
- (4) Actions that require a legal or judicial process. This may include placing a lien on an individual’s property, except for liens that a hospital is entitled to assert under state law on the proceeds of a



SOUTH CENTRAL REGIONAL MEDICAL CENTER

judgment, settlement, or compromise owed to an individual as a result of his/her personal injury action. This may also include foreclosure on an individual's real estate property, attaching/seizing an individual's bank account or personal property, commencing a civil against the individual, causing an individual's arrest, causing an individual to be subject to a writ of body attachment, or garnishing an individual's wages.

Procedure:

Payments are expected at the time of service. SCRMC will ask for any estimated amounts due during the registration process. Anyone presenting to the Emergency Department will be seen with an emergency medical screening performed. If a determination is made that no emergency exists, the patient will be asked to pay their co-pay/coinsurance prior to further treatment. If a true emergency exists, then financial arrangements with the family or patient will be made once the emergency condition has been stabilized and before the patient is discharged.

If the patient or responsible party is not able to pay the estimated amount due, then the following payment arrangements may be made:

(1) **Payment Agreement:** If the balance due cannot be paid during the pre-registration and/or registration process, then a payment agreement may be made but not to extend beyond 6 months if the amount due is not over \$300.00. A minimum monthly payment will be required on all accounts. Insurance will be filed on behalf of the patient only if the assignment of benefits is signed and the information is given within the timely filing requirements. If the patient is on an installment payment plan and they anticipate missing a payment, the patient should notify the Patient Accounts Office in advance, and the payment should be made up no later than the following month. The collectors in the Patient Accounts Department may contact patient by mail, phone, or email if payment is not made or is less than the scheduled amount. Phone contact will be attempted on balances greater than \$25.00. Anyone failing to meet the terms of their installment agreement will be turned over to collections.

(2) **Financial Assistance Program (Charity):** Patients will also be offered a plain language summary of the FAP during registration. Any patient with no means of making monthly payments will be given the opportunity to complete a Financial Assistance Policy application and furnish all required documentation before the application will be processed. Patients completing the application will be put on a charity hold until the application is approved or denied. (See separate Financial Assistance Policy.)

Patients' claims are billed to applicable third party payors. Patient statements are mailed, on average, 30 days from the date of service. Following the initial statement, subsequent statements are mailed to patients every 30 days. Billing statements from SCRMC will notify recipients of the FAP and provide contact information for the



SOUTH CENTRAL REGIONAL MEDICAL CENTER

Patient Accounts Department as well as SCRMC's website where a copy of the FAP, FAP application, and plain language summary of FAP may be obtained.

Patients who do not have insurance will be given an uninsured discount equivalent to the discount given to third party insurers, an amount that is no greater than the AGB. These patients may also qualify for additional assistance under the FAP.

Collections:

For a patient whose balance remains unpaid after 30 days, SCRMC will attempt to contact the patient to determine eligibility for, and interest in, the FAP application. At the patient's request, SCRMC will provide information, once more, on FAP application and will either mail, free of charge, a copy of the FAP, plain language summary of the FAP, and an FAP application to the patient or direct the patient to SCRMC website where this information may be obtained. If, after 120 days since patient's first post-discharge statement, patient still has a balance and has not submitted an FAP application, balances that remain unpaid (i.e., bad debt) may be referred to an outside collection agency that will complete the collection process per the terms set forth in its contract with SCRMC. Outside collection agency processes may include further billing statements as well as telephone calls. Outside collection agencies will be made aware of SCRMC's FAP, including a patient's ability to apply for FAP up to 240 total days after his/her first post-discharge statement. If at any point an FAP application is received, ECAs on the patient's unpaid balances will cease until a determination is made regarding eligibility for financial assistance with notification of same provided in writing to the patient.

In the event that outside collection activities are not productive, the outside collection agency may begin taking ECAs, including reporting unpaid balances to consumer credit reporting agencies or credit bureaus. Other ECAs may be taken upon approval by the Chief Financial Officer. If all collection activities are exhausted without payment, then accounts may be written to bad debt as set forth below. **ECAs will not be taken until the patient: (1) has been given a 30-day notice regarding the FAP, (2) has been notified of the ECAs that may be taken by SCRMC to obtain payment and the deadline after which ECAs may begin, (3) has been provided a plain language summary of the FAP, and (4) SCRMC has attempted to orally notify the patient about the FAP and how to obtain assistance with the FAP application.**

No waivers of the FAP policies by the patient will be accepted by SCRMC. The FAP, FAP application, and a plain language summary of the FAP are available on SCRMC's website at www.scrmc.com, and paper copies may be obtained free of charge in the Emergency Department or Admissions Department (at SCRMC) or in the Patient Accounts Department (at South Central Place). Patients may also request a copy of these documents to be mailed, free of charge, by contacting Patient Accounts at (601) 399-6103 or (601) 399-6104.